



# Visalia City Council Agenda

For the regular meeting of: Monday, March 7, 2005

Location: City Hall Council Chambers

Mayor: Bob Link  
Vice Mayor: Jesus J. Gamboa  
Council Member: Walter T. Deissler  
Council Member: Greg Kirkpatrick  
Council Member: Donald K. Landers

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All items listed under the Consent Calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion on any item on the Consent Calendar, please contact the City Clerk who will then request that Council make the item part of the regular agenda.

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## **WORK SESSION AND ACTION ITEMS (as described)**

**4:00 p.m.**

1. Read Now, Read for Life presentation by Joy Sakai (5 minutes.)
2. Champions for Youth Foundation presentation by Frank Escobar, Jr. (5 minutes.)
3. Update on Community Sports Park Project and authorization to enter into an agreement with the Park and Recreation Foundation and Leathers Associates to develop a second playground at the sports park.
4. Discussion of issues related to potential regulations and standards for large single tenant commercial buildings ("Big Box") with the Development Standards Task Force.
5. Report from the task force on options for Visalia City Council meeting locations and authorization to spend \$20,000 in upgrades to the City Council Chambers.
6. FY 2004/05 mid-year financial evaluation of the City's General Fund, Measure T Fund and Enterprise Funds; and preliminary General Fund projections for FY 2005/06 with recommended actions. **Resolution 2005-31 required.**

## **ITEMS OF INTEREST**

### **CLOSED SESSION**

**6:00 p.m. (Or, immediately following Work Session)**

7. Conference with Legal Counsel - Anticipated Litigation (2 items)  
(Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 GC)

8. Conference with Real Property Negotiators  
Property: APN 098-07-031, 22 and 14 at 321 North Lovers Lane  
Under Negotiation: Price, terms, conditions of sale  
Negotiators: Steve Salomon, Don Stone, Mark Fulmer, VUSD
  
9. Conference with Real Property Negotiators  
Property: bounded by W. Acequia, S. Conyer, W. Mineral King and S. Stevenson Street  
Under Negotiation: Price, terms and conditions for consideration in a purchase and sale agreement  
Negotiators: Steve Salomon, Michael Olmos, Bob Nance and George Ouzounian of Ouzounian Properties of Visalia
  
10. Conference with Real Property Negotiators  
Property: located between State Highway 198 and the Hillsdale Avenue alignment, from Shirk Road to a point approximately 3, 100 feet to the east  
Under Negotiation: Price, terms, conditions of purchase  
Negotiators: Steve Salomon, Michael Olmos, Vince Elizondo, Sam & Marlene Sciacca, Doyle & Wanda Ritchie, and H.A. Kaprelian Farming Co.

## **REGULAR SESSION**

**7:00 p.m.**

## **PLEDGE OF ALLEGIANCE**

**Moment of Silence In Memory of Manuel Hernandez**

**INVOCATION** - Mark Wilson, Pastor - Sierra Baptist Church

## **SPECIAL PRESENTATIONS/RECOGNITION**

**CITIZENS REQUESTS** - This is the time for members of the public to comment on any matter within the jurisdiction of the Visalia City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item for discussion purposes. Comments related to Regular or Public Hearing Items listed on this agenda will be heard at the time the item is discussed or at the time the Public Hearing is opened for comment. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight. In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (speaker 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 address.

**--Convene jointly as the Redevelopment Agency Board and the Visalia City Council**

**11. CONSENT CALENDAR – REDEVELOPMENT AGENCY BOARD & VISALIA CITY COUNCIL**

- a) Approval and authorization to enter into biennial loan agreements between the Community Redevelopment Agency of the City of Visalia and the City of Visalia for administrative expenses. **Agency Resolution 2005-02 and City of Visalia Resolution 2005-32 required.**

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

**CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION**

- 12. CONSENT CALENDAR - Consent Calendar items are considered routine and will be enacted by a single vote of the Council with no discussion. For a Consent Calendar item to be discussed, or voted upon individually, it must be removed at the request of the Council.

- a) Authorization to read ordinances by title only.
- b) Authorize Staff to pursue an Advance Refunding of the 1996 Convention Center bonds and utilize \$3.5 million of General Fund undesignated reserves and \$1.5 million of Sports Park reserves, which would be replaced by \$1.5 million of VLF Gap financing, to pay down the debt.
- c) Authorization for a letter of support for Assembly bill 31 (Parra) to establish a Central Valley Economic Development Task Force to bring resources of the State to the aid of the economically distress Central San Joaquin Valley be sent to Governor Schwarzenegger, Assembly Member Bill Maze and Senator Roy Ashburn.
- d) Authorization for the City Manager to enter into a two-year lease option agreement between the City of Visalia and Top of the Third, Inc. for Professional Baseball at Recreation Park Stadium and approve advancing \$250,000 to the Recreation Park Stadium reserves for the construction of the new clubhouse at Recreation Stadium.
- e) Authorization to appropriate asset forfeiture funds and authorize the purchase of an infrared (IR) camera for the Bomb Squad Mk II Robot in the amount of \$1,015.00.
- f) Request authorization to file a Notice of Completion for the following:
  - 1. Project No. 4311-720000-0-0-9457-2005 the Pinkham Street Island Annexation, Area 15 Sanitary Sewer Improvements.
  - 2. Taxiway and T-Hangar construction, Parking lot rehabilitation and related projects at the Visalia Municipal Airport; Project numbers 4011-72-0-0-9310-2000, 4011-72-0-0-9312-2000, 4011-72-0-0-9246-2000, 4011-72-0-0-9446-2001, 4011-72-0-0-9447-2001 & 4011-72-0-0-9450-2002, corresponding to FAA AIP Project numbers 3-06-0271-14, 15, 17 & 19.

- g) Approve the recommendation by the Parks and Recreation Commission to establish the name of "Cherry Meadow Park" for the new neighborhood park site at Pinkham and Cherry Streets.
- h) Authorization for the Formation, Annexation, or Amendment of the following Landscape and Lighting District(s), and authorization *for the Recordation of* the final map(s) related thereto (if applicable):
  - 1. Record the final map of Sunrise Park Subdivision (19 lots), located at the southwest corner of Pinkham St. and "K" Ave. and the formation of Landscape and Lighting District No. 05-02, Sunrise Park Subdivision APN: 126-012-004. **Resolution 2005-33 and 2005-34 required.**
  - 2. Formation of 54 lots in Rancho Santa Fe Phase 1 Subdivision into Landscape and Lighting District No. 05-04, Rancho Santa Fe. **Resolution 2005-35 and 2005-36 required.**

*At the request of staff Item 13 to be continued to April 4, 2005 (Motion required.)*

- 13. PUBLIC HEARING - Density Bonus Development Agreement 2005-01: A request by Bill Morgan for a 30% (37 units) Density Bonus above the 123 multi-family units allowed on the southwest corner of Lovers Lane and K Road (APN: 126-120-028, 029). The development will consist of 160 multi-family units on 8.5 acres. The Density Bonus will provide 27 affordable units to Lower Income families for a 10 year period. **(No written material for this item.)**

- 14. CONTINUED PUBLIC HEARING - (Item continued from February 7, 2005)

Adoption of **Resolution 2005-10**, ordering the vacation of the north 2.25 feet of W. Acequia mid-block, between Floral and Locust St.

- 15. PUBLIC HEARING - **Introduction of Ordinance 2005-04** establishing the General Government Facilities Impact Fees, and approve such fees. The impact fees would become effective 60 days after the date of adoption.

**- Adjourn as the Visalia City Council and Convene as the Redevelopment Agency Board**

- 16. PUBLIC HEARING - and recommendation of approval of the Implementation Plan of the Community Redevelopment Agency of the City of Visalia.

**- Adjourn as the Redevelopment Agency Board and Reconvene as the Visalia City Council**

**REPORT ON ACTIONS TAKEN IN CLOSED SESSION**

**REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS**

**Upcoming Council Meetings**

Monday, March 21, 2005 (Meeting will begin at 7 p.m. - no work or closed session to be held)

Monday, March 28, 2005 (Special Visalia City Council Meeting & Special Joint Meeting the Kaweah Delta Hospital Board- Cypress Cancer/Lifestyle Center)

Monday, April 4, 2005

Work Session 4:00 p.m.

Regular Session 7:00 p.m.

City Hall Council Chambers

707 West Acequia Avenue

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.

## City of Visalia Agenda Item Transmittal

**Meeting Date:** February 22, 2005

**Agenda Item Number (Assigned by City Clerk):** 1

**Agenda Item Wording:** Information regarding the Read for Life Program and the upcoming reading celebration April 5 – April 9.

**Deadline for Action:** N/A

**Submitting Department:** Administration

**Contact Name and Phone Number:** Joy Sakai, Read for Life  
798-2105, Leslie Caviglia, 713-4317

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 10 min. \_\_\_\_\_

### **Department Recommendation and Summary:**

The Tulare County Read For Life organization would like Council Members to take part in the upcoming countywide reading celebration for children and families with young children April 5 – April 9. Specifically, RFL would like Council members to sign up to be celebrity readers in classrooms. While the dates and locations are still pending, the group will work with the interested Council member's individual schedules.

Board Member Joy Sakai will present information on the organization and the upcoming week-long celebration which will include local celebrities reading in classrooms, storytelling events, books for community-wide reading, a Children's Book Illustrations exhibit, art activities, contests and book give-a-ways. In addition, there will be a presentation by world-renowned brain development and childhood trauma specialist Bruce Perry. He has been featured on National Public Radio, The Today Show and The Oprah Winfrey Show. His presentation will be April 5 at the Fox Theatre. The celebration is being sponsored by First Five of Tulare County, Visalia Unified School District, Tulare Department of Education, Rita B. & Company and the Genesis Project.

Tulare County Read For Life was established in 1989 to promote reading and provide quality children's books to young families in Tulare County. In the past 15 years, the local non-profit organization has given away more than 50,000 children's books, and encouraged parents and caregivers to take an active role in children's lives by instilling a life-long interest in books and reading. Board Members in addition to Sakai include Mimi Boyd, Co-President, Rosalie Powell, Co-President, Susan Graves, Angie Rizzo, Debbie Lagomarsino, Tricia Smith, George Pilling, and Renee Whitson.

**Prior Council/Board Actions:** N/A

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

**Alternatives:**

**Attachments:**

**City Manager Recommendation:**

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

<b><i>Financial Impact</i></b>			
<b>Funding Source:</b>			
Account Number: <u>  None  </u>		(Call Finance for assistance)	
<b>Budget Recap:</b>			
Total Estimated cost: \$	New Revenue:	\$	
Amount Budgeted: \$	Lost Revenue:	\$	
New funding required:\$	New Personnel:	\$	
Council Policy Change: Yes_____	No_____		

Copies of this report have been provided to:

<b><i>Environmental Assessment Status</i></b>			
<b>CEQA Review:</b>			
Required?	Yes	No	
Review and Action:	Prior:	Required:	
<b>NEPA Review:</b>			
Required?	Yes	No	
Review and Action:	Prior:	Required:	

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**





**PRESS RELEASE**

**Date: 2/15/05**

**Adam Valencia – President  
Frank Escobar Jr. – Vice President**

**“The Remix” (H.S. Dance Club)**

**In efforts to combat the ongoing struggles with youth violence, substance abuse, and teenage pregnancy, members of the community are teaming up to launch a high school-only dance club that will provide a safe and positive environment for students to socialize every month. The partnering agencies include Champions 4 Youth (C4Y), a non-profit organization of young professionals who are committed to helping local youth and Roller Towne of Visalia who under new ownership has become very proactive in the youth community.**

**“This project is a step in providing a safe and positive environment that is free of drugs, alcohol, and gang violence and that will give our students a place to call their own,” states Adam Valencia, President of the newly formed Champions 4 Youth organization.**

**The objective of the project is two-fold. The first objective is to provide a positive safe-haven for local high school student to congregate. The second objective is to use the proceeds to provide scholarship, leadership, and mentorship opportunities for local youth.**

**Roller Towne, who operates a series of All Night Skate & Dances several times a year is familiar with the target population. Doug Niederreiter, co-owner of the facility states, “We bring in an average of 500-600 high schoolers at our All Night Skate & Dance events and to add this event will only strengthen our opportunities to provide a positive environment for them. We think this is a great opportunity to be a part of a community-wide effort to support our youth.”**

**The project will be titled “The Remix” and will be hosted by local radio station Q97. Q97 will provide a popular DJ who will play clean dance music from 9:30pm to 12:30am. The partners have consulted with local high school personnel and will be enforcing the same policies and procedures used at the local high school dances. “The youth that will attend this event will be there to have fun, dance, and socialize with their peers, but our job is to provide the safety and positive messaging,” explains Eli Gaitan, Event Committee Co-chair and C4Y member. “The music will be clean, the dancing will be supervised, but most of all other youth-serving agencies will be out volunteering their time to set up information booths to pass out educational, counseling, employment, and health information. This is proactive outreach and that’s what this is really all about.”**

**Also, this project will serve as a leadership project for various youth in the community. In addition to the Event Committee, a Youth Committee has been formed to become the driving force behind the project. Utilizing positive peer to peer influence, these youth will direct the image, entertainment, and promotions of the club and have the opportunity to work within a leadership role amongst their peers.**

**For more information on the project, contact Frank Escobar Jr., Event Committee Co-chair at 303-8590.**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 3

**Agenda Item Wording:** Update on Community Sports Park Project and authorize the City Manager to enter into a contract with the Park and Recreation Foundation and Leathers Associates to develop a community-build playground at the sports park.

**Deadline for Action:** N/A

**Submitting Department:** Park and Recreation Department

**Contact Name and Phone Number:** Don Stone, 713-4397

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.): 30

**Department Recommendation and Summary:** City staff recommends that the City Council authorize the City Manager to enter into an agreement with the Visalia Parks and Recreation Foundation and Leathers and Associates to develop a community designed and built playground at the Community Sports Park.

**Discussion:** The community sports park master plan identifies two playgrounds in the first phase. At the August 17, 2004 Sports Park Advisory Committee meeting Steve Canada, the sports park design manager, recommended that two distinctly different styles of playgrounds be developed; a traditional type and a one-of-a-kind community designed and built playground. He discussed his firm's positive experiences working with Leathers and Associates to develop playgrounds in Sacramento, Folsom, and Redding, and recommended that the City consider building a Leathers and Associates designed playground. Leathers and Associates is a family-owned business that has build over 1,600 playgrounds throughout the country. They assist communities in designing, fundraising, and building one-of-a-kind playgrounds. At the September 2<sup>nd</sup> Sport Park Advisory Committee endorsed the concept of constructing a Leathers playground at the sports park.

Staff then met with the Park and Recreation Foundation, gave a presentation on Leathers playgrounds and requested the Foundation's involvement. At the January 27, 2004 meeting, the Board agreed, in principle, to enter into an agreement with Leathers and Associates. The Visalia Parks and Recreation Foundation will serve as the fundraising and organizational body overseeing the construction of a community playground, at no cost to the City, at the designated location within the Sports Park. They will enter into a contract to hire Leathers to design and oversee construction of the playground. As part of that contract, the Foundation would be financially responsible for paying all consultant fees and raising all funds necessary for the playground equipment, materials and non-donated construction. The maximum cost of the consultants' fees is proposed to be \$32,800, which would be paid by the Foundation.

However, the Foundation has asked that the City be a party to the agreement. Specifically, the foundation proposes that the City expressly agree to allow the project to be constructed on City-owned property, to review and approve plans for the project (thereby obtaining design immunity), and to accept the project improvements as public improvements upon satisfactory completion. The Foundation's goal is to facilitate construction of the playground, at no cost to the City, without incurring long-term maintenance or legal liability for the Foundation. A draft of an agreement including the City as a party, is being prepared. Staff seeks council approval of the concept of such an agreement as outlined above, pending City Attorney, City Manager and Parks Director review.

A significant community effort will be necessary to build a Leathers playground. It includes the solicitation of \$150,000 to \$175,000 in donations of money and materials, the enlistment of volunteers skilled in construction trades, and the recruitment of hundreds of community members to construct the playground. The key to success will be the volunteer leadership that will make up the Playground Committee. In addition to Thora Guthrie, the Park and Recreation Foundation Director staff recruited several key volunteers to serve on the committee if this agreement is approved, including Molly Niederreiter who has volunteered to be the project coordinator.

**What is a Leathers Playground?** For over 30-years Leathers and Associates, a located in Ithaca, NY has worked with communities to build one-of-a-kind playgrounds that encourage the use of a child's imagination. Leather playgrounds are carefully developed, drawn, and built to meet the guidelines and standards for playground safety established by the Consumer Product Safety Commission (CPSC) and American Standards for Testing and Materials (ASTM). The designers, project managers, and construction consultants are nationally Certified Playground Safety Inspectors. Projects use the highest quality materials available. The playgrounds are built with a combination of structural plastic and plastic composite lumber. All of the hardware has high-quality exterior coatings. Safety surfacing meets ASTM standards for impact attenuation and accessibility.

Staff contacted city representatives that have worked with Leathers and Associates, including the cities of Sacramento, Folsom, and Moss Beach. All of the staff indicated that, overall, they were very satisfied with the entire process, that the Leathers-built playgrounds have become a city-wide destination for parents and children, and they are used significantly more than traditional playgrounds. They also said that Leathers playgrounds are more labor intensive to maintain (most are constructed with wood) but the community has generally assisted in the effort to maintain them by participating in an annual maintenance days. (Staff would make this part of the annual Make-A-Difference Day). All stated that they would build another if given the opportunity.

As previously stated the Foundation and the Playground Committee will be responsible to raise funds to pay Leathers and Associates and construct the playground.

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

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

#### **Alternatives:**

#### **Attachments:**

**Financial Impact**

**Funding Source:**

Account Number: 3011-720000-0-0-9141-2004

**Budget Recap:**

Total Estimated cost: \$175,000	New Revenue:	\$ 0
Amount Budgeted: \$	Lost Revenue:	\$
Est. Reimbursements \$		
New funding required:\$	New Personnel:	\$
Council Policy Change: Yes_____ No_____		

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** Move to authorize the City Manager to enter into a contract with the Park and Recreation Foundation and Leathers Associates to develop a community-build playground at the sports park where the City expressly agrees to allow the project to be constructed on City-owned property, to review and approve plans for the project (thereby obtaining design immunity), and to accept the project improvements as public improvements upon satisfactory completion and the Visalia Parks and Recreation Foundation will serve as the fundraising and organizational body overseeing the construction of a community playground, at no cost to the City, at the designated location within the Sports Park.

Copies of this report have been provided to:

**Environmental Assessment Status**

**CEQA Review:**

Required? Yes  No

Review and Action: Prior: 12/02/03 Adopted Mitigated Negative Declaration 2003-81 and approved Sports Park Master Plan

Required:

**NEPA Review:**

Required? Yes  No

Review and Action: Prior:

Required:

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2005

**Agenda Item Number :** 4

**Agenda Item Wording:** Discussion of issues related to potential regulations and standards for large single tenant commercial buildings ("Big Box") with the Development Standards Task Force.

**Deadline for Action:** None

**Submitting Department:** Community Development and Public Works Department – Planning – Development Standards Task Force

**Contact Name and Phone Number:**

Andrew J. Chamberlain 713-4003  
Mary Beatie, Consultant 739-8072 (X-307)

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.): 60

### Recommendation and Summary:

The Development Standards Task Force has prepared the attached document which reviews the potential for regulations and standards related to the development of large single tenant commercial buildings. The Task Force prioritized and discussed issues related to location, zoning, design standards and traffic. Staff would recommend that the Council provide input and direction related to the individual items in the attachment.

### Background

The related issues which the Task force is reviewing includes:

- Location and Zoning
- Traffic Circulation
- Parking Standards and Design
- Building Standards and Design
- Infrastructure
- Landscaping Standards and Design
- Stand-alone vs. Co-location
- Vacancy Off-sets

**Prior Council/Board Actions:**

The City Council appointed the Development Standards Task Force in August 2004, they are charged with discussing several specific development issues as authorized by Council and the related City policies, and making recommendations to the City Council for revisions where appropriate.

On February 7, 2005, the Task Force forwarded an Interim Urgency Ordinance, to the City Council, regarding limiting the size of new retail buildings to a maximum of 160,000 square feet under one roof. The ordinance was not supported by the necessary 4/5 vote by Council and failed on a 3-2 vote.

**Committee/Commission Review and Actions:**

None

**Alternatives:** None

**Attachments:** Task Force review of issues.

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**  
No motion required

Copies of this report have been provided to:

***Financial Impact***

**Funding Source:**  
Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue:	\$
Amount Budgeted: \$	Lost Revenue: \$	
New funding required: \$	New Personnel:	\$
Council Policy Change: Yes ___ No ___		

***Environmental Assessment Status***

**CEQA Review:**

Required? No  
Review and Action: Prior:  
Require:

**NEPA Review:**

Required? No  
Review and Action: Prior:  
Require:

**Tracking Information:**

Action dates to be determined

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**





## **MEMORANDUM**

**TO:** City Council  
**FROM:** Development Standards Task Force  
**SUBJECT:** Discussion of Big Box Development Standards  
**DATE:** Joint Work Session, Monday, March 7, 2005, 4:00PM

### **UPDATE**

At its regular meeting of February 7, 2005, the City Council considered a recommendation from the Task Force that the Council adopt an interim urgency ordinance prohibiting entitlements for retail buildings which exceed 160,000 square feet under one roof pending further study of the matter by the Task Force, pursuant to the provisions of Government Code section 65858. The interim urgency ordinance proposal failed on a 3-2 vote at that Council meeting (a 4/5 vote was required.). Following its vote, Council directed Staff to arrange a joint meeting between the Council and the Task Force during a Council afternoon Work Session on March 7, 2005 to discuss further issues related to regulation of large retail commercial businesses.

The following are the primary issues identified by the Task Force related to development of large retail commercial buildings in Visalia. They are shown in order of ranked priority as determined by the Task Force

1. Location /Zoning
2. Traffic Circulation
3. Parking Standards & Design
4. Building Standards & Design
5. Infrastructure
6. Landscaping Standards & Design
7. Stand-alone vs. co-locating
8. Vacancy off-sets
9. Economic Diversification (*this was identified initially but later determined by the Task Force to be so market driven as to not require further regulation or controls*)

### **RECOMMENDATION**

The Task Force has conducted substantial discussions regarding all the above-listed issues. The Task Force's most essential conclusion regarding "big-box" development is that it really doesn't matter how big the use is, so long as it is in a location that can accommodate resulting traffic/circulation and parking needs and providing it "looks good.". Toward this end the following items are recommended by the Task Force as essential criteria or standards for establishment of large retail businesses in Visalia.

- 1.) No type of out-right prohibition of “large” retail commercial businesses be considered.

*This recommendation reflects the Task Force’s essential belief that the City should forego the establishment of a limit or “cap” on building square footage or floor area in favor of location criteria and development standards that address the aesthetic affect and functional operation of the site layout and building design of larger retail commercial developments.*

- 2.) In the CR Regional Commercial Zone, no distinction be made whether a proposed retail commercial business that exceeds 100,000 square feet of total floor area is “regional” or not.

*This recommendation reflects the Task Force belief that at some point in the future a large retail commercial use that is not strictly “regional” in nature (as that term is currently defined in General Plan/Zoning policy and purpose statements) may be best suited for a location along Mooney Blvd., the current location of the Regional Retail Commercial zoning, rather than in other zones distributed around the community.*

- 3.) In the Regional Retail (CR), Community Commercial(CCM) and Commercial Shopping/Office (CSO) zones, retail commercial businesses which exceed 100,000 sq. ft. should meet the following minimum location, traffic/circulation, aesthetic and zoning criteria:

- The site is located on a corner of an arterial/arterial intersection or on a corner of an arterial/collector intersection. *The Task Force felt traffic and circulation concerns were two of the bigger issues related to citing of big-box development, in compliance with the General Plan. The issue of “frontage on” or “access to” these specified road frontages may need to be clarified.*
- A conditional use permit be required where the site is not at a corner of arterial/arterial or arterial/collector intersections. *This reflects the Task Force belief that there should be some flexibility for large retail commercial uses to establish with only site plan review and a building permit, providing the necessary infrastructure to accommodate resulting traffic is in place or planned for. Other sites that cannot meet this performance standard would be subject to conditional use permit, so as to afford an opportunity for the City to consider or establish mitigating requirements.*
- In the CCM (Community Commercial) and CSO (Community Shopping/Office) zone districts larger retail commercial businesses (exceeding specified square footage thresholds) will be required to “co-locate” with other secondary retail uses, in order that opportunities to minimize the effect of bulk and mass of what would otherwise be a “stand alone” use with a parking field and opportunities for shared parking, etc. can be achieved. The co-location requirement would be based upon a sliding scale for percentage of floor area of the primary use to floor area of satellite or secondary retail uses. *If Council is agreeable in concept to this approach the Task Force would want to take additional time to work out co-location standards for later presentation to the Council.*

4.) Where a proposed retail commercial development will exceed 50,000 square feet of total floor area (even with multiple tenants) in any commercial zone, the proposal will be subject to development standards related to the following (specific standards still to be determined), unless there is a design package already in place on a site through a previously adopted Specific Plan, Planned Development, or Development Agreement:

- Parking Standards & Design }
- Building Standards & Design } *specific standards still to be determined*
- Landscaping Standards & Design }

5.) Regarding Infrastructure, the Task Force concluded this issue is a self-limiting determination for the size and location of any retail development proposal, and establishing standards beyond those practically needed to support a development proposal would be irrelevant. *The Task Force felt the adopted General Plan and Sewer and Stormwater Master Plans adequately deal with this issue.*

6.) With respect Vacancy of big box stores, the Task Force believes the City Attorney should be asked to research and present a range of legal options that might be available to establish some type or types of vacancy/re-leasing procedures or requirements to address two primary circumstances:

- when the retailer has been leasing its store space from another land lord, and
- when the retailer has owned its store space.

*(See attached pages for background information excerpted from the General Plan and Zoning Code.)*

## **COMMERCIAL LAND USE POLICIES AND ZONING REGULATIONS** (Summary)

The City utilizes several distinct zoning districts for various types of commercial land uses. These zone districts are derived from the Land Use Element of the City's General Plan (GP), primarily the implementation policies in Part 3.5 for Commercial Land Development and Land Use captured under Goal #3, which states: "Diversify and Improve the Visalia Planning Area's Economy". Essentially three of the eight Commercial Zone Districts include provisions that would most likely accommodate development of large retail commercial uses. These are:

- CSO, Shopping/Office Commercial (ref. 3.5.6 of Goal #3 of the GP)
- CM, Community Commercial (ref. 3.5.7 of Goal #3 of the GP)
- CR, Regional Commercial (ref. 3.5.9 of Goal #3 of the GP)

### **Commercial Land Use Policy & Zoning Code**

*(CAUTION: The following are summary excerpts only. Reader should refer to the General Plan and Zoning Code for full and complete context of these excerpts.)*

#### **1.) General Provisions:**

#### **From the General Plan:**

3.5	COMMERCIAL LAND DEVELOPMENT AND LAND USE
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Objectives
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- |    |  |
|----|--|
| A. | Maintain Visalia's role as the regional retailing center for Tulare and Kings Counties.  |
| B. | Ensure the continued viability of Visalia's existing commercial areas.   |
| C. | Promote comprehensively planned, concentric commercial areas to meet the needs of Visalia residents and its market area.   |
| D. | Create and maintain a commercial land use classification system (including location and development criteria) which is responsive to the needs of shoppers, maximizing accessibility and minimizing trip length. |
| E. | Designate appropriate and sufficient commercial land for Visalia's needs to the year 2020 with appropriate phasing.  |

Implementing Policies
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- |       |  |
|-------|--|
| 3.5.1 | Ensure that future commercial development is concentrated in shopping districts and nodes to discourage expansion of new strip commercial development.                               |
| 3.5.2 | Ensure that commercial development in residential areas serves the needs of the area and includes site development standards which minimize negative impacts on abutting properties. |

- 3.5.3 It shall be a priority of the City to develop the Ben Maddox corridor (Tulare to Houston) as an integral part of the community, including offices, commercial uses, and residences in a mixed-use development plan.
- 3.5.4 Designate land areas in 10-year increments for future commercial and office development. Commercial and office areas outside of the urban development boundary shall be designated for commercial or office "reserve". These areas are to be zoned for agriculture and may be rezoned for commercial use upon the following findings by the Planning Commission and City Council:

1. Property is necessary to meet the needs of the shopping public.
2. Property is adequately served or will be adequately served by public facilities including streets, sewerage, police and fire protection, water supply, and other facilities.
3. Properties located within the previous boundary are developed or do not provide the likelihood of being developed in a time-frame appropriate to meet the needs of the community.
4. Properties are determined to provide a significant social and economic benefit to the community.

From the Zoning Ordinance:

Commercial Zones

17.18.010 Purposes.

- A. The several types of commercial zones included in this chapter are designed to achieve the following:
1. Provide appropriate areas for various types of retail stores, offices, service establishments and wholesale businesses to be concentrated for the convenience of the public; and to be located and grouped on sites that are in logical proximity to the respective geographical areas and respective categories of patrons which they serve in a manner consistent with the general plan;
  2. Maintain the central business district (CBD - Conyer Street to Tipton and Murray Street to Mineral King Avenue including the Court-Locust corridor to the Lincoln Oval area) as Visalia's traditional, medical, professional, retail, government and cultural center;
  3. Maintain Visalia's role as the regional commercial center for Tulare, Kings and southern Fresno counties;
  4. Maintain and improve Visalia's retail base to serve the needs of local residents and encourage shoppers from outside the community;

5. Accommodate a variety of commercial activities to encourage new and existing business that will employ residents of the city and those of adjacent communities;
6. Maintain Visalia's role as the regional retail- ing center for Tulare and Kings Counties and ensure the continued viability of the existing commercial areas;
7. Maintain commercial land uses which are responsive to the needs of shoppers, maximizing accessibility and minimizing trip length;
8. Ensure compatibility with adjacent land uses.

## **2.) Shopping/Office Centers**

### From the General Plan:

3.5.7 Shopping/Office Centers for a range of neighborhood and community-level commercial and office uses. Consists of areas previously designated for local retail (C-2.5), neighborhood, community and regional commercial uses. Generally characterized as strip or linear in nature and serving a non-regional market area. General locations are:

1. Dinuba Highway, between Ferguson and Houston.
2. East side of Ben Maddox Way, between Main Street and Houston.
3. Murray Street corridor between Divisadero to Conyer.
4. Houston corridor, between Divisadero and Turner.
5. Noble Avenue corridor between Ben Maddox and Pinkham. Also, land locked or infill parcels may be added to this designation when they are merged with adjacent properties to obtain Noble Avenue frontage.
6. Mineral King Plaza (south of SH 198 between Linwood and Chinowth).
7. Cain Street and Goshen Avenue.
8. Other locations that may be found to be appropriate by the City Council and in conformity with the intent of the Land Use District.

### From the Zoning Ordinance:

Planned Shopping/Office Zone— (P-C-SO) (orange). The purpose and intent of the planned shopping/ office zone district is to provide areas for a wide range of neighborhood and community level retail commercial and office uses. This district is intended to provide for the transition from service and heavy commercial uses where they exist in this district to retail and office and to provide areas for neighborhood goods and services where shopping centers may not be available.

- Wide range of neighborhood- and community-level retail commercial and office uses serving non-regional market area; no separation requirements.
- Transition from service/heavy commercial (dk. orange & dk. grey) to retail & office for neighborhood service where shopping centers may not be available.
- All retail activity must be indoors except gasoline sales, garden/nursery/tree sales, outdoor dining, and the like
- CUP required if  $\geq 40,000$  sq. ft.
- Planned Development procedure required, improvements per zoning code 17.28.080 apply.
- Designated general locations:
  1. Dinuba Hwy, btwn Robin and Riggin and betwn Ferguson and Houston
  2. E/s of Ben Maddox Way, betwn Main and Houston
  3. Murray St. corridor btwn Divisadero and Conyer
  4. Houston corridor, btwn. Divisadero and Oak Park
  5. Noble Ave. corridor btwn Ben Maddox and Pinkham and land locked or infill  
Parcels may be added to designation when merged with properties to obtain frontage on Noble.
  6. Mineral King Plaza (south of St. Hwy 198 btwn Linwood and Chinowth)
  7. East Parkway (McAuliff) and St. Hwy 198 intersection
  8. Other locations found appropriate by Council and conforming to Land Use District intent (Akers SW @ 198, S 198 btwn County Center & Demaree)
- Parking per Zoning Code Section 17.34

### **3.) Community Centers/Community Commercial**

#### From the General Plan:

3.5.8 Develop Community Centers for community-scale shopping with a wide range of commercial goods and services. Uses in the Community Centers shall be of community-, neighborhood-, or convenience-level draw only. No uses which are primarily of a regional draw or uses which would compete with Core Area uses shall be permitted. Locations shall be limited to arterial intersections which have connections to freeway access and adequate north-south and east/west circulation. General locations for community centers are as follows:

1. Northeast, northwest or southeast corner of Riggin and Highway 63.
2. Demaree and Caldwell.
3. Lovers Lane between the Parkway and Caldwell. (Reserve)
4. Northeast corner of Demaree and Riggin. (Reserve)

Community Centers shall be developed as part of a Specific Plan for each of these areas. Each such Specific Plan shall designate the layout of improvements and land uses, development phasing and architectural standards. Specific phases or land uses with are found to be competitive with regional retail or Core Area land uses shall not be permitted or be designated for implementation in a time period which would conflict with other commercial and office development goals.

General guidelines for development shall be 20-30 acres of community-level retail and ancillary facilities, and up to 10 acres of Garden offices for each quadrant of the community served. Supporting facilities shall include up to 20 acres of multi-family residential development and a minimum of 20-30 acres for institutional facilities (churches, senior residential) facilities, to be integrated into Community Center commercial area with public art and open space. The precise distribution of uses shall be determined at the time of development of a specific plan for the Community Center.

A new zone shall be created to facilitate the development of the Community Center commercial area to ensure compatibility with the adjacent neighborhood and to ensure that the center does not conflict with regional retail or core area development objectives.

Intersections at Community Centers shall be developed with high landscaping, setback, and architectural standards to minimize negative impacts on the surrounding neighborhood.

#### From the Zoning Ordinance:

Planned Community Commercial Zone— (P-C-CM) (light pink). The purpose and intent of the planned community commercial zone district is to provide for continued use, expansion and new development of community-scale shopping centers with a range of commercial goods/services and garden offices. Community centers are to be developed and implemented by a specific plan and are intended to exclude regional and CBD-scale uses and to integrate adjacent multi-family and public/institutional uses. General guidelines for development of community centers would be twenty (20) to thirty (30) acres of community-level retail and ancillary facilities and up to ten acres of garden offices, along with adjacent supporting facilities of up to twenty (20) acres of multi-family residential and a minimum of twenty (20) to thirty (30) acres for institutional facilities. Precise distribution of uses would be determined at the time of development of a specific plan for the center.

- Specific Plan required before development to establish improvements and land use layout, phasing and architectural standards.
- Convenience-, neighborhood-, or community-level draw only.
- No exclusively regional draw or uses which compete with downtown (core area) or regional retail uses.
- All retail activity indoors except gasoline sales, garden/nursery/tree sales, outdoor dining
- CUP required if  $\geq 60,000$  sq. ft..
- Only allowed at arterial intersections with connections to freeway access and adequate N/S & E/W circulation.
- Planned Development procedure required; improvements per zoning code 17.28.080 apply.
- Designated general locations (one each in 4 quadrants of the City):
  1. NE and NW corners of Riggin and Highway 63
  2. Demaree and Caldwell (has specific plan which limits professional office uses to 15% of max. allowable Gross Lease Area (GLA) 20% of 312,500 sq. ft. or 62,500 sq. ft. for stores with single-line of merchandise, and 40% or 125,000 sq. ft. for stores with multiple-lines of merchandise
  3. Lovers Lane between Parkway and Caldwell
  4. Dinuba Highway and Riggin
- In each quadrant locations above: 20-30 acre sites for community-level retail & up to 10 acres of garden offices desired. Also include supporting facilities of up to 20 acres of multi-family and a



minimum of 20-30 acres for institutional facilities with integration of public art and open space—  
distribution determined with specific plan.

- Parking per Zoning Code Section 17.34

#### **4.) Regional Retail Commercial**

##### From the General Plan:

3.5.10 Designate Regional land uses for large-scale retail commercial uses with limited office uses to serve local residents and shoppers from outside of the community on integrated sites along:

1. Mooney Boulevard between SH 198 and Midvalley.
2. South of Caldwell Avenue, east of Mooney Boulevard.
3. The area south of Caldwell and between Divisadero, Giddings and Packwood Creek.
4. SH 198 between Campus, Demaree and County Center.
5. Dorothea Street to Whitendale east of Woodland.

Areas 3 and 5 shall be designated for regional retail, only based on a submitted and approved master plan or specific plan if it is demonstrated that the properties will function as one unit and to accommodate regional- or community-scale uses.

Master plans shall be developed for the Mooney Boulevard corridor between SH 198 and Liberty which indicate the right of way and location of planned collector, arterial and local roadways necessary to service the commercial area; public facilities; mix of land uses, indicating locations for professional office uses, retail uses, and other appropriate uses; and a conceptual site layout for major development sites.

New regional commercial areas shall be designated south of the Packwood Creek alignment at Mooney to Midvalley. These areas shall be designated as Regional Retail Reserve and zoned for Agriculture prior to their inclusion in the Urban Development Boundary (10-year development boundary). It shall be the policy of the City of Visalia that these areas not be permitted to be further subdivided or be parcelized from their existing acreage to an extent that would jeopardize their use as regional retail. A specific plan for their development shall be approved prior to redesignation in accordance with the findings of this policy. These areas may be redesignated for regional retail upon the following findings:

1. Mooney Boulevard Redevelopment Project area reaches 80% of total gross leasable area development capacity (an additional 500,000 sq. ft.) or after the year 2000, whichever occurs first.
2. The uses and tenants proposed for the area will substantially further the community's goal of providing high-level regional retail goods and services.

3. That there is sufficient roadway capacity and adequate public facilities and infrastructure to accommodate the proposed development.
4. That a Specific Plan for the South Caldwell area has been prepared and adopted, and that the proposed development is in conformity with such plan.
5. A market study has been prepared which demonstrates the need for such facilities and that there will not be a significant long term deterioration in the viability of Visalia's existing commercial areas.

The regional retail zone classification shall be amended to provide for permitted and conditional uses which are of a regional draw only. Uses which are not exclusively of a regional draw may be allowed where a finding is made that such uses are ancillary or associated with the regional uses. Uses of a neighborhood- or convenience-level draw only shall not be permitted.

3.5.13 Maintain and periodically update market and location criteria for a Regional Shopping Mall which consists of an 80 to 100-acre site with two or more full-line department stores (500,000 to 1,000,000 GLA). This designation is not illustrated on the Land Use Element Map, although sufficient contiguous lands are indicated in selected areas. City review of Regional Shopping Mall proposals will be considered when the following criteria are met:

1. A factual determination is made that existing regional facilities are not adequate or cannot be made to be adequate to serve the future regional retailing needs of the community for the foreseeable future.
2. A finding is made that the development of such a facility is necessary to maintain the community's role as a regional retail center.

Upon the findings above, a site may be designated which is in conformity with the following minimum site location factors:

1. Access to a State Highway or Freeway with additional access from at least two arterials.
2. Adequate site area for the Regional Shopping Center (60 to 80) acres, with additional 60 to 80 acres for ancillary development.
3. Adequacy of roadway capacity and public facilities to service the proposed Center.
4. Site is serviced by public transit.
5. Site does not conflict with the safe and efficient operation of the Visalia Municipal Airport.

3.5.15 **Community and regional level** commercial shall be master planned to provide for compatibility with surrounding residential (multi- family as well as single-family). The use of buffering land uses, such as office uses between residential and high intensity commercial should be considered. Require design concepts which encourage pedestrian access to and within these developments to reduce traffic-related conflicts.

## From the Zoning Ordinance

6. Planned Regional Retail Commercial Zone— (P-C-R) (red). The purpose and intent of the planned regional retail commercial zone district is to provide areas for retail establishments that are designed to serve a regional service trade area. The uses permitted in this district are to be of a large-scale regional retail nature with supporting goods and services. Uses that are designed to provide service to residential areas and convenience, neighborhood and community level retail are not permitted, while office uses are to be limited.

- To serve regional service trade area; shoppers from outside the community.
- Large-scale regional retail with supporting goods and services desired
- Convenience-, neighborhood-, and community-level retail is not permitted; limited commercial uses which are not exclusively of a regional draw may be allowed where a finding is made that such uses are ancillary or associated with regional uses
- Office uses limited
- All retail activity indoors except gasoline sales, garden/nursery/tree sales, outdoor dining
- Master Plans required, CUP not required
- Planned Development procedure required, improvements per zoning code 17.28.080 apply.
- Integrated sites generally designated along:
  1. Mooney Blvd. btwn St. Hwy 198 and Midvalley
  2. South of Caldwell, east of Mooney Blvd.
  3. South of Caldwell, btwn Divisadero, Giddings and Packwood Creek
  4. St. Hwy 198 btwn Campus, Demaree, and County Center
  5. Dorothea St. to Whitendale east of Woodland
- New areas south on Mooney to Midvalley only with Specific Plan & findings of General Plan policy 3.5.9
- Parking per Zoning Code Section 17.34

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

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

**Agenda Item Wording:** Report from the task force on options for Visalia City Council meeting locations and authorization to spend \$20,000 in upgrades to the City Council Chambers.

**Deadline for Action:** N/A

**Submitting Department:** Administration

**Contact Name and Phone Number:** Jesus Gamboa 713-4512  
Don Landers 713-4512  
Wally Roeben 713-4004  
Leslie Caviglia 713-4317  
Roxanne Yoder 713-4512

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.): 15

**Task Force**

**Recommendation and Summary:** The Task Force recommends that the Visalia City Council remain in their current location at 707 W. Acequia and spend an estimated \$20,000 to upgrade the audio/visual equipment in the Council Chambers to eliminate sound and video problems. If it becomes necessary to move the Council Chambers prior to the completion of a new Civic Center, then the Task Force recommends that the situation be reassessed at that time

**Background:** The expansion of Kaweah Delta Hospital and the pressure for additional medical office space will eventually necessitate the relocation of Council Chambers. It is possible that the relocation will be needed before the new Civic Center is completed. However, the sound and audio/visual equipment in Council Chambers is unreliable and needs to be replaced if Council is going to continue to meet at the 707 W. Acequia location. Prior to making that investment, the Council approved the formation of an internal task force in July 2004 to assess the needs and propose a plan for the future of the Chambers including costs and timelines for implementation. The Mayor appointed two Council members to the Task Force, Jesus Gamboa and Don Landers, to ensure the expectations and needs of Council were incorporated into the plan. The other task force members included Carol Cairns, Assistant City Manager; Leslie Caviglia, Deputy City Manager; Mike Allen, MIS Manager; Roxanne Yoder, Chief Deputy City Clerk, and Wally Roeben, Interim Convention Center Manager.

**Alternate Site Evaluation:** With this in mind, the Task Force considered possible temporary locations including the VUSD Board Chambers, County Board of Supervisors Chambers, and the Convention Center.

Next, the Task Force considered the needs of Council and determined that a fixed dais and permanent audio/visual equipment would be appropriate in a new space. It was also felt that Council Chambers should maintain a sense of formality. The goal was to have a layout and feel similar to the current Council Chambers but with the necessary modifications to fit the room selected.

A list of desired improvements was created including the necessary furniture, fixtures, and equipment (FF&E). To develop a budget, the Task Force looked at what it would cost to design, purchase, construct and install the various components. Local contractors were contacted and estimates were obtained. The estimated cost for a new dais is \$40,000 (\$36,000 plus a reserve of \$4,000). This amount would cover the raised platform, a custom dais for Council and City staff along with a presentation lectern and table. The budget for audio/visual equipment is \$120,000 (\$109,000 plus a reserve of \$11,000). Included in this cost is \$3,000 for design, \$85,000 for equipment, \$15,000 for installation, and \$6,000 for shipping and taxes. The total cost for all permanent furniture, fixtures and equipment would be approximately \$160,000 with a six-month timeline for project completion. The audio/visual portion of the budget is based on the experience of the City of Clovis and we received a proposal from that same vendor. The actual equipment and costs could vary based on the specific desires of Council should this option be chosen.

**Convention Center Site Selection:** After much discussion, the Convention Center was selected by the Task Force as the preferable location to move Council Chambers on a temporary basis. It would provide Council with an easily accessible location that is well known to the public. Within the Convention Center, various locations were explored including the Sierra Room (upstairs), the Charter Oak Ballroom (large, formal room downstairs), and the San Joaquin Ballroom (four section room downstairs) (see attached Convention Center floor plan).

The Sierra Room is of adequate size, as it will accommodate approximately 100 attendees. It was formerly the VUSD Board room until they relocated to their new facility. Sierra room is located upstairs at the end of the hall so it offers privacy from other events in the Center. However, Council members on the task force felt that the Sierra Room does not provide the appropriate setting for a long-term Council Chambers.

The Charter Oak Ballroom is downstairs and centrally located within the Center. It is very flexible in size and is the most elegant room in the facility. It is also the most often requested room for wedding receptions and formal banquets. As such, it is considered the premium rental space within the Convention Center. Hence, it was agreed by the Task Force that this is not the appropriate space to install a permanent dais and the other equipment for the Chambers.

The third room considered was the San Joaquin Ballroom. It is centrally located downstairs, just across the hall from the Charter Oak Ballroom. This room is made up of four equal size sections located next to one another in a row. In between each section is an air wall that can be opened to accommodate large groups or closed for smaller meetings. The task force agreed that the San Joaquin Ballroom would best meet the needs of Council and would provide the flexibility to accommodate both large and small audiences. San Joaquin A would be dedicated for Council use and the air walls in San Joaquin B, C, and D would be opened only during Council meetings.

**Financial Impact on the City:** Next, the financial impact of permanently dedicating a room at the Convention Center to City Council usage was considered. Clients that previously rented the room would be displaced to another room or potentially to another facility. This would have a

negative impact on the Convention Center's revenues. While the City would pay for the space used, such a move would result in fewer revenues from outside clients and more revenue from the City. This would in essence be an increase in the operating subsidy.

The task force looked at the revenues in FY 2003/04 on a room-by-room basis. The Charter Oak Ballroom was not discussed, as it is obvious that removing a portion of that room would be devastating to the wedding and banquet business at the Center. Facility rental, food & beverage purchases, and audio/visual equipment rentals were all factored into the analysis along with the ability to relocate the business to another room in the facility. It was estimated the lost revenue from placing Council Chambers in San Joaquin would be \$60,000 per year. The other location considered in the Convention Center, the Sierra Room, had an estimated loss in revenue of \$3,000.

It is unknown how long Council Chamber will be temporarily located at the Convention Center, but the task force assumed a minimum of five years. Using that assumption and locating Council Chambers in the San Joaquin Ballroom, the lost revenue over those years would total \$300,000 (\$60,000 per year X 5 years). Adding the \$160,000 cost of new FF&E brought the City's total investment to \$460,000.

Once the task force realized the magnitude of dollars that it would cost to relocate temporarily to the Convention Center, the task force chose to focus on remaining in the current Council Chambers as long as possible. A new and permanent Council Chambers will be incorporated into the new City Civic Center building, but a definite timeline for construction has not been established. Nevertheless, the longer Council remains in its current location, the less time it will be at another location. If the need to move Council Chambers does arise before a new City Civic Center is built, the task force recommends that the City re-evaluate the situation and determine the best option at that time.

**Upgrade Council Chamber Audio/Visual Equipment:** With the task force recommendation to stay in the current location, research began on the cost to upgrade the audio/visual equipment in the current Council Chambers. The goal was to correct the problems by making the Chambers functional without making a sizable investment. An audio/visual contractor was brought in to assess Council Chambers. He quickly came to several conclusions.

- (a) The two video screens are beyond repair and need to be replaced. The voting board needs to be moved.
- (b) The amplifier and mixer are the largest cause of the sound problems. They are all old pieces of equipment and the way they have been wired together complicates the system far beyond what is necessary. To ensure a good sounding meeting, they need to be replaced.
- (c) The microphones being used in the Council Chambers are acceptable but he would prefer a newer product that has a speaker built into the microphone stand. This additional speaker would enhance Council's ability to hear during meetings and the newer microphones would add to the overall intelligibility of the meetings.

The task force is recommending that all of these changes be made, for a total projected cost of approximately \$20,000.

**Summary:** The Task Force recommendation will improve the overall quality of the meetings, augment Council's ability to hear, and is a very cost effective solution to sound and video problems. The result should be a functioning Council Chambers that should last several years.

**Prior Council/Board Actions:** Authorization in July 2004 to form a task force to explore Council Chamber relocation.

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

**Alternatives:** (1) Move to the Convention Center and make the necessary investment in a fixed Council setting.  
(2) Move to the Convention Center with a temporary setting similar to what is done now.  
(3) Share facilities with VUSD or the County.

**Attachments:**

**City Manager Recommendation:**

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

I move that the Council Chambers located at 707 W. Acequia remain the location of our regular meetings unless other circumstances necessitate a different location, and authorize \$20,000 to upgrade the current Chambers.

Copies of this report have been provided to:

***Financial Impact***

**Funding Source:** General Fund

Account Number: CIP account to be assigned

**Budget Recap:**

Total Estimated cost:	\$20,000	New Revenue:	\$ None
Amount Budgeted:	\$ None	Lost Revenue:	\$ None
New funding required:	\$ 20,000	New Personnel:	\$ None
Council Policy Change:	Yes____	No_X__	





**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

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

**Agenda Item Wording:** FY 2004/05 mid-year financial evaluation of the City's General Fund, Measure T Fund and Enterprise Funds; and preliminary General Fund projections for FY 2005/06 with recommended actions. **Resolution 2005-31 required.**

**Deadline for Action:** none

**Submitting Department:** Administrative Services - Finance

**Contact Name and Phone Number:**

Eric Frost, Administrative Services Director	713-4474
Gus Aiello, Finance Manager	713-4423
Ruth Martinez, Financial Analyst	713-4327
Tim Fosberg, Financial Analyst	713-4565

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.): 45

**Department Recommendation and Summary:**

The purpose of this report is to outline the current financial status of the General Fund, Measure T Fund, and the Enterprise Funds for FY04/05. Additionally, Finance has made preliminary General Fund forecasts for FY05/06 along with several recommended budgetary actions to meet the needs of the City.

**The General Fund Situation:**

The General Fund situation has improved. Revenues are up and expenditures are below budget. These two facts have eased the need to use Emergency Reserves. Although there are a number of reasons the City needs to be cautious, Visalia's fiscal position has improved from last June's budget adoption.

Last June, the City Council approved a General Fund budget that was balanced by drawing down designated operating and capital reserves for FY04/05 and FY05/06. Specifically, the approved budget planned to use \$2.3 million of PERS Reserves and \$0.8 million in Emergency Reserves to balance this year's FY 04/05 Budget, as shown in Table I, Planned Use of PERS Reserves, and Table II, Planned Use of Emergency Reserves. These tables are from the 2004-05 & 2005-06 Operating Budget, City Manager's budget transmittal letter, page 8.

The PERS Reserves were set aside by Council to accommodate and transition the City to a higher retirement benefit agreed upon with employee groups in 2002. Over time, the General Fund operating budget is to absorb all the increased PERS costs.

The Emergency Reserves are funds set aside by Council, equal to 25% of operating expenditures. These reserves are to be used only for temporary, one-time needs. Because of the State fiscal crisis and the proposal for taking money from Visalia for two years, management recommended the use of Emergency Reserves.

**Table I**  
**Planned Use of PERS Reserves\***  
(Millions)

	04/05	05/06	06/07	07/08	08/09	09/10
Beg. PERS Reserve	\$ 9.55	\$ 7.25	\$ 5.00	\$ 3.50	\$ 2.50	\$ 2.00
Net Inc. PERS Obligation	2.80	3.80	3.20	2.80	2.40	2.00
<b>Less: use of reserves</b>	<b>(2.30)</b>	<b>(2.25)</b>	<b>(1.50)</b>	<b>(1.00)</b>	<b>(0.50)</b>	<b>0.00</b>
Net GF Contrib.	0.50	1.55	1.70	1.80	1.90	2.00
Ending PERS Reserve	\$ 7.25	\$ 5.00	\$ 3.50	\$ 2.50	\$ 2.00	\$ 2.00

**Table II**  
**Planned Use of Emergency Reserves\***  
(25% of operating expenditures)  
(Millions)

	04/05	05/06	06/07	07/08	08/09
State Take-aways	\$ (1.4)	\$ (1.5)	\$ (0.2)	\$ (0.2)	\$ (0.2)
State Returns			1.7		
Use of GF Revenues	0.6	(0.3)	0.2	0.7	0.6
<b>Addition/(Use) of reserves</b>	<b>(0.8)</b>	<b>(1.8)</b>	<b>1.7</b>	<b>0.5</b>	<b>0.4</b>
<u>Change in Reserves</u>					
Beginning	10.3	9.5	7.7	9.4	9.9
Ending	<b>9.5</b>	<b>7.7</b>	<b>9.4</b>	<b>9.9</b>	<b>10.3</b>

\* Source: FY04/05 Budget Document

The rationale for adopting the budget with a planned General Fund deficit was that the City's organization had been scaled back by not adding new positions except in areas with new revenues such as Measure T for public safety officers, development professionals for Community Development and Solid Waste workers. However, the hope was that opportunities would occur which would allow the City to save money with an eye towards closing the budgeted deficit.

The most significant news is that revenue forecasts exceed budget and expenditures have been managed to be almost \$1 million less than budget. Further, despite potential difficulties with rising interest rates and escalating housing costs, development continues to have a positive financial impact upon the City.

Expenditures also help the budget and are projected to be \$0.6 million less than budget. Although the City's General Fund was projected to need to use some of its Emergency Reserves, this no longer is the case.

The summary information below is supported by Attachments 1, 2, and 3.

**Revenues.** Revenues are higher than expected. Table III, Net Revenue Projections Exceeding Budget, shows the incremental differences for the major revenues exceeding budget projections from last May.

**Table III**  
**Net Revenue Projections Exceeding Budget**  
**FY 2004/05**  
(Millions)

	Ongoing	One-time
Property Tax	\$ 0.5	
Development Fees		\$ 0.6
Vehicle License Fees	0.5	
VLF Receivable (03/04)		1.5
Booking Fee Reimbursements		0.2
Grants		0.2
Total	\$ 1.0	\$ 2.5

The analysis for as follows:

the increases is

Property Taxes and Development Fees. These two revenues continue to exceed budget due to strong development and real estate price escalation. New developments increase the stock of housing and other buildings in the community. Price increases also drive changes in property tax. As a result, these two revenue sources exceed expectations.

VLF. Vehicle License Fee revenues are collected state-wide on all vehicles and distributed to cities and counties based upon population. Both the value of vehicles state-wide and Visalia's population are up, thereby increasing our local VLF revenues.

VLF Receivable. In June of 2003 until October of 2003, the State of California discontinued backfilling VLF fees which cities had received in the past. As part of the budget that year, the State made a promise to repay to affected cities those fees in August of 2006. The City has sold this receivable from the State and accelerated its receipt to March of this year. In the 2-year budget for FY's 04/06, a 5-year plan was approved using Emergency Reserves, which had this one-time revenue being received in 2006. Therefore, the planned use of Emergency Reserves now needs to be revised.

Booking Fee Reimbursements. The Governor proposed to eliminate the booking fee reimbursement in his 2004/05 budget. In the end, the booking fee reimbursement was retained for this year but is scheduled to be eliminated next fiscal year.

Grants. Actual grant revenue is exceeding expectations as some grant programs were not expected to continue.

**Expenditures.** Projected expenditures are \$0.6 million less than budget, mainly due to lower than expected personnel costs. Additionally, transfers to the Convention Center are \$0.3 million less than expected as that enterprise has found opportunities to save money. Table IV, FY04/05 General Fund Budget, Revised, shows the current expenditure projections for the year end. The planned use of fund balance when the budget was adopted was \$13.1 million. That amount has been revised to \$11.1 million. There are increases in prior year capital projects and greater use of the Building Safety Reserve but reductions in Emergency and PERS Reserves.

**Table IV**  
**FY04/05 General Fund Budget, Revised**  
(Millions)

	<b>June 2004 Original Budget</b>	<b>February 2005 Projections</b>	<b>Projected Variance</b>
<b>Resources:</b>			
- Revenues	\$42.9	\$44.9	\$2.0
- VLF Receivable*	0.0	1.5	1.5
- Reimbursements (Allocated costs)	15.5	15.5	0.0
	<u>58.4</u>	<u>61.9</u>	<u>3.5</u>
<b>Expenditures:</b>			
- Department Operations	(55.4)	(54.8)	0.6
- Capital Projects*	(12.3)	(13.9)	(1.6)
- Transfers Out/Debt Service	(3.8)	(3.5)	0.3
	<u>(71.5)</u>	<u>(72.2)</u>	<u>(0.7)</u>
<b>Revenues over/(under) Expenditures</b>	<b><u>(13.1)</u></b>	<b><u>(10.3)</u></b>	<b><u>2.8</u></b>
<b>Planned Use of Reserves:</b>			
- PERS Reserve	2.3	0.0	(2.3)
- Emergency Reserve	0.8	0.0	(0.8)
- Sports Park Reserve	6.0	6.0	0.0
- Civic Center Reserve	0.4	0.4	0.0
- Capital Projects (Prior Year)	3.5	3.8	0.3
- Building Safety Reserve	0.1	0.9	0.8
	<u>13.1</u>	<u>11.1</u>	<u>(2.0)</u>
<b>Current Year Surplus/(Shortfall)</b>	<b><u>(\$0.0)</u></b>	<b><u>\$0.8</u></b>	<b><u>\$0.8</u></b>

\* The VLF Receivable is a one-time revenue/ proposed use to replace Sports Park Reserves

\*\* Actual PERS costs are up \$2.3 million.

**General Fund Recommendations:**

***Because current projections do not require the use of Emergency and PERS Reserves, no additional actions to balance the budget are needed at this time. However, departments have identified operating issues which need to be considered as the City goes forward, specifically ( \* asterisk marks previously approved items) :***

1. ***\* Park Janitorial Bid - \$20,000 for FY04/05 and \$80,000 for FY05/06 (ongoing, annual cost).*** The City has changed contractors for cleaning the parks as previously presented to Council. The contract, however, is more expensive than the past. As a result, the 04/05 and 05/06 budgets will need to be increased for these costs.
2. ***Street Tree Bid – FY04/05 and FY05/06: \$100,000 (ongoing, annual cost).*** The City is in the process of soliciting bids to maintain the City's street trees. Maintenance is currently on a request or complaint basis. Management recommends increasing this level and believes the minimum level of increased activity should be at least \$100,000. The specific staff recommendation will be brought back to Council when the bids have been received and evaluated. This effort will address a potentially problematic and

sometimes dangerous problem due to trees falling down. It will minimize and manage this problem.

3. **United Way First Call Program - FY04/05 and FY05/06: \$3,000 (ongoing, annual).** Vince Elizondo, the Parks and Recreation Department Head, recommends that the City participate with other local governments in United Way's First Call Program. The participation would be conditioned on the participation of other local governments. Further information about this program can be found in the attachment from Mr. Elizondo.
4. **Council Chambers Equipment – FY 04/05: \$20,000 (one time cost).** The sound, AV and voting machine in the Council Chambers need to be replaced. The estimated cost for this equipment is \$20,000.
5. **Transit Center Furniture, Fixtures and Equipment – FY04/05: \$60,000 (one time cost).** The City Council, City Manager and City Clerk will be moving to new offices this year. There will be a new office for the Mayor, an office for the Council, 2 additional conference rooms, and offices for 6 staff members. Furniture, computers, audiovisual, copying and other equipment is needed for this facility. While more cost effective options for the furniture are still being explored, the initial bid indicates this level of costs.
6. **Web Page Development – FY04/05: \$25,000 (one time cost).** The City has a web page but needs a comprehensive revamping, both to make it more user friendly and to present a more professional image of the City. Many companies and others interested in the City use the website to obtain initial information, as well as citizens who are interested in obtaining more information about their community. While there is much information on the current page, not all of it is easily accessible. In addition, the format needs to be revised to provide a more accurate depiction of the modern, progressive City that Visalia is today. This costs should be appropriately shared with the enterprise funds.
7. **Sister City Expenses – FY04/05: \$2,000 (on-going, annual cost).** The City has two Sister City relationships, one with Miki City in Japan and another in Putignano, Italy. There are hosting and appreciation expenses involved whenever there are official visits between our Cities. Funds have never been budgeted to cover these types of expenses. It is recommended that \$1,000 a year be set aside for each committee to cover the expenses when there is an official visit. It is also recommended that these funds be accumulated from year-to-year if not all the funds are needed in one year. If approved, a more detailed policy regarding expenditure of these funds will be developed.
8. **\* Expected rental costs of \$4,000 a month (\$48,000 annually, ongoing) for the new Council offices at the Transit Center starting in FY 05/06.** The City Council has directed staff to proceed with improvements to the Transit Center's upper floors to create new Council offices. The Transit Center will lease these offices to the City. The projected rent is \$1 per square foot per month for the approximately 4,000 square feet of office space, comparable to other lease rates downtown.
9. **\* COS Community Survey FY 04/05 (one-time) cost of \$13,000.** The Council proposed conducting a community survey with COS to determine community interest and support for an expanded community college campus.
10. **Recreation Park Expansion FY 04/05 \$250,000 (one-time).** The Council has committed to expanding and upgrading Recreation Park. Due mainly to increased concrete and steel costs, the project has increased in cost by \$250,000. Staff

recommends advancing funds from the Recreation Park Stadium Reserve which will cause the reserve to have a negative balance. This will be repaid over time as monies become available to replenish the reserve.

**Preliminary Forecast for 2005/06.** Finance has prepared preliminary estimates of the City's General Fund position as shown on Table V, Preliminary General Fund Budget Forecast, 04/05 to 05/06. The assumptions used to calculate these projections are displayed on Attachment 4, Projection and Forecast Assumptions, FY04/05 and FY05/06.

Revenues are forecasted to be \$1.7 million higher than originally budgeted for FY 05/06. However, due to the budget adjustments proposed in this report, expenditures are expected to \$0.2 million higher than budgeted. As a result, \$0.3 million planned use of the Emergency Reserve will be required as opposed to the \$1.8 million originally projected for FY 05/06. Additionally, \$2.25 million will still be used from the PERS Reserve. This is shown on Table VI, FY05/06 Planned Use of Reserves.

**Table V**  
**Preliminary General Fund Budget Forecast**  
**FY 04/05 and FY 05/06**

	(Millions)		
	<u>2004/05 Projections</u>	<u>2005/06 Approved Budget</u>	<u>2005/06 Forecast</u>
<b>Resources:</b>			
- Revenues	\$44.9	\$43.6	\$45.3
- VLF Receivable*	1.5	0.0	0.0
- Reimbursements	15.5	16.1	16.1
- Planned Use of Reserves	11.1	7.0	5.5
	<u>\$ 73.0</u>	<u>\$ 66.7</u>	<u>\$ 66.9</u>
<b>Expenditures:</b>			
- Department Operations	(54.8)	(57.8)	(58.0)
- Capital Projects*	(13.9)	(4.9)	(4.9)
- Transfers Out/Debt Service	(3.5)	(4.0)	(4.0)
	<u>(72.2)</u>	<u>(66.7)</u>	<u>(66.9)</u>
	<u>\$ 0.8</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

\* The VLF Receivable is a one-time revenue/used for capital purposes in FY 04/05.

**Table VI**  
**2005/06 Planned Use of Reserves**  
(Millions)

<u>Designation</u>	<u>Budget</u>	<u>Projecte d</u>	<u>Varianc e</u>
Emergency Reserve	\$1.80	\$0.30	\$1.50
PERS Reserve	2.25	2.25	0.00
Sports Park Reserve	1.37	1.37	0.00
Civic Center Reserve	1.70	1.70	0.00
Capital Projects (Prior Year)	(0.12)	(0.12)	0.00
	<u>\$7.00</u>	<u>\$5.50</u>	<u>\$1.50</u>

The forecast still is a deficit budget, relying upon the use of Emergency Reserves to balance the financial plan. However, the projected use of reserves has decreased.

The greatest uncertainty that the City faces is State actions. The State is still not addressing its fiscal problems directly. Further, the State has borrowed significant monies that start coming due in FY06/07. If the State fails to make substantial progress this year, the prospect of a balanced budget in 06/07 and 07/08 is complicated by a \$4 billion increase in required debt payments.

### **MEASURE T PLAN FUND EVALUATION**

On April 5, 2004, Council adopted the resolution certifying the results of the Police and Fire ballot measure that was put before the voters during the March 2, 2004 primary election. An ordinance was also adopted authorizing the City to collect ¼-cent sales effective July 1, 2004.

A Comprehensive Public Safety Improvement Program (Plan) was established to cover the specific Public Safety spending proposals. Legislative authority specifies the funds can only be used for Public Safety. As a check and balance on this requirement, the measure required an independent citizen's advisory oversight committee and an independent accounting firm to conduct an annual audit on the fund's financial activity.

Council authorized staff last year to begin implementing the Measure T plan that would allow the City to have 5 new Measure T officers and related equipment as of July 1, 2005. Table VII, Measure T Plan projects revenues and expenditures based upon the original plan implementation (see attachment 6), with a 3% revenue assumption in FY 05/06.

The plan envisioned accumulating resources at first to help pay for Police Precincts and Fire Stations. These plans are moving forward. The most significant development is that revenues are less than expected by approximately \$0.4 million a year. Lower revenues are due to how the special sales tax is applied to motor vehicles. Sales tax on vehicles for the ¼ cent is charged based upon home address, not point of sale. In other words, a Tulare resident who buys their motor vehicle in Visalia pays the City's general sales tax of 1% but not the additional special district tax of ¼ cent. This difference was not factored into the original forecast. Although no action is proposed at this time, the lower than expected revenues may require a change in the original plan sometime in the future, unless revenues increase more quickly than anticipated.

#### ***Recommended Action:***

- ***Monitor the fund and revise the plan if revenues significantly vary from projections. Council will receive a recertified Measure T plan from the City Manager prior to the next budget year.***
- ***To continue the pattern of accelerating the hiring of Measure T Police personnel, staff recommends authorization to accelerating the FY 05/06 capital purchase appropriation of 5 vehicles into FY 04/05 as well as \$30,000 for personnel expenses.***

**Table VII  
Measure T plan**

**POLICE**

	<b>FY 04-05</b>		<b>FY 05-06</b>	
	<b><u>Budget</u></b>	<b><u>Projected</u></b>	<b><u>Budget</u></b>	<b><u>Forecasted</u></b>
<b><u>OPERATIONS</u></b>				
<b><u>RESOURCES</u></b>				
Operating Revenues	\$ 2,748,410	\$ 2,468,146	\$ 2,789,280	\$ 2,542,190
RESOURCES TOTAL	<u>2,748,410</u>	<u>2,468,146</u>	<u>2,789,280</u>	<u>2,542,190</u>
<b><u>OPERATING EXPENSES</u></b>				
Personnel	(477,100)	(354,667)	(1,026,482)	(1,026,482)
Operations & Maintenance	-	-	-	-
Vehicle Replacement & Audit	(39,500)	(26,360)	(40,588)	(40,588)
OPERATING EXP. TOTAL	<u>(516,600)</u>	<u>(381,027)</u>	<u>(1,067,070)</u>	<u>(1,067,070)</u>
<b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>				
	<u>\$ 2,231,810</u>	<u>\$ 2,087,119</u>	<u>\$ 1,722,210</u>	<u>\$ 1,475,120</u>
<b><u>CAPITAL ASSET FUNDING</u></b>				
Beginning Cash	-	-	1,870,610	1,899,276
Add: Current Year Operating Resources	2,231,810	2,087,119	1,722,210	1,475,120
Add: General Fund Loan	-	-	-	-
Less: Capital Purchases - Current Year	(361,200)	(13,317)	(1,771,740)	(1,771,740)
Less: Repay GF Loan	-	(174,526)	-	-
<b>ENDING CAPITAL ASSET CASH</b>	<u><b>\$ 1,870,610</b></u>	<u><b>\$ 1,899,276</b></u>	<u><b>\$ 1,821,080</b></u>	<u><b>\$ 1,602,656</b></u>

**Table VIIa  
Measure T plan**

**FIRE**

	<b>FY 04-05</b>		<b>FY 05-06</b>	
	<b><u>Budget</u></b>	<b><u>Projected</u></b>	<b><u>Budget</u></b>	<b><u>Forecasted</u></b>
<b><u>OPERATIONS</u></b>				
<b><u>RESOURCES</u></b>				
Operating Revenues	\$ 1,829,840	\$ 1,645,431	\$ 1,871,030	\$ 1,694,794
RESOURCES TOTAL	<u>1,829,840</u>	<u>1,645,431</u>	<u>1,871,030</u>	<u>1,694,794</u>
<b><u>OPERATING EXPENSES</u></b>				
Personnel		(3,318)		
Operations & Maintenance		(16,658)		
Vehicle Replacement & Audit	(20,000)	(13,340)	(20,600)	(20,600)
OPERATING EXP. TOTAL	<u>(20,000)</u>	<u>(16,658)</u>	<u>(20,600)</u>	<u>(20,600)</u>
<b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>				
	<u>\$ 1,809,840</u>	<u>\$ 1,628,773</u>	<u>\$ 1,850,430</u>	<u>\$ 1,674,194</u>
<b><u>CAPITAL ASSET FUNDING</u></b>				
Beginning Cash	-	-	1,758,840	1,628,714
Add: Current Year Operating Resources	1,809,840	1,628,773	1,850,430	1,674,194
Add: General Fund Loan	-	-	-	-
Less: Capital Purchases - Current Year	(51,000)	(59)	(1,757,700)	(1,757,700)
Less: Repay GF Loan	-	-	-	-
<b>ENDING CAPITAL ASSET CASH</b>	<u><b>\$ 1,758,840</b></u>	<u><b>\$ 1,628,714</b></u>	<u><b>\$ 1,851,570</b></u>	<u><b>\$ 1,545,208</b></u>



## **ENTERPRISE FUND EVALUATIONS**

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

However, the accounting for enterprises must:

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

Therefore, the evaluation of enterprise funds must determine if all of these financial measurements are occurring or if there are overriding 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 for purchasing its capital assets.

## **CONVENTION CENTER**

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

***Comment: Supported by the General Fund***

Consider Table VIII, Convention Center. This operation does not meet the financial requirements that are normally associated with an enterprise. Revenues from the operation do not cover operating costs, let alone debt service or capital replacement. In fact, some individuals argue that this City activity should not be accounted for as an enterprise.

However, the fund is accounted for as an enterprise because it supplies a service that is based upon fees.

What is missing in this financial evaluation, are the financial benefits not directly seen by the Center itself. The Center encourages tourism to the community, increases hotel occupancy and generates business downtown.

With all this said, the objective for the Center is to provide a high quality service with the least impact to the General Fund. With that objective in mind, the Center's projected results are better than budgeted. Revenues are down compared to budget due to slowing governmental convention activity and the loss of some box office dance revenue but expenses are down even more, ***showing a \$300,000 reduction of General Fund transfers***. These savings are in addition to the Convention Center's objective of saving \$100,000 in operations this year. These changes reduce the City's General Fund subsidy from \$3.0 million to \$2.7 million.

The City has always budgeted to have the General Fund pay the Center's debt service and acquire its capital assets. The Center's financial goal is to continue to reduce the required subsidy from the General Fund.

***Recommended Action: Continue to monitor General Fund subsidy, increase revenues, and encourage further economizing actions that do not degrade services at the Convention Center.***

Table VIII  
Convention Center

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>
<u>RESOURCES</u>		
Operating Revenues	\$ 2,140,560	\$ 1,978,600
Grants, Reimburse & Non-Oper.	67,157	97,400
RESOURCES TOTAL	<u>2,207,717</u>	<u>2,076,000</u>
 <u>OPERATING EXPENSES</u>		
Personnel	(2,042,981)	(1,886,200)
Operations & Maintenance	(1,443,090)	(1,057,700)
Depreciation	(456,800)	(456,800)
Allocated Costs	(520,135)	(514,900)
Targeted Operational Savings	100,000	
OPERATING EXP. TOTAL	<u>(4,363,006)</u>	<u>(3,915,600)</u>
 <u>DEBT SERVICE</u>	 <u>(1,351,002)</u>	 <u>(1,360,700)</u>
<b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>	<b><u>(5,714,008)</u></b>	<b><u>(5,276,300)</u></b>
 <u>ADD BACK DEPRECIATION</u>	 <u>456,800</u>	 <u>456,800</u>
 <u>TRANSFER FROM GENERAL FUND:</u>		
Operations	1,698,489	1,382,800
Debt Service	1,351,002	1,360,700
TRANSFER IN TOTAL	<u>3,049,491</u>	<u>2,743,500</u>
 <b>CURRENT YEAR AVAILABLE RESOURCES</b>	 <b>\$ -</b>	 <b>\$ -</b>

**VALLEY OAK GOLF**

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

***Comment: CIP rate  
surcharge is currently  
paying for capital assets.  
Operating income not yet  
sufficient to meet debt***

The Valley Oaks Golf course is currently managed by CourseCo Golf via a management contract. Prior to the management contract, the fund accumulated significant debt due to a 9-hole expansion and some operating losses. Since CourseCo Golf took over the course, they have generated operating income. This year's slight decline in revenues is a reflection of reduced rounds due to heavier than average rainfall.

Nevertheless, the golf course is running at slightly less than 80,000 rounds per year. Increasing usage of the golf course is difficult since course play is near capacity. The average round rate remains on the low side at \$19 per round. Weekday and weekend rates for 18 holes are \$23 and \$28, respectively. The main reason the average round rate is lower than expected is that approximately 50% of all rounds played at the course are purchased through Monthly Tickets, allowing the typical monthly pass golfer to pay an average of \$12 to \$14 per round.

The Council authorized a CIP rate surcharge when CoursCo began managing the course to pay for the debt on \$800,000 of capital projects. This rate surcharge is paying down this CIP project debt faster than anticipated. At the same time, the enterprise has identified a number of significant capital projects needed at the course, with the largest being re-plumbing 18 holes of the course's irrigation system. The rate surcharge has and is supplying a steady income source for needed capital projects at the golf course. As of June 30, 2004, the outstanding balance is \$480,807, as shown in Table IXa, Golf CIP Surcharge Revenues and Loan.

Table IXa  
**GOLF CIP Surcharge Revenues and Loan**

FY 2000	\$	29,456
FY 2001		80,844
FY 2002		95,981
FY 2003		123,420
FY 2004		158,496
Total CIP Revenues	\$	488,197
Less Advances and Interest		(969,004)
Net Advance 6/30/04	\$	(480,807)

On September 7, 2004, in addition to the irrigation project, Council reviewed a number of capital projects including parking lot resurfacing, water well extension and improved signage for the course. Council approved the next two year's projects and tentatively approved the future projects

The most significant debt the golf course has is an advance from the City's General Fund. The original plan was that this debt would be amortized over 15 years. The fund has not achieved this debt repayment yet. However, it has been improving its performance, paying down all interest and some of the principal debt. As of June 30, 2004, the course owed the General Fund \$3.5 million. If after paying off the CIP loan all operating income was devoted to debt repayment, the fund would pay off its long-term debt in 2022. Note on Table IX, Valley Oaks Golf, the fund had a goal of paying \$372,000 towards debt service. Such a debt service level would have allowed the fund to pay off the debt in 15 years. However, the fund is projected to pay approximately \$278,000 towards debt service, about the same as last year. The current amortization rate will pay off the debt in 18-20 years.

The plan, however, is to devote the CIP surcharge revenues to golf course improvements. As a result, little progress will be made on repaying the City loan debt unless new fee increases are directed to that debt.

***Recommended Action: Future rate increases should be devoted towards general debt repayment. Continue to monitor debt repayment progress, increase revenues, and encourage further economizing actions that do not degrade services.***

Table IX  
Valley Oaks Golf

	<u>Budgeted</u>	<u>Projected</u>
<b><u>OPERATIONS</u></b>		
<b><u>RESOURCES</u></b>		
Operating Revenues	\$ 2,266,779	\$ 2,141,100
Grants, Reimbursements & Non-Operating	<u>0</u>	<u>8,700</u>
RESOURCES TOTAL	<u><b>2,266,779</b></u>	<u><b>2,149,800</b></u>
 <b><u>OPERATING EXPENSES</u></b>		
Personnel	-	-
Operations & Maintenance	(1,779,590)	(1,756,800)
Depreciation *	-	(160,000)
Allocated Costs	<u>(115,000)</u>	<u>(115,000)</u>
OPERATING EXPENSE TOTAL	<u><b>(1,894,590)</b></u>	<u><b>(2,031,800)</b></u>
 <b><u>DEBT SERVICE</u></b>		
	<u>(372,189)</u>	<u>(278,000)</u>
 <b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>		
	<u><b>(2,266,779)</b></u>	<u><b>(2,309,800)</b></u>
 <b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>		
	<u><b>\$ 0</b></u>	<u><b>\$ (160,000)</b></u>

\* Depreciation was not budgeted in this fund. It will be in the future.

**AIRPORT**

<p><b>Covering operations: Yes</b>  <b>Meeting debt service: Yes</b>  <b>Meeting capital needs: Yes</b></p>
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<p><b>Comment: Capital needs subsidized by Federal Grants.</b></p>
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The Airport remains fiscally sound because of significant Federal capital grants it receives. Without those capital grants, the fund would not be able to replace its capital assets. Compare operating revenues to total operating expenses as shown on Table X, Airport. Total operating expenses less depreciation charges are about equal to operating revenues. As long as the Airport receives capital grant funding to replace and expand the Airport's capital assets the fund will remain healthy.

**Recommended Action: Continue to monitor the fund, encouraging greater use of this community asset.**

**Table X  
Airport**

	<u>Budgeted</u>	<u>Projected</u>
<u>RESOURCES</u>		
Operating Revenues	\$ 1,168,827	\$ 1,166,900
Grants, Reimburse. & Non-Operating	<u>3,799,189</u>	<u>3,427,300</u>
RESOURCES TOTAL	<u><b>4,968,016</b></u>	<u><b>4,594,200</b></u>
 <u>OPERATING EXPENSES</u>		
Personnel	(345,708)	(325,400)
Operations & Maintenance	(729,446)	(758,500)
Depreciation	(529,800)	(529,800)
Allocated Costs	<u>(148,558)</u>	<u>(148,100)</u>
OPERATING EXPENSE. TOTAL	<u><b>(1,753,512)</b></u>	<u><b>(1,761,800)</b></u>
 <u>DEBT SERVICE</u>		
	<u>28,975</u>	<u>29,000</u>
 <b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>		
	<u><b>(1,724,537)</b></u>	<u><b>(1,732,800)</b></u>
 <b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>		
	<u><b>\$ 3,243,479</b></u>	<u><b>\$ 2,861,400</b></u>
 Beg. Capital Asset Cash		
	0	0
Add: Curr. Yr. Net Oper. Resources Avail.	3,243,479	2,861,400
Add: Depreciation	529,800	529,800
Less: Capital Purchases - Prior Yr. Rollover	(5,840,005)	(3,391,200)
Less: Capital Purchases - Current Year	<u>(2,778,000)</u>	<u>0</u>
ENDING CAPITAL ASSET CASH	<u><b>\$ (4,844,726)</b></u>	<u><b>\$ 0</b></u>

**TRANSIT**

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

***Comment: Capital asset  
needs subsidized by Federal  
and State funding.***

The City's Transit operation is fiscally similar to the Airport, as it 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. As long as Transit receives adequate operating and capital funding from state and federal grants the fund will remain healthy.

This year Transit expanded their hours of operation in August and established service to Exeter and Farmersville this November. Although revenues from fare box receipts increased from these services (as well as operating expenses), revenues from ticket sales to governmental and non-profits declined due to their budgetary and program cuts. The net result however, does not greatly change the bottom line as grants made up any shortfalls.

***Recommended Action: Continue to monitor operation and capital funding and encourage greater use of this community asset.***

Table XI  
Transit

	<u>Budgeted</u>	<u>Projected</u>
<b><u>OPERATIONS</u></b>		
<b><u>RESOURCES</u></b>		
Operating Revenues	\$ 754,800	\$ 863,700
Grants, Reimbursements & Non-Operating.	<u>4,320,650</u>	<u>4,399,800</u>
RESOURCES TOTAL	<u><b>5,075,450</b></u>	<u><b>5,263,500</b></u>
 <b><u>OPERATING EXPENSES</u></b>		
Personnel	(180,274)	(188,800)
Operations & Maintenance	(3,544,788)	(4,192,100)
Depreciation	(670,800)	(670,800)
Allocated Costs	<u>(214,930)</u>	<u>(211,800)</u>
OPERATING EXPENSE TOTAL	<u><b>(4,610,792)</b></u>	<u><b>(5,263,500)</b></u>
 <b><u>DEBT SERVICE</u></b>		
	<u>(2,000)</u>	<u>-</u>
<b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>	<u><b>(4,612,792)</b></u>	<u><b>(5,263,500)</b></u>
 <b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>		
	<u><b>\$ 462,658</b></u>	<u><b>\$ 0</b></u>
 <b><u>CAPITAL ASSETS</u></b>		
Beg. Capital Asset Cash	0	0
Add: Current. Yr. Net Operating. Resources Avail.	462,658	0
Add: Depreciation	670,800	670,800
Less: Capital Purchases - Prior Yr. Rollover	(4,825,621)	(550,000)
Less: Capital Purchases - Current Year	<u>(125,000)</u>	<u>(125,000)</u>
<b>ENDING CAPITAL ASSET CASH</b>	<u><b>\$ (3,817,163)</b></u>	<u><b>\$ (4,200)</b></u>

**WASTEWATER**

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

***Comment: Implement July's  
scheduled 5% rate increase***

As shown in Table XII, Wastewater the fund has a projected deficit, however, sewer impact fees from new development are transferred into the fund at year's end, thereby erasing the deficit. This year's revenues should be approximately \$2.5-2.8 million. Wastewater's revenues are approximately \$600,000 over budget and total operating expenditures are projected to be about \$400,000 below budget, improving the operating results by \$1.0 million. Thus, the fund is covering operations and debt service.

On the capital side, the fund has sufficient cash to acquire its needed capital. Note that the fund has annual depreciation charges in excess of \$2.2 million. Thus, the fund expects to average capital expenditures of \$2.2 million a year. However, in the near term, a number of projects will

come on line, exceeding this level of investment. This occurs during rapid growth periods and is mainly financed by higher than average impact fee payments, such as the fees the City expects to collect this year.

Table XII  
**Wastewater**

	<u>Budget</u>	<u>Projected</u>
<b><u>OPERATIONS</u></b>		
<b><u>RESOURCES</u></b>		
Operating Revenues	\$ 8,849,315	\$ 8,861,300
Grants, Reimbursements & Non-Operating	<u>903,425</u>	<u>1,516,500</u>
RESOURCES TOTAL	<u><b>9,752,740</b></u>	<u><b>10,377,800</b></u>
<b><u>OPERATING EXPENSES</u></b>		
Personnel	(2,152,922)	(2,041,600)
Operations & Maintenance	(2,435,252)	(2,241,100)
Depreciation	(2,231,900)	(2,231,900)
Allocated Costs	<u>(3,151,105)</u>	<u>(3,045,600)</u>
OPERATING EXPENSES TOTAL	<u><b>(9,971,179)</b></u>	<u><b>(9,560,200)</b></u>
<b><u>DEBT SERVICE</u></b>	<u>(2,647,143)</u>	<u>(2,659,700)</u>
<b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>	<u><b>(12,618,322)</b></u>	<u><b>(12,219,900)</b></u>
<b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>	<u><b>\$ (2,865,582)</b></u>	<u><b>\$ (1,842,100)</b></u>
<b><u>CAPITAL ASSETS</u></b>		
Beg. Capital Asset Cash	3,340,169	3,340,169
Add: Depreciation	2,231,900	2,231,900
Less: Capital Purchases - Prior Yr. Rollover	(1,712,806)	0
Less: Capital Purchases - Current Year	<u>(3,475,850)</u>	<u>(1,203,400)</u>
<b>ENDING CAPITAL ASSET CASH</b>	<u><b>\$ 383,413</b></u>	<u><b>\$ 4,368,669</b></u>

Table XIII, Monthly Sewer Charges, shows the average sewer charge for communities close to Visalia. For the residents of Visalia, the ultimate measure of success for the treatment plant is the sewer rate they pay. Visalians enjoy a sewer rate that tends to be among the lowest even with the Council approved multi-year rate program that was approved by Council. This multi-year rate increase began in 2002 and has rate increases scheduled through July 1, 2006.

One area that still needs to be reviewed is the fees for connection to the treatment plant. In the light of many potential upcoming connections, due to county island annexations, this fee should be reviewed and returned to Council.

Table XIII

**Monthly Sewer Charges  
Single Family Residences**

	<u>Sewer</u>	
Lindsay	\$	26.79
Porterville		25.39 (1)
Kingsburg		20.50 (1)
Selma		20.50 (1)
Fowler		20.50
Hanford		19.25
Tulare		17.69
Fresno		16.56
Lemoore		16.50
Reedley		16.35
Dinuba		16.12
Exeter		16.00
Clovis		15.85
Woodlake		13.00
Farmersville		12.70
Bakersfield		10.00
<b>Average</b>	<b>\$</b>	<b>17.13</b>
<b>Visalia</b>	<b>\$</b>	<b>13.81</b>

(1) Community Service District

**Recommended Action: Monitor fund for capital expenditures in excess of the amount of cash derived from depreciation charges and review connection fees to assure the fees are properly priced before new island annexation areas connect to the City's sewer system.**

**Solid Waste**

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

<p><b>Comment: Increased capital asset costs merit small rate increase.</b></p>
---

Solid Waste continues to meet the objectives of its fund, covering operating, debt and capital costs, as shown on Table XV, Solid Waste. Revenues are in excess of budget as well as total operating expenses. In this fund, expense increases are outpacing revenue increases, thereby reducing expected operating surpluses. This net \$200,000 decrease in operating surplus is partly due to higher fuel costs, additional landfill fees and other increased operating costs.

Despite this narrowing of the operating surplus, the fund remains strong. A financial situation, in its beginning stages merits discussion, as over \$7.4 million of Solid Waste capital assets are tied up in vehicles and the City is making a major effort to convert its fleet to compressed natural gas (CNG) in order to promote clean air.



The cost of this conversion is changing the fund's cost structure. Current vehicles cost approximately \$150,000. CNG vehicles will cost approximately \$200,000. This 33% cost increase will eventually translate into an additional \$200,000 annually in depreciation charges. If the City Council wishes to follow the policy of changing rates by small increments, they may wish to consider a small (2%) multi-year rate increase this coming July. Given that the fund has not had a rate increase since 1996 and that the City's rate is almost the lowest in the surrounding area, as shown in Table XIV, Monthly Residential Solid Waste Rates, a small rate increase appears merited.

Table XIV

**Monthly Solid Waste Rates**  
Single Family Residences

	<u>Solid Waste</u>
Clovis	\$ 25.77
Reedley	24.50
Lemoore	23.00
Kingsburg	22.40
Dinuba	20.94
Hanford	20.90
Bakersfield	19.56
Tulare County	19.50
Fresno	18.00
Goshen	18.00
Woodlake	18.00
Farmersville	17.00
Lindsay	16.90
Exeter	16.04
Tulare	15.50
Porterville	<u>15.00</u>
<b>Average</b>	<b>\$ <u>19.02</u></b>
<b>Visalia</b>	<b>\$ <u>16.00</u></b>

***Recommended Action: Direct staff to prepare information for a multi-year rate increase to be implemented in July, funding the change from diesel to CNG vehicles and other increasing costs. In the past, the City Council has approved multi-year rate increases to fund the Wastewater Fund. A 2% per year, 3-year rate increase would keep the Solid Waste Fund fiscally sound and would continue a pattern set by Council in implementing small rate increases rather than large ones.***

Table XV  
Solid Waste

	<u>Budgeted</u>	<u>Projected</u>
<b><u>OPERATIONS</u></b>		
<b><u>RESOURCES</u></b>		
Operating Revenues	\$ 11,124,963	\$ 11,154,200
Grants, Reimbursements & Non-Operating	2,127,299	2,351,000
RESOURCES TOTAL	<b>13,252,262</b>	<b>13,505,200</b>
 <b><u>OPERATING EXPENSES</u></b>		
Personnel	(2,889,917)	(2,920,000)
Operations & Maintenance	(3,589,639)	(3,665,000)
Depreciation	(1,076,780)	(1,076,800)
Allocated Costs	(5,190,596)	(5,499,200)
OPERATING EXPENSES TOTAL	<b>(12,746,932)</b>	<b>(13,161,000)</b>
 <b>TOTAL OPERATING EXPENSES &amp; DEBT SERVICE</b>		
	<b>(12,746,932)</b>	<b>(13,161,000)</b>
 <b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>		
	<b>\$ 505,330</b>	<b>\$ 344,200</b>
 <b><u>CAPITAL ASSETS</u></b>		
Beg. Capital Asset Cash	2,931,056	2,931,056
Add: Depreciation Transfer	1,076,780	1,076,800
Less: Capital Purchases - Prior Yr. Rollover	(1,924,730)	(1,900,000)
Less: Capital Purchases - Current Year	(2,112,190)	(500,000)
ENDING CAPITAL ASSET CASH	<b>\$ (29,084)</b>	<b>\$ 1,607,856</b>

**Summary:**

Recapping the report, staff recommends the following Council Actions in regards to the City's Finances:

**General Fund Budget Amendments for FY04/05 and FY05/06:**

1. **Park Janitorial Bid - \$20,000 for FY04/05 and \$80,000 for FY05/06 (ongoing, annual cost).** The City has changed contractors for cleaning the parks. The contract, however, is more expensive than the past. As a result, the 04/05 and 05/06 budgets will need to be increased for these costs.
  
2. **Street Tree Bid – FY04/05 and FY05/06: \$100,000 (ongoing, annual cost).** The City is in the process of soliciting bids to maintain the City's street trees. Maintenance is currently on a request or complaint basis. Management recommends increasing this level and believes the minimum level of increased activity should be at least \$100,000. The specific staff recommendation will be brought back to Council when the bids have been received and evaluated. This effort will address a potentially problematic and sometimes dangerous problem due to trees falling down. It will minimize and manage this problem.

3. **United Way First Call Program - FY04/05 and FY05/06: \$3,000 (annual, ongoing).** Vince Elizondo, the Parks and Recreation Department Head, recommends that the City participate with other local governments in United Way's First Call Program. The participation would be conditioned on the participation of other local governments. Further information about this program can be found in the attachment from Mr. Elizondo.
4. **Council Chambers Equipment – FY 04/05: \$20,000 (one time cost).** The sound, AV and voting machine in the Council Chambers need to be replaced. The estimated cost for this equipment is \$20,000.
5. **Transit Center Furniture, Fixtures and Equipment – FY04/05: \$60,000 (one time cost).** The City Council, City Manager and City Clerk will be moving to new offices this year. There will be a new office for the Mayor, an office for the Council, 2 additional conference rooms, and offices for 6 staff members. Furniture, computers, audiovisual, copying and other equipment is needed for this facility. While more cost effective options for the furniture are still being explored, the initial bid indicates this level of costs.
6. **Web Page Development – FY04/05: \$25,000 (one time cost).** The City has a web page but needs a comprehensive revamping, both to make it more user friendly and to present a more professional image of the City. Many companies and others interested in the City use the website to obtain initial information, as well as citizens who are interested in obtaining more information about their community. While there is much of information on the current page, not all of it is easily accessible. In addition, the format needs to be revised to provide a more accurate depiction of the modern, progressive City that Visalia is today.
7. **Sister City Expenses – FY04/05: \$2,000 (on-going, annual cost).** The City has two Sister City relationships, one with Miki City in Japan and another in Putignano, Italy. There are hosting and appreciation expenses involved whenever there are official visits between our Cities. Funds have never been budgeted to cover these types of expenses. It is recommended that \$1,000 a year be set aside for each committee to cover the expenses when there is an official visit. It is also recommended that these funds be accumulated from year-to-year if not all the funds are needed in one year. If approved, a more detailed policy regarding expenditure of these funds will be developed.
8. **Expected rental costs of \$4,000 a month (\$48,000 annually, ongoing) for the new Council offices at the Transit Center starting in FY 05/06.** The City Council has directed staff to proceed with improvements to the Transit Center's upper floors to create new Council offices. The Transit Center will lease these offices to the City. The projected rent is \$1 per square foot per month for the approximately 4,000 square feet of office space, comparable to other lease rates downtown.
9. **COS Community Survey FY 04/05 (one-time) cost of \$13,000.** The Council proposed conducting a community survey with COS to determine community interest and support for an expanded community college campus.
10. **Recreation Park Expansion FY 04/05 \$250,000 (one-time).** The Council has committed to expanding and upgrading Recreation Park. Due mainly to increased concrete and steel costs, the project has increased in cost by \$250,000. Staff recommends advancing funds from the Recreation Park Stadium Reserve which will cause the reserve to have a negative balance. This will be repaid over time as monies become available to replenish the reserve.

**Other Recommendations for FY04/05 and FY05/06:**

11. *To continue the pattern of accelerating the hiring of Measure T Police personnel, staff recommends authorization to accelerating the FY 05/06 capital purchase appropriation of 5 vehicles into FY 04/05 as well as \$30,000 for personnel expenses in an effort to bring on 5 Police Measure T officers by July 1, 2005.*
12. *Direct staff to bring back a proposal for a Solid Waste multi-year rate increase beginning as of July, probably in the range of 2% per year for 3 years.*

**Prior Council/Board Actions:** Budget Adoption, June 29, 2004

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

- Attachment 1 - General Fund Budget Summary
- Attachment 2 - General Fund Projected Revenues and Transfers In
- Attachment 3 - General Fund Budgeted and Projected Expenditures and Transfers Out
- Attachment 4 - Projected and Forecast Assumptions
- Attachment 5 - United Way First Call Request
- Attachment 6 - Measure T Plan

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** That the City Council:

1. accept the mid-year report on the General Fund, Measure T Fund and Enterprise Funds; and
2. authorize proposed General Fund budget amendments, items 1-10; and
3. authorize accelerating a portion of the 05/06 Measure T plan to 04/05 for capital and some personnel expenditures; and
4. direct staff to bring back a Solid Waste rate increase proposal, item 12.

***Financial Impact***

**Funding Source:**  
Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required:\$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**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)*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

## City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 11(a)

**Agenda Item Wording:** Approval and authorization to enter into biennial loan agreements between the Community Redevelopment Agency of the City of Visalia and the City of Visalia for administrative expenses. (Agency Resolution 2005-02 and Council Resolution 2005-32 required)

**Submitting Department:** Finance

**Contact Name and Phone Number:**

Eric Frost, 713-4474  
Cass Cook, 713-4298

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

**Department Recommendation and Summary:**

That the City Council/Agency Board approve Council Resolution 2005-?? and Agency Resolution 2005-??, adopting the Biennial Loan Agreements.

**Background**

In order to receive Tax Increment for administrative costs of the four Project Areas, the Agency must incur debt. The method to establish debt for these administrative costs is to enter into a biennial loan agreement with the City. The Agency then pledges tax increment to repay the advances.<sup>1</sup>

	<b>Proposed Agreement 2004-2006</b>	<b>Previous Agreement 2002-2004</b>
<b>EAST</b>		
General Advances	\$ 4,972,272	\$ 4,965,001
Land Acquisition	3,575,227	
<i>Subtotal East</i>	8,547,499	4,965,001
 <b>DOWNTOWN</b>	 98,664	 88,915
 <b>MOONEY</b>	 178,249	 246,183
 <b>CENTRAL</b>	 361,391	 373,174
 <i>Total Advances</i>	 <b>\$ 9,185,803</b>	 <b>\$ 5,673,273</b>

<sup>1</sup> All Low/Mod Housing Set-Aside is considered a legal obligation of the Agency. No debt agreements are required in the Low/Mod Funds.

The attached Resolution provides a General Fund guarantee (reserve) for administrative expenses in all of the areas as well as past advances in the East area. The advances are comprised of the following items:

The original general advance to the East redevelopment project area was made as seed money to begin improvements and develop tax increment. Interest on this loan was suspended in 1996, due to insufficient cash flow. As the Area is steadily improving, interest was once again charged as of July 1, 1999.

The increase in the advance in East is due to the purchase of the Edison, Van Ness, and Union Pacific parcels. As these parcels are sold by the Redevelopment Agency, the advance will be paid down. Recently, portions of the Edison property were sold for the development of Sonic Burger and Transit for the development of the transit maintenance facility.

The general advances to the areas are based on budgeted operating and administrative costs. Changes to the advances are due to changes in project budgets. The greater the value of projects undertaken in an area, the greater the administrative costs. Excluding the Downtown area, the redevelopment areas' operating costs have shrunk as fewer projects are being undertaken.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

- Council Resolution 2005-47
- Agency Board Resolution 2005-01
- Exhibit A – Loan Agreement, East Visalia RDA
- Exhibit B – Loan Agreement, Mooney Boulevard RDA
- Exhibit C – Loan Agreement, Downtown Visalia RDA
- Exhibit D – Loan Agreement, Central Visalia RDA

**City Manager Recommendation:**

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

I move that the City Council/Agency Board:

1. Upon completion of a Public Hearing, approve Council Resolution 2005-47 and Agency Resolution 2005-01, adopting the Annual Loan Agreements.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

Others:



RESOLUTION NO 2005-47

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF VISALIA APPROVING THE  
LOANS TO THE AGENCY'S ADMINISTRATIVE AND  
REVOLVING FUNDS FOR PAST PROJECT EXPENSES  
AND AUTHORIZING EXPENDITURES THEREFROM

**WHEREAS**, the City Council ("City") has previously entered into Cooperation and Loan Agreements with the Agency to make available certain loans to the Agency; and,

**WHEREAS**, the City, in accordance with the provisions of the California Community Redevelopment Law (the "Law"), has created an Agency Administrative Account (the "Administrative Account"); and,

**WHEREAS**, the City desires to extend these loans for the purpose of ensuring repayment; and,

**WHEREAS**, the Fiscal Years 2004/05 - 2005/06 Loan Agreements for the East Visalia, Mooney Boulevard, Downtown Visalia (A-11-1), and Central Visalia redevelopment project areas are attached hereto as Exhibits "B", "C", "D", and "E" respectively, and are incorporated herein by this reference.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the City Council of the City of Visalia as follows:

Section 1. The total sum of \$9,185,803 is hereby appropriated from existing General Fund reserves into the Agency Administrative Account for the remaining balance previously loaned to the Agency from the City.

Section 2. The City Manager is hereby authorized to execute the Loan Agreements attached hereto as Exhibits "A", "B", "C", and "D" on behalf of the City as the City's Act and Deed.

RESOLUTION NO 2005-01

A RESOLUTION OF THE COMMUNITY  
REDEVELOPMENT AGENCY BOARD  
OF THE CITY OF VISALIA APPROVING THE  
LOANS TO THE AGENCY'S ADMINISTRATIVE AND  
REVOLVING FUNDS FOR PAST PROJECT EXPENSES  
AND AUTHORIZING EXPENDITURES THEREFROM

**WHEREAS**, the Agency Board has previously entered into Cooperation and Loan Agreements with the City of Visalia ("City") to make available certain loans to the Agency; and,

**WHEREAS**, the City, in accordance with the provisions of the California Community Redevelopment Law (the "Law"), has created an Agency Administrative Account (the "Administrative Account"); and,

**WHEREAS**, the City desires to extend these loans for the purpose of ensuring repayment; and,

**WHEREAS**, the Fiscal Years 2004/05 - 2005/06 Loan Agreements for the East Visalia, Mooney Boulevard, Downtown Visalia (A-11-1), and Central Visalia redevelopment project areas are attached hereto as Exhibits "A", "B", "C", and "D" respectively, and are incorporated herein by this reference.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Agency Board of the City of Visalia as follows:

Section 1. The total sum of \$9,185,803 is hereby appropriated from existing General Fund reserves into the Agency Administrative Account for the remaining balance previously loaned to the Agency from the City.

Section 2. The Executive Director is hereby authorized to execute the Loan Agreements attached hereto as Exhibits "A", "B", "C", and "D" on behalf of the Agency as the Agency's Act and Deed.

# EXHIBIT A

## LOAN AGREEMENT

### FISCAL YEARS 2004/05 - 2005/06 EAST VISALIA REDEVELOPMENT PROJECT AREA

THIS AGREEMENT is entered into this 7<sup>th</sup> day of March, 2005 , by and between the City of Visalia, a municipal corporation (the "City") and the Community Redevelopment Agency of the City of Visalia, a public body, corporate and politic (the Agency).

#### RECITAL

**WHEREAS**, the Agency has conducted redevelopment activities in the East Visalia Redevelopment Project Area (the "Project"), and has incurred expenses and obligations for capital costs, administrative costs and overhead costs of the Agency; and,

**WHEREAS**, Sections 33600 et. seq. of the California Community Redevelopment Law authorizes the Agency to borrow money and/or accept financial assistance from the City; and,

**WHEREAS**, the Agency has incurred debt for previous years' activities which debt is to be repaid from available tax increment revenues allocated to the Agency in the Project; and,

**WHEREAS**, the City and the Agency have adopted the Agency's Annual Budget for the Fiscal Years 2004/05 - 2005/06.

**NOW, THEREFORE** the City and Agency enter into a Loan Agreement on the following terms and covenants:

#### COVENANTS

**Section 1. Amount of Loan.** The City agrees to loan the Agency an amount not to exceed \$8,547,949. Said loan shall be comprised of advances from the City's General Fund: \$3,575,227 for previous land acquisitions and \$4,972,722 for general advances (\$53,456 to pay administrative and overhead costs incurred in the 2004/05 Budget Year and \$54,960 to pay administrative and overhead costs incurred in the 2005/06 Budget Year).

**Section 2. Disbursement of Funds.** The City agrees to disburse loan proceeds to the Agency in repayment of previous City loans and the Agency agrees to use such proceeds only for the purposes contained in the adopted two-year budget of the Agency for the 2004/05 - 2005/06 Fiscal Years.

**Section 3. Interest.** The Agency agrees to pay simple interest at the current Monthly investment portfolio earning rate on the funds borrowed.

**Section 4. Repayment.** The Agency agrees to repay to the City General Fund any and all funds borrowed out of the first available tax increment funds, or upon demand to the extent possible above debt service payments as shown on Exhibit A.

**Section 5. Obligation Constitutes Indebtedness.** This Loan Agreement shall constitute an indebtedness and debt of the Agency. Agency shall use all available tax increment revenues to pay City in periodic payments. This obligation shall be subordinate to existing Agency debt service agreements, and any tax allocation bonds issued by the Agency.

**IN WITNESS WHEREOF,** the City and the Agency have executed this Agreement as of the date first above written, replacing all previous annual Loan Agreements for the Project.

Dated:

---

Steve Salomon, City Manager/  
Agency Executive Director

---

Roxanne Yoder  
Chief Deputy

## EXHIBIT B

### LOAN AGREEMENT

FISCAL YEARS 2004/05 - 2005/06  
MOONEY BOULEVARD  
REDEVELOPMENT PROJECT AREA

THIS AGREEMENT is entered into this 7<sup>th</sup> day of March, 2005, by and between the City of Visalia, a municipal corporation (the "City") and the Community Redevelopment Agency of the City of Visalia, a public body, corporate and politic (the Agency).

#### RECITAL

**WHEREAS**, the Agency has conducted redevelopment activities in the Mooney Boulevard Redevelopment Project Area (the "Project"), and has incurred expenses and obligations for capital costs, administrative costs and overhead costs of the Agency; and,

**WHEREAS**, Sections 33600 et. seq. of the California Community Redevelopment Law authorizes the Agency to borrow money and/or accept financial assistance from the City; and,

**WHEREAS**, the Agency will incur debt in the payment of administrative and overhead costs, which debt is to be repaid from available tax increment revenues allocated to the Agency in the Project; and,

**WHEREAS**, the City and the Agency have adopted the Agency's Annual Budget for the Fiscal Years 2004/05 - 2005/06.

**NOW, THEREFORE** the City and Agency do hereby enter into a Loan Agreement according to the following terms and covenants:

#### COVENANTS

**Section 1. Amount of Loan.** The City agrees to loan the Agency an amount not to exceed \$178,249. Said loan shall be comprised of \$87,688 to pay administrative and overhead costs incurred in the 2004/05 Budget Year, and \$90,561 to pay administrative and overhead costs incurred in the 2005/06 Budget Year in the Mooney Boulevard Redevelopment area.

**Section 2. Disbursement of Funds.** The City agrees to disburse loan proceeds to the Agency for payment of administrative and overhead costs and the Agency agrees to use such proceeds only for the purposes contained in the adopted annual budget of the Agency for the 2004/05 - 2005/06 Fiscal Years.

**Section 3. Interest.** The Agency agrees to pay the City the current monthly investment portfolio earning rate on the funds borrowed.

**Section 4. Repayment.** The Agency agrees to repay to the City General Fund any and all funds borrowed on the last business day of each month, or upon demand to the extent possible.

**Section 5. Obligation Constitutes Indebtedness.** This Loan Agreement shall constitute an indebtedness and debt of the Agency. Agency shall use all available tax increment revenues to pay City in periodic payments. Such indebtedness shall be subordinate to any tax allocation bonds issued by the Agency.

**IN WITNESS WHEREOF,** the City and the Agency have executed this Agreement as of the date first above written, replacing all previous annual Loan Agreements for the Project.

Dated:

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Steve Salomon, City Manager/  
Agency Executive Director

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Roxanne Yoder  
Chief Deputy

# EXHIBIT C

## LOAN AGREEMENT

FISCAL YEARS 2004/05 - 2005/06  
DOWNTOWN VISALIA (A-11-1)  
REDEVELOPMENT PROJECT AREA

THIS AGREEMENT is entered into this 7<sup>th</sup> day of March, 2005, by and between the City of Visalia, a municipal corporation (the "City") and the Community Redevelopment Agency of the City of Visalia, a public body, corporate and politic (the Agency).

### RECITAL

**WHEREAS**, the Agency has conducted redevelopment activities in the Downtown (A-11-1) Redevelopment Project Area (the "Project"), and has incurred expenses and obligations for capital costs, administrative costs and overhead costs of the Agency; and,

**WHEREAS**, Sections 33600 et. seq. of the California Community Redevelopment Law authorizes the Agency to borrow money and/or accept financial assistance from the City; and,

**WHEREAS**, the Agency will incur debt in the payment of administrative and overhead costs, which debt is to be repaid from available tax increment revenues allocated to the Agency in the Project; and,

**WHEREAS**, the City and the Agency have adopted the Agency's Annual Budget for the Fiscal Years 2004/05 - 2005/06.

**NOW, THEREFORE** the City and Agency do hereby enter into a Loan Agreement according to the following terms and covenants:

### COVENANTS

**Section 1. Amount of Loan.** The City agrees to loan the Agency an amount not to exceed \$98,664. Said loan shall be comprised of \$48,545 to pay administrative and overhead costs incurred in the 2004/05 Budget Year, and \$50,119 to pay administrative and overhead costs incurred in the 2005/06 Budget Year in the Downtown Visalia Redevelopment area.

**Section 2. Disbursement of Funds.** The City agrees to disburse loan proceeds to the Agency for payment of administrative and overhead costs and the Agency agrees to use such proceeds only for the purposes contained in the adopted annual budget of the Agency for the 2004/05 - 2005/06 Fiscal Years.

**Section 3. Interest.** The Agency agrees to pay the City the current monthly investment portfolio earning rate on the funds borrowed.

**Section 4. Repayment.** The Agency agrees to repay to the City General Fund any and all funds borrowed on the last business day of each month, or upon demand to the extent possible.

**Section 5. Obligation Constitutes Indebtedness.** This Loan Agreement shall constitute an indebtedness and debt of the Agency. Agency shall use all available tax increment revenues to pay City in periodic payments. Such indebtedness shall be subordinate to any tax allocation bonds issued by the Agency.

**IN WITNESS WHEREOF,** the City and the Agency have executed this Agreement as of the date first above written, replacing all previous annual Loan Agreements for the Project.

Dated:

---

Steve Salomon, City Manager/  
Agency Executive Director

---

Roxanne Yoder  
Chief Deputy



## EXHIBIT D

### LOAN AGREEMENT

FISCAL YEARS 2004/05 - 2005/06  
CENTRAL VISALIA  
REDEVELOPMENT PROJECT AREAS

THIS AGREEMENT is entered into this 7<sup>th</sup> day of March, 2005, by and between the City of Visalia, a municipal corporation (the "City") and the Community Redevelopment Agency of the City of Visalia, a public body, corporate and politic (the Agency).

#### RECITAL

**WHEREAS**, the Agency has conducted redevelopment activities in the Central Visalia Redevelopment Project Area (the "Project"), and has incurred expenses and obligations for capital costs, administrative costs and overhead costs of the Agency;

**WHEREAS**, Sections 33600 et. seq. of the California Community Redevelopment Law authorizes the Agency to borrow money and/or accept financial assistance from the City; and,

**WHEREAS**, the Agency will incur debt in the payment of administrative and overhead costs, which debt is to be repaid from available tax increment revenues allocated to the Agency in the Project; and,

**WHEREAS**, the City and the Agency have adopted the Agency's Annual Budget for the Fiscal Years 2004/05 - 2005/06.

**NOW, THEREFORE** the City and Agency do hereby enter into a Loan Agreement according to the following terms and covenants:

#### COVENANTS

**Section 1. Amount of Loan.** The City agrees to loan the Agency an amount not to exceed \$361,391. Said loan shall be comprised of \$178,796 to pay administrative and overhead costs incurred in the 2004/05 Budget Year, and \$182,595 to pay administrative and overhead costs incurred in the 2005/06 Budget in the Central Visalia Redevelopment area.

**Section 2. Disbursement of Funds.** The City agrees to disburse loan proceeds to the Agency for payment of administrative and overhead costs and the Agency agrees to use such proceeds only for the purposes contained in the adopted annual budget of the Agency for the 2004/05 - 2005/06 Fiscal Years.

**Section 3. Interest.** The Agency agrees to pay the City the current monthly investment portfolio earning rate on the funds borrowed.

**Section 4. Repayment.** The Agency agrees to repay to the City General Fund any and all funds borrowed on the last business day of each month, or upon demand to the extent possible.

**Section 5. Obligation Constitutes Indebtedness.** This Loan Agreement shall constitute an indebtedness and debt of the Agency. Agency shall use all available tax increment revenues to pay City in periodic payments. Such indebtedness shall be subordinate to any Agency tax allocation bonds issued by the Agency.

**IN WITNESS WHEREOF**, the City and the Agency have executed this Agreement as of the date first above written, replacing all previous annual Loan Agreements for the Project.

Dated:

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Steve Salomon, City Manager/  
Agency Executive Director

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Roxanne Yoder  
Chief Deputy

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(b)

**Agenda Item Wording:** Authorize Staff to pursue an Advance Refunding of the 1996 Convention Center bonds and utilize \$3.5 million of General Fund undesignated reserves and \$1.5 million of Sports Park reserves, which would be replaced by \$1.5 million of VLF Gap financing, to pay down the debt.

**Deadline for Action:** March 7, 2005

**Submitting Department:** Administration - Finance

**Contact Name and Phone Number:**

Eric Frost, 713-4474

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.): \_\_\_\_\_

## Recommendation

Staff recommends that the Council authorize Staff to pursue an Advance Refunding of the Convention Center bonds and utilize \$3.5 million General Fund undesignated reserves and \$1.5 million of Sports Park reserves to pay down the debt. The Sports Park reserve will then be replenished from the sale of the Vehicle License Fee Gap Loan Receivable (VLF Loan) of \$1.5 million.

## Summary

In 1996, the Visalia Public Finance Authority (VPFA), a joint powers authority between the City and the Community Redevelopment Agency, refinanced two previous issues for the Convention Center (1985 and 1991 bonds) and financed the purchase of the City Hall East facility. The VPFA issued \$30.6 million in bonds at an average interest rate of 5.4%. The bonds have a 10 year lock-out period meaning they can not be repaid within the first 10 years or December 2006. An Advance Refunding will allow the City to issue the debt at today's lower rates, and purchase securities that would mature in December 2006 when the debt could be repaid.

*Option 1.* As of 2/18/05, a straight refinancing of the debt would yield a present value savings of more than 5% of the debt issue, or about \$1.6 million over the life of the bond. A straight refinancing keeps the same maturity date, but lowers the rate and results in cash flow savings.

*Option 2.* Staff recommends that the Council consider not only refinancing the debt, but infusing the refinancing with additional cash and shortening the financing period. The rationale for this recommendation is the following. The Convention Center was significantly remodeled in the late 1980's. The debt was refinanced in 1996 and extended to 2026. By shortening the financing, the City can bring the ultimate repayment period closer to the original 30 year repayment schedule. However, to do so would require a cash infusion of approximately \$5.0 million.

Any financial savings accrue directly to the General Fund. The Convention Center is essentially a General Fund operation because the General Fund annually subsidizes the Center's operations and debt service to the tune of approximately \$3.2 million a year.

Staff proposes using \$1.5 million from the Sports Park reserve and \$3.5 million of the General Fund's undesignated fund balance to infuse the \$5.0 million for the proposed refinancing. The sale of the VLF Loan of \$1.5 million will then be used exclusively for the Sports Park project to attain the level of funding anticipated for the Phase I construction. Table I, Proposed Convention Center Refinancing Alternatives, compares the two financing approaches.

Table I  
Proposed Convention Center Refinancing Alternatives

	<u>Current</u>	<u>Option 1</u>	<u>Option 2</u>
Average Life (years)	13.0	12.4	7.7
Average Interest Rate	5.4%	3.9%	3.4%
Avg. Annual Savings	\$0.0	\$117,000	\$2,000
Net PV Savings	\$0.0	\$ 1,553,221	\$ 2,979,935
Required Cash Infusion			\$ 5,000,000
	12/1/202		
Ultimate Maturity	6	6/1/2027	12/1/2019

Thus, by using \$1.5 million in Sports Park/VLF reserve funds and \$3.5 million in General Fund undesignated unreserved fund balance, currently projected at approximately \$10.0 million, the City can save \$2.9 million for the General Fund over the life of the bonds. This approach does not touch the City's Emergency Reserve. Further, this approach shortens the terms of the repayment and positions the City to better manage the Convention Center.

If the City Council directs staff to pursue the financing, staff will bring back the necessary documents as soon as possible. Changes in the interest rate yield curve can quickly cause the proposed financing to no longer be feasible. Thus, staff would hope to bring the necessary documents to Council by the first meeting in April.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

Do not authorize an advanced refunding of the Convention Center bonds.

**Attachments:**

**City Manager Recommendation:**

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

Authorize Staff to pursue an advance refunding of the Convention Center bonds using \$5.0 million of undesignated unreserved General Fund balance to pay down the bonds and shorten the final maturity.

**Alternative Motion:**

Authorize staff to pursue an advanced refunding of the Convention Center bonds using the same date of maturity.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes _____ No _____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes	No
Review and Action: Prior:	Required:

**NEPA Review:**

Required? Yes	No
Review and Action: Prior:	Required:

**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)

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(c)

**Agenda Item Wording:** Letter of support for Assembly Bill 31 (Parra) to establish a Central Valley Economic Development Task Force to bring resources of the state to the aid of the economically distressed Central San Joaquin Valley be sent to Governor Schwarzenegger, Assembly Member Bill Maze and Senator Roy Ashburn.

**Deadline for Action:** March 7, 2005

**Submitting Department:** Administration

**Contact Name and Phone Number:** Carol L. Cairns, Assistant City Manager 713-4324

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.): \_\_\_\_\_

**Department  
Recommendation and**

**Summary:**

Staff recommends City Council authorize a letter to Governor Schwarzenegger, and local legislators, Assembly Member Bill Maze and Senator Roy Ashburn, supporting Assembly Bill 31 (Parra). This bill would declare the intent of the legislature to enact legislation to create the Interagency Task Force for the Economic Development of the Central San Joaquin Valley to coordinate and improve existing state and federal efforts for the valley, in concert with locally led efforts, in order to increase the living standards and the overall economic performance of the valley. (AB 31 attached)

The Business, Industry & Government Coalition ( B.I.G.) is requesting coalition participants to join in their efforts to gain support for this bill.

At this point there is no financing attached to the bill nor any specific names of committee members.

**Prior Council/Board Actions:**

none

**Committee/Commission Review and Actions:**

n/a

**Alternatives:**

do not take any action

**Attachments:**

AB 31

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** I move City Council authorize letters supporting Assembly Bill 31 (Parra) be sent to Governor Schwarzenegger, Assembly Member Bill Maze and Senator Roy Ashburn.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes____ No____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No

Review and Action: Prior:  
Required:



**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

# City of Visalia Agenda Item Transmittal

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(d)

**Agenda Item Wording:** Authorization for the City Manager to enter into a Two Year Lease Option Agreement between the City of Visalia and Top of the Third, Inc. for Professional Baseball at Recreation Park Stadium and approve advancing \$250,000 to the Recreation Park Stadium reserves for the construction of the new clubhouse at Recreation Stadium.

**Deadline for Action:** March 7, 2005

**Submitting Department:** Administration

**Contact Name and Phone Number:** Carol L. Cairns, Assistant City Manager 713-4324

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.): \_\_\_\_\_

**Department Recommendation:**

1. Staff recommends that the City Council approve a two year lease option extension to the existing contract with Top of the Third, Inc. The initial term of the existing contract was for two (2) years commencing January 1, 2003, and ending December 31, 2004. The parties may, by mutual agreement in writing, extend this Agreement if received sixty (60) days prior to termination date of this Agreement. The City did receive a written request from Top of the Third to extend the existing agreement with certain modifications.

2. Staff also recommends that Council approve a \$250,000 advance to the Recreation Park Stadium reserve for the construction of the new clubhouse at Recreation Park Stadium. The advance will be repaid over time as General Fund savings dedicated to the Recreation Park Stadium reserves accumulate. Council authorized \$449,000 on May 3, 2004, for the project. Since that time construction cost and materials have risen significantly and the contractor KH Construction (Fresno) has resubmitted their original estimate. The increase is due to a significant increase in the cost of concrete and steel.

**Summary:**

**1. Agreement**

The modifications to the new Agreement are minor and do not change the overall scope of the existing agreement. The main additions to the agreement state that:

- If Top of the Third reports a profit from its use and operations of the Premises including entry, fees, concessions, promotions, and the like during the term of the agreement, it shall pay the City of Visalia **10%** of the net income therefrom (excluding owner business expense) on or before March 15, 2006, and on or March 15, 2007.

- In the current lease Top of the Third, Inc. is responsible for performing maintenance and repairs totally no less than \$30,000 total for the two year agreement . In the new agreement the amount of maintenance and repairs has been increased to no less than \$40,000 total in the two year agreement. This amount is at Top of the Third's own expense and is not to be reimbursed by the City.

Other than minor clarification and date changes all other sections of the existing agreement remain the same. In exchange for the continuing efforts of Top of Third, Inc. to improve the stadium, increase attendance and enhance the revenue stream, the City will continue to:

- pay the annual electricity billing (approximately \$25,000) for the term of this agreement
- pay the annual field maintenance billing (approximately \$27,500) for the term of this agreement
- not charge Top of the Third, Inc. an annual lease for the term of this agreement

Areas that continue to provide some amount of revenue are:

- the sale of seat nameplates at \$100 per seat (\$1,504)
- Redwood Baseball practice and clinics (\$2,450 in 2004-\$1,950 in 2005)
- Special events such as the Brew Fest \$2,000 and the Charity Baseball Game \$750.

Approximately \$8,654 has been received from these sources.

City Staff and the General Manager continue to evaluate potential revenue sources for the stadium. Potential sources include:

- Special events such as concerts, religious services, and non-profit events. A fee would be established based on the type of event and the impact to the stadium.
- A surcharge on ticket sales to create a maintenance fund for the stadium to become effective January 1, 2007. A \$.25 surcharge would produce approximately \$11,000 annually.

## **2. New Clubhouse for the Oaks**

On May 3, 2004, City Council approved \$449,000 to build a new clubhouse for the Oaks. This amount included: architect fees (\$29,217), permits (\$10,000), site prep work (\$55,000) and construction costs (**\$355,212**). This is the second major phase in refurbishing the stadium and one that is also required by the Cal League.

### **COST:**

KH Construction from Fresno, who built the picnic area and deck, was contacted in March 2004. They gave a proposal of **\$355,212**. Since that time the cost of concrete and steel has risen significantly and KH's new cost is **\$589,768**. City Staff and the General Manager of the Oaks were naturally concerned about the increase and contacted several companies here in Visalia to try to obtain a lower proposal. Only one company responded and their proposal was \$50,768 lower, but they would take 8 months to complete the project and KH could complete the project in 3-4 months. This change causes a shortfall of **\$234,554** in the construction fund for the project. Including a **6.5%** contingency, an additional **\$250,000** is needed to move forward with the construction. As this project is required by the Cal League and is imperative in keeping major team affiliation, the General Manager of the Oaks is requesting to move forward with KH Construction and begin the project in March. She maintains communication with the League President regarding the ongoing improvements.

### FUNDING SOURCE:

Council approved setting aside the available year-end General Fund balance beginning with FY 98/99 Budget. Council authorized any available General Fund balance at year end go first to maintain the **25%** General Fund Emergency Reserve, and then any additional reserves be split equally between the Sports Park Project and the Civic Center Project. In November 2002, Council included the Recreation Park Stadium Project to receive 5% of any additional reserves. In addition, an initial **5%** of the current reserve balance at that time, which was \$831,700, was approved for the first renovation phase. Currently, four (4) projects receive funds if revenues exceed budget. Those projects are:

- Sports Park 45%
- Civic Center 45%
- Highway 198 Corridor 5%
- Recreation Park Stadium 5%

The current clubhouse construction project is the second renovation phase. Revenue from the sale of the City property for the Family Fun Park and Fresno Pacific University along with reserves from the first phase and unrestricted reserves totaling \$449,429, were approved to move forward on this phase on May 3, 2004.

### Conclusion:

Staff is requesting that funds be advanced from the Recreation Park Stadium Project reserves to fund the additional \$250,000 needed to begin the project. The negative balance would be repaid over time as General Fund savings dedicated to the Recreation Park Stadium Project are accumulated.

The final phase to be completed in 2007, is the construction of 400 new seats, a new concession stand, remodel of the existing concession stand, additional restrooms, improvements in the grandstand stairs, shade covering over the stadium, and other miscellaneous minor repairs. The anticipated cost of the final phase is \$1,700,000. Because of the high priority need for the new clubhouse some of the final phase projects can be moved out into future years depending upon available funding. When completed the total renovation of the stadium will have a cost of approximately \$3,500,000.

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

4-5-04 Council approved \$32,424 for architectural, engineering and planning fees for design of working drawings for the new clubhouse construction project.

5-3-04 Council approved \$420,212 for the construction of the new clubhouse.

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

### **Alternatives:**

Postpone the clubhouse construction to an unknown date

### **Attachments:**

### **City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** I move the City Council approve the two year lease option extension with Top of the Third, Inc. from January 1, 2005, and ending December 31, 2006 and that Council approve advancing \$250,000 to the Recreation Park Stadium reserves for the construction of the new clubhouse.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(e)

**Agenda Item Wording:** Authorization to appropriate asset forfeiture funds and authorize the purchase of an infrared (IR) camera for the Bomb Squad Mk II Robot in the amount of \$1,015.

**Deadline for Action:** March 7, 2005

**Submitting Department:** Police Department

**Contact Name and Phone Number:** Chuck Hindenburg  
ext. 4250

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.): \_\_\_\_\_

**Department Recommendation and Summary:**

It is recommended that the City Council authorize the appropriation of \$1,015 in State Asset Forfeiture funds to purchase an IR camera for the Bomb Squad Mk II Robot. This expenditure will leave a balance of \$20,881 in the State Asset Forfeiture Fund (6211).

In July of 2004 the Visalia Police Department received a Homeland Security Grant to purchase a robot for the Bomb Squad. The robot selected for purchase was the Vanguard Mk II. One of the upgrades of the Mk II over the Mk I was the addition of a pan/tilt/zoom color camera. This replaced the IR camera that was standard on the Mk I.

An infrared camera enables the robot to work in low light conditions or in areas that are obscured by smoke. It will allow the robot to perform building or area searches in a variety of light conditions. This will benefit the Bomb Squad when using the robot for render safe procedures, and will also benefit the SWAT and HAZMAT teams by limiting the exposure of department personnel to unknown hazards or armed suspects who may be concealed by darkness.

**Prior Council/Board Actions:** N/A

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

**Alternatives:** Do not purchase the IR camera.

**Attachments:** N/A

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By author: .

File location and name: H:\(1) AGENDAS for Council\030705\Item 12e Council Agenda Transmittal IR Camera for Robot.doc

**City Manager Recommendation:**

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

I move that the City Council authorize the appropriation of \$1,015 from the State Asset Forfeiture Fund; and that the City Council approve the expenditure of the State Asset Forfeiture funds of \$1,015 for the purchase of a IR camera for the Bomb Squad Mk II Robot.

***Financial Impact***

**Funding Source:** State Asset Forfeiture Fund

Account Number: 6211 710010 21204 21501 (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$1,015	New Revenue:	\$
Amount Budgeted: \$	Lost Revenue:	\$
New funding required:\$1,015	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes  No   
Review and Action: Prior:   
Required:

**NEPA Review:**

Required? Yes  No   
Review and Action: Prior:   
Required:

This document last revised: 3/4/05 10:53:00 AM

By author: .

File location and name: H:\(1) AGENDAS for Council\030705\Item 12e Council Agenda Transmittal IR Camera for Robot.doc



**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

This document last revised: 3/4/05 10:53:00 AM

By author: .

File location and name: H:\(1) AGENDAS for Council\030705\Item 12e Council Agenda Transmittal IR  
Camera for Robot.doc

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(f)(1)

**Agenda Item Wording:** Request authorization to file a Notice of Completion for Project No. 4311-720000-0-0-9457-2005 the Pinkham Street Island Annexation Sanitary Sewer Improvements.

**Deadline for Action:** None

**Submitting Department:** Community Development and Public Works Department

**Contact Name and Phone Number:** David Jacobs 713-4492, Jim Funk 713-4540, Fred Lampe 713-4270

For action by:

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

For placement on which agenda:

Work Session  
 Closed Session  
Regular Session:  
 Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 1 min.

**Department Recommendation and Summary:** Staff recommends that authorization be given to file a Notice of Completion for Project No. 4311-720000-0-0-9457-2005, the Pinkham Street Island Annexation Sanitary Sewer Improvements. A map of the annexation area is attached. The project installed an 8" main sewer line in the newly annexed island. 4" sewer laterals were also installed to the property line of each individual lot. To date, eleven out of fifty two households have taken out permits to connect to the new system with several more asking for information to complete the process.

All of the work has been completed on this project by Bill Nelson General Engineering Construction Inc. at a final cost of \$239,778.00. The contract amount for this job was \$236,550.00. The overage of \$3,228.00 (1.4%) was due to three changes.

- 1) Plans showed an 8" sewer line extending west on Paradise Avenue from Pinkham Street to provide service to the first house at 2112 E. Paradise. After trenching it was discovered the house was served directly from Pinkham Street and there was no 8" line in Paradise Avenue. The 8" line was needed to complete the project. The contractor installed 86' of 8" pipe in Paradise Avenue and connected to the existing city line in Pinkham Street. (Cost of \$8,928.00)
- 2) Two manholes had to be modified to connect the system at Howard Avenue. One at Howard Avenue and Irma Street and one at Howard Avenue and Goddard Street. (Cost of \$1,800.00)
- 3) The Storm Water Pollution Protection Plan was not required for this project and was removed after the contract was signed. (Deduction of \$7,500.00)



**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*)  
*Record a Notice of Completion with the County Recorder*  
*Pay Contractor the 10% withholding 35 days from recording date.*

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(f)(2)

**Agenda Item Wording:** Authorization to file a Notice of Completion for the Taxiway and T-Hangar construction, Parking Lot rehabilitation and related projects at the Visalia Municipal Airport; Project numbers 4011-72-0-0-9310-2000, 4011-72-0-0-9312-2000, 4011-72-0-0-9246-2000, 4011-72-0-0-9446-2001, 4011-72-0-0-9447-2001 & 4011-72-0-0-9450-2002, corresponding to FAA AIP Project numbers 3-06-0271-14, 15, 17 & 19.

**Deadline for Action:** N/A

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Mario Cifuentez II, x4480

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

**Department Recommendation and Summary:**

Executive Summary:

Airport staff recommends that Council authorize city staff to file a Notice of Completion on AIP project Nos. 3-06-0271-14, 15, 17 & 19 at a final cost of \$1,457,237.52. Albeit there were delays on the project due to weather, the project was completed within the allotted project time. The final project cost includes \$85,930.52 in change orders, which is 6% of the bid award. The total change order amount was largely the result of drainage revisions required during safety area grading and electrical improvements needed to accommodate the new T-Hangar construction. The majority of the change orders are attributable to FAA funded projects and as such, \$44,826.39 in additional grant funding has been allocated to cover the cost of the change order.

Background:

On October 20, 2004, Rising Sun Construction completed all work on the above referenced project, at a final cost of \$1,457,237.52. The increase in cost of the project is the result of several items. A copy of the change order and the engineer's report has been attached to this report. The Engineer's report explains the changes in detail and additional costs incurred.

The two major items necessitating the change orders were changes to the drainage system in the runway safety area and an upgrade of the electrical service to feed the new T-hangar installation. This project included construction in several areas of the airport that were previously undeveloped. As such, there were several areas where we encountered underground utilities and piping that were not noted on any maps that the City had for the airport. While grading the runway safety area, the contractor dug up several sections of piping

for the irrigation of the farmland and that piping had to be relocated outside of the safety area. Additionally, as the electrical system was installed on the new T-hangars, it was determined that the system feeding the old T-hangars was inadequate to feed the new hangars and it had to be upgraded.

The project was completed on schedule and brings all of the pavement sections in our operations areas up to a 20-year life span. The construction of the T-hangars provided ten (10) additional storage spaces and has reduced the hangar waiting list down to seven (7) people that have an immediate need for a hangar.

Additionally, the project included the reconstruction of the eastern section of the automobile parking lot and the rental car parking area located behind the terminal; the construction of two taxiways south of Fire Station 3; and the replacement of all sign panels on the runway and taxiway direction signs.

Work on the project was completed in November 2004, however, two (2) drainage problems arose as the winter rains began. As such, the notice of completion was held off until a channel gutter could be installed to relieve water from a low spot next to the new T-Hangars and a roof gutter system had to be installed on the T-Hangars.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** Change Order No. 1, Engineers Report for Change Order No. 1. Additional cost breakdowns for the Channel Gutter and Hangar Rain Gutter Installations.

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** Move that Council authorize the Filing of a Notice of Completion for the Taxiway and T-Hangar construction, Parking Lot Rehabilitation and related projects at the Visalia Municipal Airport; Project Nos. 4011-72-0-0-9310-2000, 4011-72-0-0-9312-2000, 4011-72-0-0-9246-2000, 4011-72-0-0-9446-2001, 4011-72-0-0-9447-2001 & 4011-72-0-0-9450-2002, corresponding to FAA AIP Project Nos. 3-0271-14, 15, 17 & 19.

**Financial Impact**

**Funding Source:**

Account Number: 4011-72-0-0-9310-2000, 4011-72-0-0-9312-2000,  
4011-72-0-0-9246-2000, 4011-72-0-0-9446-2001,  
4011-72-0-0-9447-2001 & 4011-72-0-0-9450-2002

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required:\$	New Personnel: \$
Council Policy Change: Yes_____	No <u>✓</u>

Copies of this report have been provided to:

**Environmental Assessment Status**

**CEQA Review:**

Required? Yes No ✓  
Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No ✓  
Review and Action: Prior:  
Required:

**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)

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**





**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk):** 12(g)

**Agenda Item Wording:** Approve the recommendation by the Parks and Recreation Commission to establish the name of "Cherry Meadow Park" for the new neighborhood park site at Pinkham and Cherry Streets.

**Deadline for Action:** None

**Submitting Department:** Parks & Recreation

**Contact Name and Phone Number:**

Vincent Elizondo, Director of Parks & Recreation, 713-4367

For action by:

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

For placement on which agenda:

- Work Session
- Closed Session
- Regular Session:
  - Consent Calendar
  - Regular Item
  - Public Hearing

Est. Time (Min.): 1

**Department Recommendation and Summary:**

The Visalia Parks and Recreation Commission unanimously recommends that the City Council establish the name of "Cherry Meadow Park" for the new 4.3 acre neighborhood park located at Pinkham and Cherry Streets.

**Background:**

In August 2004, the City Council awarded a contract to Dunn Sand to construct a 4.3 acre neighborhood park at Pinkham and Cherry Streets. Park amenities include a 1/3 mile perimeter walk; two playground areas; a small picnic shelter; picnic tables; 150 trees; 600 shrubs; and 60,000 sq. ft. of turf. The park will also have a storm pond basin. Park construction is well underway and the park is scheduled to open in May or June 2005.

Part of the construction process includes the installation of a concrete park sign. City staff has been working with the Parks and Recreation Commission for several months to develop a recommendation regarding a park name to provide to the contractor so that the park sign can be constructed and installed in a timely manner.

The Parks and Recreation Commission discussed this item at their public meetings of December 13, 2004, January 18, 2005, and February 16, 2005. Residents that live within close proximity of the park were invited to participate in the discussion regarding the naming of the park (see Exhibit A).

This document last revised: 03/04/2005 10:54 AM

By author: Deanna Turney

File location and name: H:\(1) AGENDAS for Council\030705\Item 12g ccherrymeadow.doc

The Commission received several suggestions from the public regarding public names. Some of these names were received by members of the public that attended a meeting or sent a written communication to the Commission. While several names were considered, "Cherry Meadow" was the overwhelming favorite.

The Commission was also asked to consider the name "Miki City" to recognize Visalia's sister City in Japan. While the Commission thought it was a great idea to recognize our sister City, the Commission felt very strongly that this name would not be appropriate for a neighborhood park. The Commission felt that our sister City should be recognized with a place or an area in the downtown area or adjacent to a civic center area.

It is within the scope of authority for the Commission to recommend a name to the Council for consideration within the guidelines that have been established in the "Facility Naming Policy".

**Prior Council/Board Actions:** August 16, 2004 City Council approval of park construction.

**Committee/Commission Review and Actions:** December 13, 2004, January 18, 2005, and February 16, 2005 review by Park and Recreation Commission

**Alternatives:**

**Attachments:**

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** The Visalia Parks and Recreation Commission unanimously recommend that the City Council establish the name of "Cherry Meadow Park" for the new 4.3 acre neighborhood park located at Pinkham and Cherry Streets.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes____ No____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No  
Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

Others:

**City of Visalia  
City Council Agenda Item Transmittal**

**Agenda Item Number (Assigned by City Clerk):12(h)(1)**

**City Council Meeting Date:** March 7, 2005

**Agenda Item Wording:** Authorization to record the final map of Sunrise Park Subdivision (19 lots), located at the southwest corner of Pinkham St. and "K" Ave. and the formation of Landscape and Lighting District No. 05-02, Sunrise Park Subdivision (Resolution Nos. 05-33 and 05-34 required)  
APN: 126-012-004

**Deadline for Council Action:** March 21, 2005

**Submitting Department:** Community Development/Public Works

**Contact Name and Phone Number:**

Andrew Benelli 713-4340  
Greg Dais 713-4164

For action by:

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

For placement on agenda as:

Consent Calendar  
 Regular Item  
 Public Hearing

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

**Department Recommendation and Summary:**

***Final Map***

Staff recommends that City Council approve the recordation of the final map of Sunrise Park Subdivision, containing 19 single family lots. All bonds, cash payments, subdivision map agreement and final map are in the possession of the City as follows: 1) An executed subdivision agreement; 2) Faithful performance bond in the amount of \$ 292,196.00 and Labor and Material bond in the amount of \$ 146,098.00; 3) Cash payment of \$ 33,276.45 distributed to various accounts; and 4) Final map.

The Faithful Performance Bond covers the cost of constructing the public improvements noted in the subdivision agreement and the Labor and Material Bond covers the salaries and benefits as well as the materials supplied to install the required public improvements. As required by the Subdivision Ordinance, the Faithful Performance Bond covers 100% of the cost of the public improvements. The Labor and Material Bond is valued at 50% of the Faithful Performance Bond. The Faithful Performance Bond can be reduced to 10% of the public construction costs after the Notice of Completion is recorded. The Faithful Performance Bond is held for one year after the recording and acts as a warranty for the public improvements installed per the subdivision agreement. The cash payment covers Development Impact Fees such as storm water acquisition, waterways, sewer front foot fees and any outstanding plan check and inspection fees. The plan check and inspection fees are estimated at the beginning of the Final Map process and are not confirmed until the subdivision agreement is finalized. Differences are due in cash at the time of City Council approval of the Final Map.

**Landscape & Lighting**

Staff recommends that the City Council: adopt Resolution No. 05- Resolution of Intention for Assessment District No. 05-02, Sunrise Park Subdivision; adopt the Engineer’s Report as submitted; and adopt Resolution No. 05- confirming the Engineer’s Report ordering the improvements and levying the first annual assessment.

The City of Visalia has been allowing developers of subdivisions to form assessment districts under the Landscape and Lighting Act of 1972, and now under Proposition 218, in lieu of using homeowners associations for the maintenance of landscaping, irrigation, street lights outside the walls along streets adjacent to the development and street preventative maintenance practices. These improvements are special to the development and enhance the land values to the individual property owners in the district.

The Landscape and Lighting Act allows for the use of summary proceedings when all the affected property owners have given their written consent. This process waives the requirement for a public hearing since the owners of this development have given their written consent to form this district.

**Prior Council Actions:** The City has been allowing the use of the Landscape and Lighting Act of 1972 for maintaining those landscape districts that enhance the subdivision.

**Committee/Commission Review and Actions:** The tentative subdivision map Sunrise Park Subdivision was first approved by Planning Commission on January 12, 2004 with the expiration date of January 12, 2006.

**Alternatives:**

**Attachments:**

Resolution of Intention; Resolution Ordering the Improvements; Exhibits “A”, “B”, “C”, “D”

**City Manager Recommendation:**

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

“I move to authorize the recordation of the final map for Sunrise Park Subdivision and adopt Resolution No. 05- Resolution Initiating Assessment District No. 05-02 “Sunrise Park Subdivision and adopt Resolution No. 05- Ordering the Improvements for Assessment District No. 05-02 “Sunrise Park Subdivision”.

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

***Financial Impact***

**Funding Source:**

**Budget Recap:**

Total Estimated cost: \$	New Revenue:	\$
Amount Budgeted: \$	Lost Revenue:	\$
New funding required:\$	New Personnel:	\$
Council Policy Change: Yes___	No_ X___	

RESOLUTION 05-  
INITIATING ASSESSMENT DISTRICT 05-02  
Sunrise Park Subdivision  
(Pursuant to Landscape and Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council proposes to form an assessment district pursuant to the Landscaping & Lighting act of 1972 (Section 22500 and following, Streets & Highways Code) for the purpose of the following improvements:  
  
Maintenance of turf, shrub area, irrigation systems, trees, walls and any other applicable equipment or improvements.
2. The proposed district shall be designated Assessment District No. 05-02, City of Visalia, Tulare County, California, and shall include the land shown on the map designated "Assessment Diagram Assessment District No. 05-02, City of Visalia, Tulare County, California", which map is on file with the City Clerk and is hereby approved and known as "Sunrise Park Subdivision".
3. The City Engineer of the City of Visalia is hereby designated engineer for the purpose of these formation proceedings. The City Council hereby directs the Engineer to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscape & Lighting Act of 1972.

PASSED AND ADOPTED:

CLERK'S CERTIFICATION TO COUNTY AUDITOR

ASSESSMENT DISTRICT NO. 05-02  
Sunrise Park Subdivision  
(Pursuant to Landscaping & Lighting Act of 1972)

TO THE COUNTY AUDITOR OF THE COUNTY OF TULARE:

I hereby certify that the attached document is a true copy of that certain Engineer's Report, including assessments and assessment diagram, for Assessment District No. 05-02, City of Visalia, confirmed by the City Council of the City of Visalia on the 7th day of March, 2005 by its Resolution No. 05-

This document is certified, and is filed with you, pursuant to Section 22641 of the Streets and Highways Code.



RESOLUTION NO. 05-

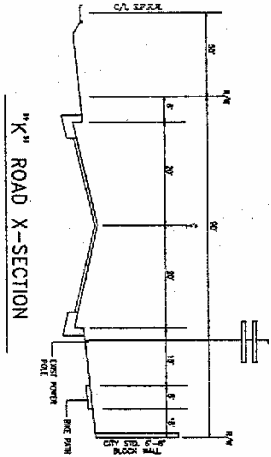
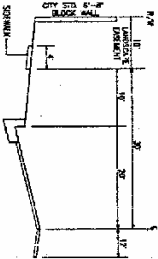
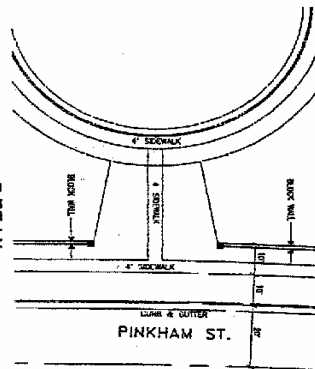
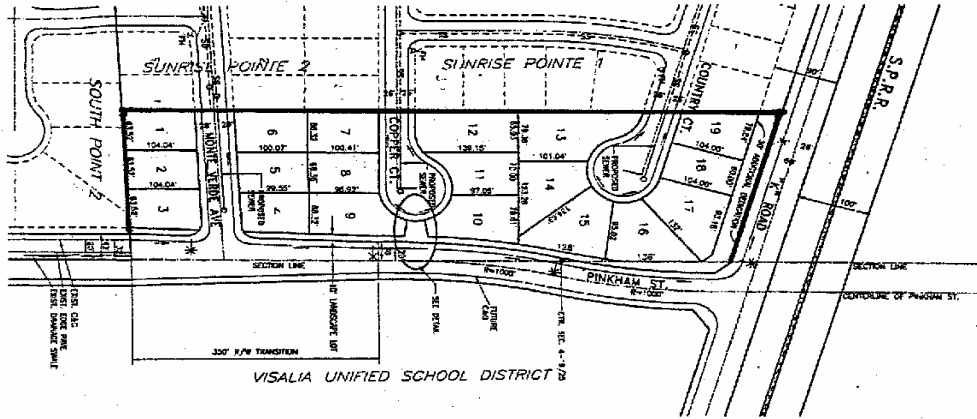
RESOLUTION ORDERING IMPROVEMENTS FOR  
ASSESSMENT DISTRICT NO. 05-02  
Sunrise Park Subdivision  
(Pursuant to the Landscape & Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council adopted its Resolution Initiating Proceedings for Assessment District No. 05-02, City of Visalia, Tulare County, California, and directed the preparation and filing of the Engineer's Report on the proposed formation.
2. The Engineer for the proceedings has filed an Engineer's Report with the City Clerk.
3. Owners of all land within the boundaries of the proposed landscape and lighting district have filed their consent to the formation of the proposed district, and to the adoption of the Engineer's Report and the levy of the assessments stated therein.
4. The City Council hereby orders the improvements and the formation of the assessment district described in the Resolution Initiating Proceedings and in the Engineer's Report.
5. The City Council hereby confirms the diagram and the assessment contained in the Engineer's Report and levies the assessment for the fiscal year 2004-2005.
6. The City Council hereby forwards the following attachments to Tulare County Recorder's Office for recordation:
  - a. Clerk's Certification to County Auditor
  - b. Resolution Initiating Formation of the District
  - c. Resolution Ordering Improvements
  - d. Engineer's Report:
    - Exhibit A - Assessment Diagram showing all parcel of real property within the Assessment District
    - Exhibit B - Landscape Location Diagram
    - Exhibit C - Tax Roll Assessment
    - Exhibit D - Engineer's Report

PASSED AND ADOPTED

**Exhibit A**  
**Assessment Diagram**  
**Assessment District No 05-02**  
**City of Visalia, Tulare County, California**



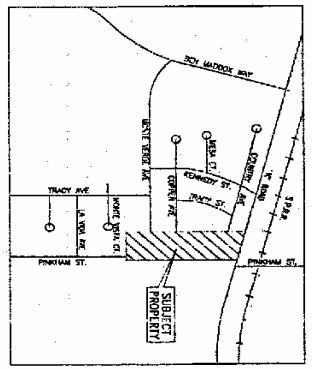
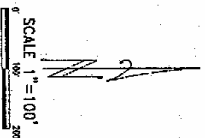
**SUNRISE PARK**  
**TENTATIVE SUBDIVISION MAP**

Being a portion of the legal half of Section 4, Township 19 South, Range 9 East, California, and being a portion of the City of Visalia, County of Tulare, California.

**OWNERS:**  
 GREGORY M. JACKSON  
 P.O. Box 2046  
 Danville, California 94526

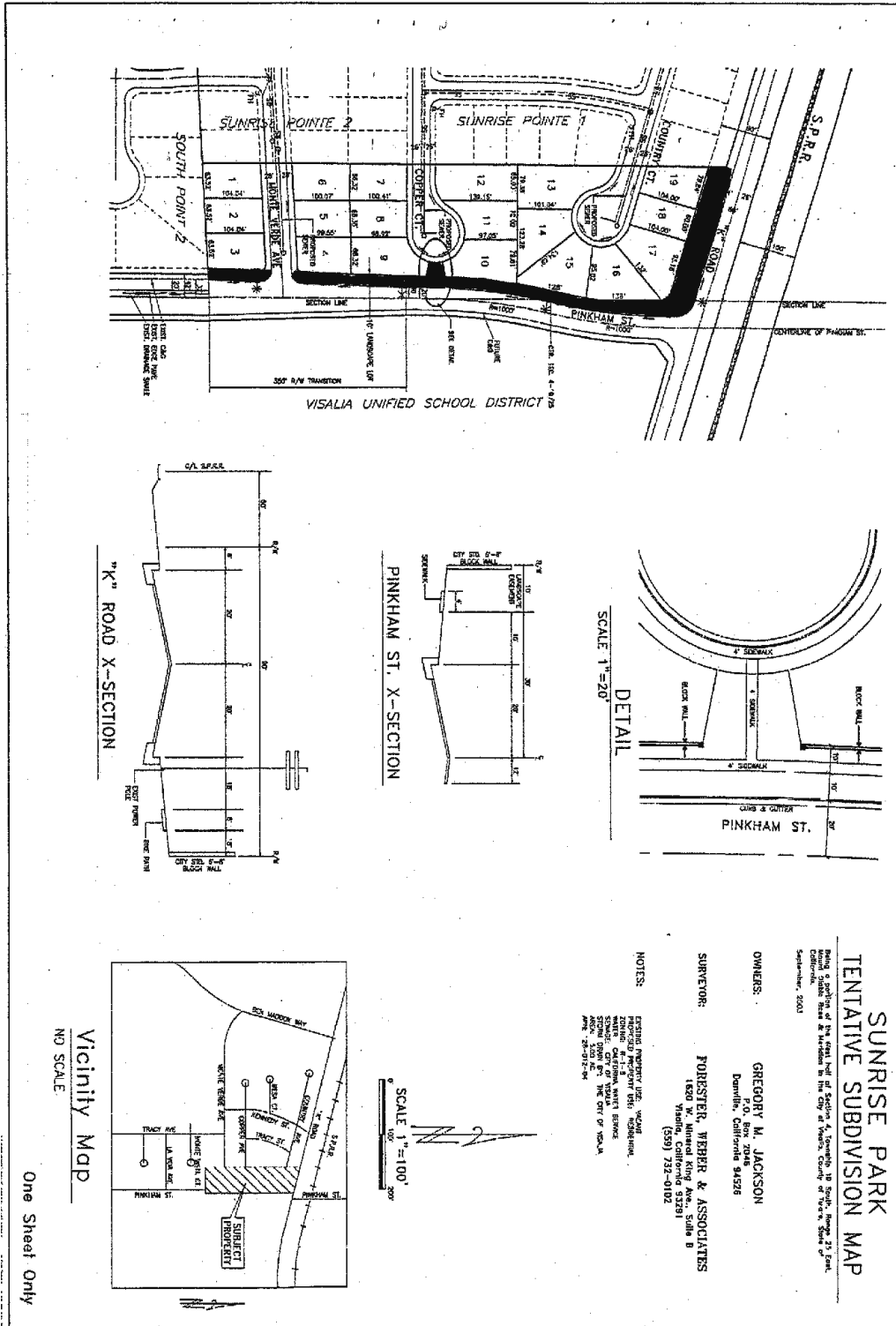
**SURVEYOR:**  
 FORESTER, WEBER & ASSOCIATES  
 1620 W. Mineral King Ave., Suite 8  
 Visalia, California 93291  
 (559) 732-0102

**NOTES:**  
 EXISTING IMPROVEMENTS: LOCAL  
 ZONING: R-1.5  
 PLANNING: VISALIA CITY PLANNING DEPARTMENT  
 SURVEY TYPED BY: THE CITY OF VISALIA  
 DATE: 03/01/05



One Sheet Only

**Exhibit B**  
**Landscape Location Diagram**  
**Assessment District No 05-02**  
**City of Visalia, Tulare County, California**



**Exhibit C**  
Tax Roll Assessment  
Assessment District No 05-02  
City of Visalia, Tulare County, California  
Fiscal Year 2004-05

<u>APN #</u>	<u>Assessment</u>	<u>Owner</u>	<u>Lot #</u>	<u>District</u>
to be assigned	\$274.49	To Be Assigned	05-0201	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0202	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0203	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0204	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0205	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0206	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0207	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0208	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0209	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0210	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0211	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0212	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0213	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0214	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0215	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0216	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0217	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0218	Sunrise Park
to be assigned	\$274.49	To Be Assigned	05-0219	Sunrise Park

## Exhibit D

### ENGINEER'S REPORT OF THE CITY OF VISALIA LANDSCAPE AND LIGHTING DISTRICT 05-02 Sunrise Park Subdivision FISCAL YEAR 2004-2005

#### General Description

This assessment district is located at the Southwest corner of Pinkham Street and "K" Avenue. Exhibit "A" is a map of the assessment district 05-02. The district includes the maintenance of the turf, shrubs, street lights, trees, and any other applicable equipment or improvements, maintaining the integrity of the wall, irrigation system and seeing that any acts of vandalism (graffiti, theft or damage) are mitigated in a timely fashion.

#### Determination of Benefit

The purpose of landscaping is to provide an aesthetic impression for the area. The lighting is to provide safety and visual impressions for the area. The wall provides security, aesthetics, and sound suppression. The maintenance of the landscaping, lighting, and wall is vital for the protection of both economic and humanistic values of the development. The City Council has determined that in order to preserve the values incorporated within developments and concurrently have an adequate funding source for maintenance of landscaping, lighting and walls should be included in a maintenance district to ensure satisfactory levels of maintenance.

#### Method of Apportionment

In order to provide an equitable assessment to all owners within the district, the following method of apportionment has been used. All lots in the district benefit equally including lots not adjacent to the landscaping, wall and lights. The lots not adjacent to the landscaping, wall, and lights benefit by the uniform maintenance and appearance of the district.

#### Estimated Costs

The district includes not only the maintenance of the turf, the shrubs, trees and street lights, but maintaining the integrity of the wall, irrigation system and seeing that any acts of vandalism (graffiti, theft or damage) are mitigated in a timely fashion. The total number of lots within the district is 19.

Exhibit D

The quantities and estimated costs are as follows:

<u>Description</u>	<u>Unit</u>	<u>Amount</u>	<u>Cost per unit</u>	<u>Total Cost</u>
Turf Area	Sq. Ft.	9750	\$0.125	\$1,218.75
Shrub Area	Sq. Ft.	6530	\$0.125	\$816.25
Water	Sq. Ft.	16280	\$0.050	\$814.00
Electricity	Sq. Ft.	16280	\$0.008	\$130.24
Landscape Trees	Sq. Ft.	40	\$25.00	\$1,000.00
Street Lights	each	4	\$105.00	\$420.00
Project Management Costs	Lots	19	\$18.00	\$342.00
TOTAL				\$4,741.24
10% Reserve Fund				\$474.12
GRAND TOTAL				\$5,215.36
COST PER LOT				\$274.49

Annual Cost Increase

This assessment district shall be subject to an automatic annual increase derived by the following formula:

$$\text{year "n" assessment} = (\$5,215.36) (1.05)^{(n-1)}$$

where "n" equals the age of the assessment district with year one (1) being the year that the assessment district was formed;

However, in no case shall the assessment be greater than 1) The actual cost of providing the benefit conferred to each parcel plus any prior years' deficit and less any carryover, as determined annually or; 2) a 10% increase over the prior year's assessment.

The reserve fund shall be replenished as necessary to maintain a level of 10% of the estimated maintenance cost so long as the annual assessment change does not exceed the limits identified above.

Example 1. The year four estimated costs are \$5,684.74 [a 9% increase over the base year assessment of \$5,215.36]. The ceiling on the assessment increase for year 4 would be \$6,037.43 [ceiling =  $(\$5,215.36) (1.05)^{(4-1)}$ ]. The assessment would be set at \$5,684.74 or the actual cost of providing the maintenance effort.

## Exhibit D

- Example 2. The year four assessment is estimated at the actual cost of providing the maintenance effort of \$5,893.36 [a 7% increase over the previous year assessment and a 13.3% increase over the base year assessment]. The ceiling on the assessment increase for year 4 would be \$6,037.43 [ceiling =  $(\$5,215.36)^{(4-1)}$  (1.05)]. The assessment would be set at \$6,037.43 or the actual cost of providing the maintenance effort because it is less than the ceiling amount and the year-to-year increase is less than the 10% cap on increases in any given year.
- Example 3. The year four assessment is \$5,684.74 [a 9% increase over the base year assessment of \$5,215.36] and damage occurred to the masonry wall raising the year five assessment to \$6,362.74 [a 22% increase over the previous year assessment]. The year five assessment will be capped at \$6,253.22, a 10% increase over the previous year and under the ceiling of \$6,339.30 [ceiling =  $(\$5,215.36)^{(5-1)}$  (1.05)]. The difference of \$ 109.52 will be recognized as a deficit and carried over into future years' assessment.

**City of Visalia  
City Council Agenda Item Transmittal**

**Agenda Item Number (Assigned by City Clerk):**12(h)(2)

**City Council Meeting Date:** March 7, 2005

**Agenda Item Wording:** Formation of 54 lots in Rancho Santa Fe Phase 1 Subdiviion into Landscape and Lighting District No. 05-04, Rancho Santa Fe (Resolution Nos. 05-35 and 05-36 required).

**Deadline for Council Action:** March 7, 2005

**Submitting Department:** Community Development/Public Works

For action by:

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

For placement on agenda as:

Consent Calendar  
 Regular Item  
 Public Hearing

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

**Contact Name and Phone Number:**

Andrew Benelli, Assistant Director, 713-4340  
Earl Nielsen, Support Services Manager, 713-4533

**Department Recommendation and Summary:**

***Landscape & Lighting***

Staff recommends that the City Council: adopt Resolution No. 05-\_\_\_\_\_ Resolution of Formation for Assessment District No. 05-04, Rancho Santa Fe; adopt the Engineer's Report as submitted; and adopt Resolution No. 05-\_\_\_\_\_, confirming the Engineer's Report ordering the improvements and levying the first annual assessment.

The City of Visalia has been allowing developers of subdivisions to annex assessment districts under the Landscape and Lighting Act of 1972, and now under Proposition 218, in lieu of using homeowners associations for the maintenance of landscaping, irrigation, street lights, outside walls along streets adjacent to the development, street preventative maintenance practices and other improvements. These improvements are special to the development and enhance the land values to the individual property owners in the district.

The Landscape and Lighting Act allows for the use of summary proceedings when all the affected property owners have given their written consent. This process waives the requirement for a public hearing since the owners of this development have given their written consent to form this district.

**Prior Council Actions:**

Approval of Final map for the Rancho Santa Fe Subdivision on March 15, 2004

**Committee/Commission Review and Actions:**

None

**Alternatives:**

None



**Attachments:**

Resolution of Intention; Resolution Ordering the Improvements; Exhibits "A", "B", "C", "D"

**City Manager Recommendation:**

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

"I move to adopt Resolution No. 05- Resolution Initiating Assessment District No. 05-04  
"Rancho Santa Fe" and adopt Resolution No. 05- Ordering the Improvements for  
Assessment District No. 05-04 "Rancho Santa Fe"."

***Financial Impact***

**Review and Approval - As needed:**

**Funding Source:**

**Department Head Review (Signature):**

**Budget Recap:**

**Risk Management Review (Signature):**

Total Estimated cost: \$                      New Revenue: \$

**City Attorney Review (Signature):**                      Lost Revenue: \$

New funding required: \$                      New Personnel: \$

**Administrative Services Finance Review (Signature):**

**Others:**

RESOLUTION 05-  
INITIATING ASSESSMENT DISTRICT 05-04  
Rancho Santa Fe  
(Pursuant to Landscape and Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council proposes to form an assessment district pursuant to the Landscaping & Lighting act of 1972 (Section 22500 and following, Streets & Highways Code) for the purpose of the following improvements:

Maintenance of turf, shrub area, irrigation systems, trees, walls and any other applicable equipment or improvements that provide a benefit to property owners within the district.

2. The annexed district shall be designated Assessment District No.05-04, City of Visalia, Tulare County, California, and shall include the land shown on the map designated "Assessment Diagram Assessment District No. 05-04, City of Visalia, Tulare County, California", which map is on file with the City Clerk and is hereby approved and known as "Rancho Santa Fe".
3. The City Engineer of the City of Visalia is hereby designated engineer for the purpose of these formation proceedings. The City Council hereby directs the Engineer to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscape & Lighting Act of 1972.

PASSED AND ADOPTED:

CLERK'S CERTIFICATION TO COUNTY AUDITOR

ASSESSMENT DISTRICT NO. 05-04  
Rancho Santa Fe  
(Pursuant to Landscaping & Lighting Act of 1972)

TO THE COUNTY AUDITOR OF THE COUNTY OF TULARE:

I hereby certify that the attached document is a true copy of that certain Engineer's Report, including assessments and assessment diagram, for Assessment District No. 05-04, City of Visalia, confirmed by the City Council of the City of Visalia on the 7<sup>th</sup> day of March, 2005 by its Resolution No. 05-

This document is certified, and is filed with you, pursuant to Section 22641 of the Streets and Highways Code.

RESOLUTION NO. 05-

RESOLUTION ORDERING IMPROVEMENTS FOR  
ASSESSMENT DISTRICT NO. 05-04

Rancho Santa Fe

(Pursuant to the Landscape & Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council adopted its Resolution Initiating Proceedings for Assessment District No. 05-04, City of Visalia, Tulare County, California, and directed the preparation and filing of the Engineer's Report on the proposed formation.
2. The Engineer for the proceedings has filed an Engineer's Report with the City Clerk.
3. Owners of all land within the boundaries of the proposed landscape and lighting district have filed their consent to the formation of the proposed district, and to the adoption of the Engineer's Report and the levy of the assessments stated therein.
4. The City Council hereby orders the improvements and the formation of the assessment district described in the Resolution Initiating Proceedings and in the Engineer's Report.
5. The City Council hereby confirms the diagram and the assessment contained in the Engineer's Report and levies the assessment for the fiscal year 2005.
6. The City Council hereby forwards the following attachments to Tulare County Recorder's Office for recordation:
  - a. Clerk's Certification to County Auditor
  - b. Resolution Initiating Formation of the District
  - c. Resolution Ordering Improvements
  - d. Engineer's Report:
    - Exhibit A - Diagram showing all parcel of real property within the Assessment District
    - Exhibit B - Diagram showing landscape area
    - Exhibit C - Assessment Roll
    - Exhibit D - Engineer's Report

PASSED AND ADOPTED

Exhibit A  
Map of Lots In Rancho Santa Fe District

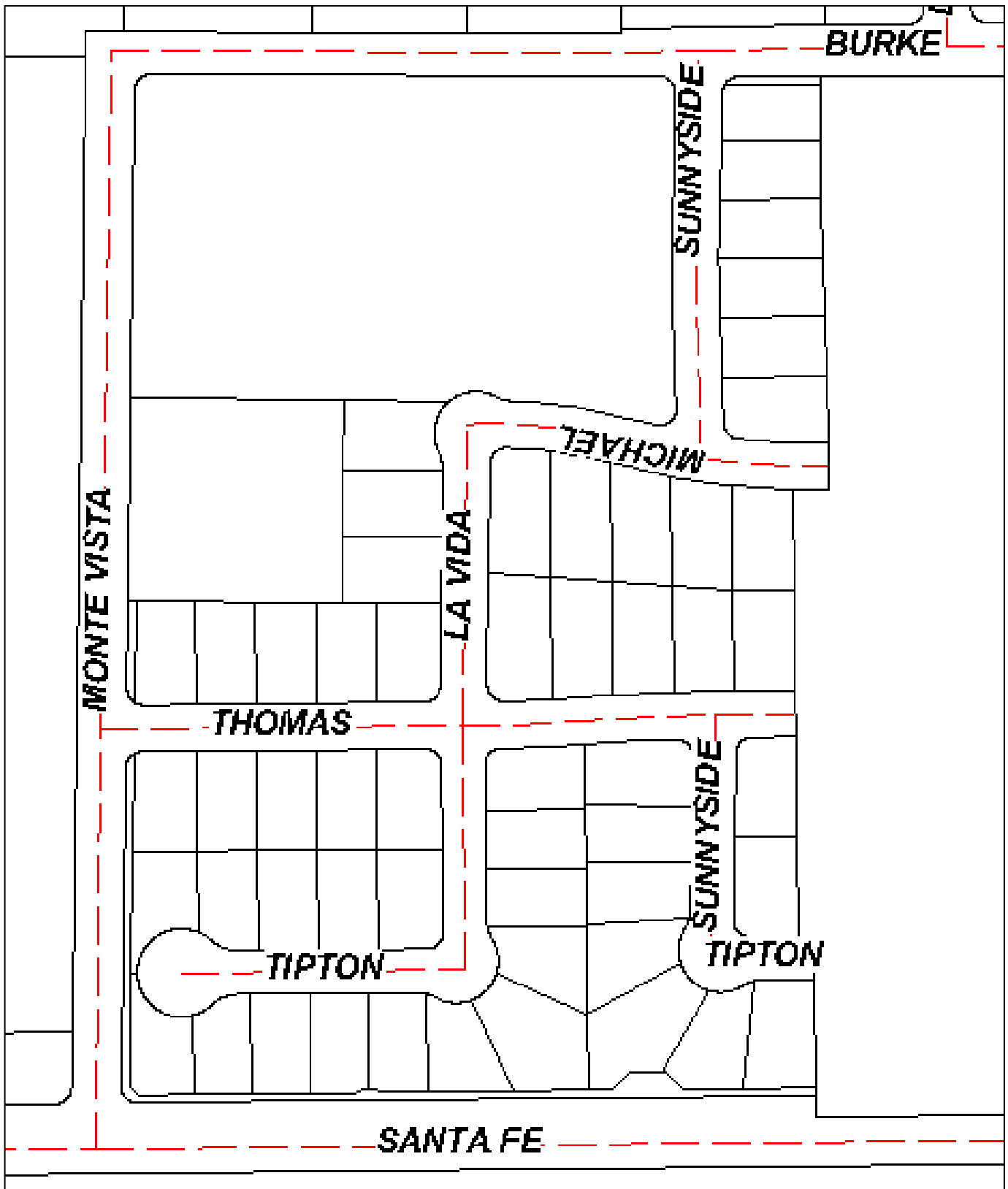


Exhibit B  
Map showing Improvement Areas In Rancho Santa Fe District

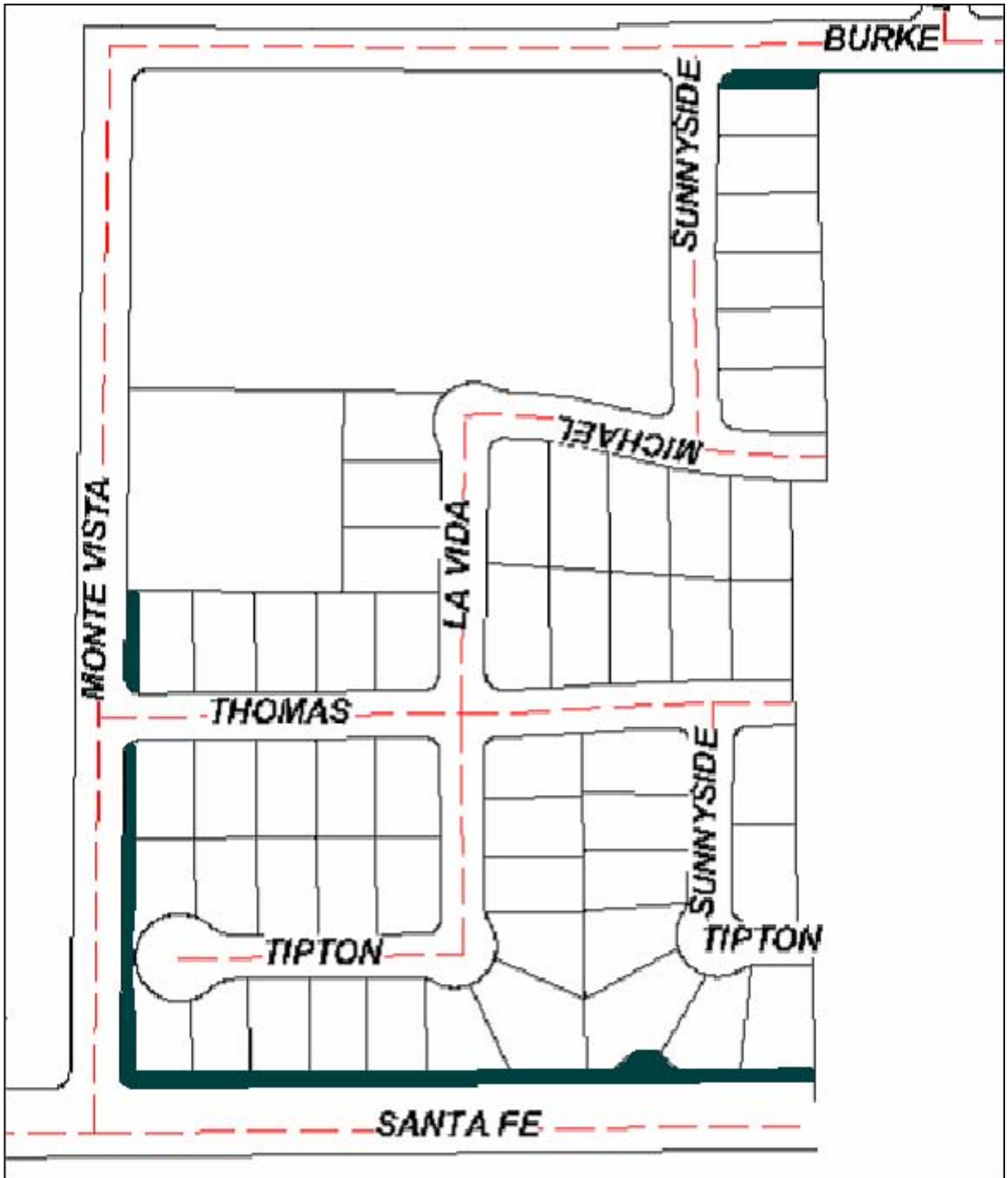


Exhibit C  
Example Tax Roll

TAX ROLL ASSESSMENT  
Rancho Santa Fe  
FISCAL YEAR 2004-05

<u>APN #</u>	<u>Assessment</u>	<u>Owner</u>	<u>Lot #</u>	<u>District</u>
to be assigned	\$147.98	To Be Assigned	05-0401	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0402	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0403	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0404	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0405	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0406	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0407	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0408	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0409	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0410	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0411	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0412	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0413	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0414	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0415	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0416	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0417	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0418	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0419	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0420	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0421	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0422	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0423	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0424	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0425	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0426	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0427	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0428	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0429	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0430	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0431	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0432	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0433	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0434	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0435	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0436	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0437	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0438	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0439	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0440	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0441	Rancho Santa Fe

Exhibit C  
Example Tax Roll

TAX ROLL ASSESSMENT  
Rancho Santa Fe  
FISCAL YEAR 2004-05

<u>APN #</u>	<u>Assessment</u>	<u>Owner</u>	<u>Lot #</u>	<u>District</u>
to be assigned	\$147.98	To Be Assigned	05-0442	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0443	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0444	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0445	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0446	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0447	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0448	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0449	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0450	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0451	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0452	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0453	Rancho Santa Fe
to be assigned	\$147.98	To Be Assigned	05-0454	Rancho Santa Fe



Exhibit D

ENGINEER'S REPORT OF THE CITY OF VISALIA  
LANDSCAPE AND LIGHTING  
DISTRICT 05-04  
Rancho Santa Fe  
FISCAL YEAR 2005

General Description

This assessment district is located east of Santa Fe, south of Montevista and west of Burke streets. The landscape improvement area frontages are located on Santa Fe and Montevista streets, with a small portion on Burke. Exhibits "A" and "B" are maps of assessment district 05-04. The district includes the maintenance of the turf, shrubs and other improvements in the common areas, and also maintaining the integrity of any walls, irrigation systems and seeing that any acts of vandalism (graffiti, theft or damage) are mitigated in a timely fashion.

Determination of Benefit

The purpose of landscaping is to provide an aesthetic impression for the area. Lighting is to provide safety and visual impressions for the area. Walls provide security, aesthetics, and sound suppression. The maintenance of the landscaping, lighting, walls and other items as listed above is vital for the protection of both economic and humanistic values of the development. The City Council has determined that in order to preserve the values incorporated within developments the landscaping, lighting, walls and other items as listed above should be included in a maintenance district to ensure satisfactory levels of maintenance.

Method of Apportionment

In order to provide an equitable assessment to all owners within the district, the following method of apportionment has been used. Total maintenance costs will be apportioned equally to all lots within the district boundaries. All lots in the district benefit equally including lots not adjacent to the items being maintained, by the uniform maintenance and appearance of the district.

Estimated Costs

This formation initially includes 54 lots in the district. The annual assessment per lot is estimated at \$147.98

The quantities and estimated costs are as follows:

<u>Description</u>	<u>Unit</u>	<u>Amount</u>	<u>Cost per unit</u>	<u>Total Cost</u>
Turf Area	Sq. Ft.	8,750	\$0.135	\$1,181.25
Shrub Area	Sq. Ft.	12,350	\$0.135	\$1,667.25
Water	Sq. Ft.	21,100	\$0.050	\$1,055.00
Electricity	Sq. Ft.	21,100	\$0.008	\$168.80
Trees	Sq. Ft.	43	\$15.00	\$645.00
Street Lights	each	15	\$105.00	\$1,575.00
Project Management Costs	Lots	54	\$18.00	\$972.00
TOTAL				\$7,264.30
10% Reserve Fund				\$726.43
GRAND TOTAL				\$7,990.73
COST PER LOT				\$147.98

## Exhibit D

### Annual Cost Increase

This assessment district shall be subject to an automatic annual increase derived by the following formula:

$$\text{year "n" assessment} = (\$7,990.73)^{(n-1)} (1.05)$$

where "n" equals the age of the assessment district with year one (1) being the year that the assessment district was formed;

However, in no case shall the assessment be greater than 1) The actual cost of providing the benefit conferred to each parcel plus any prior years' deficit and less any carryover, as determined annually or; 2) a 10% increase over the prior year's assessment.

The reserve fund shall be replenished as necessary to maintain a level of 10% of the estimated maintenance cost so long as the annual assessment change does not exceed the limits identified above.

Example 1. The year four estimated costs are \$8,709.90 [a 9% increase over the base year assessment of \$7,990.73]. The ceiling on the assessment increase for year 4 would be \$9,250.27 [ceiling =  $(\$7,990.73)^{(4-1)} (1.05)$ ]. The assessment would be set at \$8,709.90 or the actual cost of providing the maintenance effort.

Example 2. The year four assessment is estimated at the actual cost of providing the maintenance effort of \$9,029.52 [a 7% increase over the previous year assessment and a 13.3% increase over the base year assessment]. The ceiling on the assessment increase for year 4 would be \$9,250.27 [ceiling =  $(\$7,990.73)^{(4-1)} (1.05)$ ]. The assessment would be set at \$9,250.27 or the actual cost of providing the maintenance effort because it is less than the ceiling amount and the year-to-year increase is less than the 10% cap on increases in any given year.

Example 3. The year four assessment is \$8,709.90 [a 9% increase over the base year assessment of \$7,990.73] and damage occurred to the masonry wall raising the year five assessment to \$9,748.69 [a 22% increase over the previous year assessment]. The year five assessment will be capped at \$9,580.89, a 10% increase over the previous year and under the ceiling of \$9,712.78 [ceiling =  $(\$7,990.73)^{(5-1)} (1.05)$ ]. The difference of \$ 167.80 will be recognized as a deficit and carried over into future years' assessment.

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk): 14**

**Agenda Item Wording:** Public Hearing, Resolution No. 2005-10  
, ordering abandonment of the north 2.25 feet on a portion of W.  
Acequia, between Floral St and Locust Street

**Submitting Department:** Administration

**Contact Name and Phone Number:**  
Phyllis Coring – 713-4566

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.):\_\_

**Department Recommendation and Summary:**

Staff recommends that Council hold a public hearing and adopt Resolution No. 2005-10  
, ordering the abandonment of the north 2.25 feet on a portion of W. Acequia, between Floral St  
and Locust Street.

Discussion

This is a public hearing to consider the abandonment of the north 2.25 feet on a portion of W.  
Acequia between Floral Ave and Locust St. The curb location would remain in the existing  
position and therefore the sidewalk width would be reduced. The resultant sidewalk width  
would still be in excess of 6 feet and at its narrowest point would match the existing sidewalk  
width at the medical building on the northeast corner of Floral and Acequia Ave. The portion of  
Acequia to be abandoned abuts the proposed W. Acequia parking structure and is needed to  
accommodate the required width of the structure and to avoid losing an entire row of parking  
spaces on each of the five floors of the structure. A similar abandonment was processed for the  
portion of East Acequia adjacent to the parking structure across from the Convention Center.

Attached is the proposed resolution that includes the legal description and exhibit which define  
and depict the area to be abandoned. On December 13, 2004, Council adopted Resolution No.  
2004-344, declaring the intention to abandon this right-of- way. Staff performed the required  
notification and posting of the site in accordance with the provisions of the Streets and  
Highways Code.

**Committee/Commission Review and Actions:**

This document last revised 3/4/05 11:10 AM  
By author: Phyllis Coring  
File location and name:  
Council\

**Alternatives:**

**Attachments:** Resolution

**City Manager Recommendation:**

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

I move to adopt Resolution No. \_\_\_\_\_, ordering the abandonment of the north 2.25 feet of a portion of W. Acequia, between Floral St and Locust Street.

***Financial Impact***

**Funding Source:**

Account Number: Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____	No_____

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? yes

Review and Action: Prior: Final Environmental Impact Report (SCH# 2002031029)  
Required

**NEPA Review:**

Required? no

This document last revised 3/4/05 11:10 AM

By author: Phyllis Coring

File location and name:

Council\

Review and Action: Prior:  
Required

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number (Assigned by City Clerk): 15**

**Agenda Item Wording:** Public Hearing – Introduction of Ordinance No. 2005-04, establishing the General Government Facilities Impact Fees, and approve such fees. The impact fees would become effective 60 days after the date of adoption.

**Deadline for Action:** N/A

**Submitting Department:** Administration - Finance

**Contact Name and Phone Number:**

Susan B. Merrill, Financial Consultant 713-4392  
Eric Frost, Administrative Services Director, 713-4474

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.): \_\_\_\_\_

**Department Recommendation and Summary:**

Staff recommends that the City Council introduce Ordinance No. 2005 - \_\_\_\_, establishing the General Government Facilities Impact Fees. This ordinance would set in place three development impact fees; a Civic Center Facility fee, a Library Facility fee and a Public Works Corporation Yard expansion fee. The purpose of the General Government Facility Impact fees is to defray the cost of general facilities which are needed as the result of new development. The fees are designed to maintain the current level of governmental facilities that the City now has; thus, new development only pays to maintain the current ratio of governmental facilities to population.

The City contracted with MAXIMUS on February 17, 2004 to prepare a General Facilities and Library Impact Fee Study, to identify the cost of a general government facility fee. This fee would fund the increased general facilities, library and corporation facilities needs that are generated by new development. The study was presented to Council on November 30, 2004. Below is the summary of the recommended fees.

**Summary of Proposed Facility Impact Fees  
(Based on Single family dwelling units)**

Table 1

	<u>Prop. Fee</u>
<b>General Facilities Impact Fee</b>	
Civic Center Complex	\$ 314.43
Corporation Yard	\$ 38.55
Libraries (assessed only to residential development)	\$ 40.61
<b>Total</b>	<b>\$ 393.59</b>

This document last revised: March 4, 2005

By author: Susan B. Merrill

Item 15 ImpactFeeAgendaOrdinance

The total costs for the combined general facilities identified in the study are estimated at \$28,942,104. The impact fee is intended to generate \$8,764,852 over sixteen years or to 2020. Table 2 is included below that summarizes the estimated costs, projected revenue and the percentage funded through the proposed fees.

### **Background:**

**Civic Center Administrative Facilities.** The City Council has identified the development of a new civic center as a long-range objective for the city and has selected a site at Ben Maddox/Goshen/Burke. The proposed civic center would help facilitate the eastern expansion of the community by providing economic growth in that area and would facilitate the expansion of the medical complex where the present city hall is presently situated. The consultant has taken an approach which allocates the cost of a new administrative building across the City's entire 2020 population and employment base of 231,483 persons. In November 2003, Quad Knopf updated a 2000 facilities analysis. The update provided a cost estimate for two facilities: One facility would house police and fire personnel and a second that would house city administration, city council chambers, and other general government functions.

The impact fee proposed only calculates a fee for the proposed second building, which would house general government functions. The 2003 Quad Knopf study estimated the building, furniture and fixtures, and site costs (excluding land costs) for the building would be \$17.6 million. Land costs and the cost of a parking structure (389 spaces) would raise the estimate to \$23.4 million. Overall, the proposed fee revenue is about thirty one percent (31%) of the total cost of the civic center administrative facilities. Revenue from the impact fees does not cover the entire cost of the civic center administrative facilities because some of the costs of the civic center must be attributed to current residents since the new facility will replace existing facilities and serve the entire community.

**Library Facilities:** In February of 1976, the City consolidated its library with the Tulare County Library system. The City's library facility in Visalia is owned and managed by Tulare County. Although the City may want to increase library facilities, the County may not be able to staff such facilities. When the County took over the library, the library was open 6 days for 71 hours a week to the public. The County is struggling to meet citizen's needs and comply with mandates with limited resources. The library is presently open 5 days a week but as recently as last year was open only 4 days a week.

The Library is included in the proposed fees to provide the City's proportional share of increased library space due to residential growth. The report's recommended fee would maintain the library's facilities to the same proportional level as they are today. Impact fee revenue from new development was projected to be about \$4.4 million in current dollars over the next 16 years. Although staff has reviewed the report and agrees with the analysis, staff recommends a reduction in this proposed fee so that the revenue will be \$635,954.

Rather than providing new facilities that could be difficult if not impossible for the County to operate, City staff is recommending that the Council reduce the proposed fee and use the proceeds to assist Tulare County in meeting its goal of working to convert the 1936 Visalia Library, into a new Children's Library, providing new space. The objective is to refurbish and restore the unused library into a children's area with several rooms of about 10,000 sq. ft. and connect it to the expanded main library.

Staff proposes to reduce the proposed library fee from \$271 a dwelling unit, to \$41 a dwelling unit to pay for this addition. This reduction would equate to 15% of the consultant's proposed fee and would generate about \$635,000 over the next 16 years.

It should be noted that with this recommendation, per capita library space available in the community will continue to decline. Libraries play an important role in increasing literacy in the community which ultimately increases the skills of the workforce. But given the County's uncertain ability to build and staff additional library facilities, staff recommends reducing the proposed library impact fee.

**Corporation Yard:** This fee addresses impact fees for capital facilities at the City's corporation yard which is presently close to capacity. This facility has office, maintenance, and storage space as well as the land necessary to expand these facilities and the fee is calculated only for the General Fund functions at the yard and not any of the Enterprise activities.

Based on the projected 2020 resident population of 165,000 and the workforce service population of 69,089 for the City and UGB area (Appendix C), potential revenue from the fee is projected to be about \$887,754. Since expansion of the yard's service area will also capture existing development in the UGB area, revenue from the impact fee does not match the costs generated by the additional demand created by new and existing development. Costs to continue the current level of service for the yard's 2020 service population are projected to be \$1.1 million.

The following Chart indicates the estimated revenue that will be generated and the three recommended impact fees for a total of \$393.59.

**General Facility Impact Fees – Table 2**  
(Rates shown are for Single Family Dwelling Unit -SFDU)

	Total Funds Needed	Gross Rev. /consultant	Suggested Fees	Gross Rev. as revised	Rec. Fees	Fees % of Total
<b>General Facilities</b>						
Civic Center Corporation	\$ 23,412,455	7,241,144	314.43	7,241,144	314.43	31%
Yard (GF only)	\$ 1,084,045	887,754	38.55	887,754	38.55	82%
Library	\$ 4,445,604	4,445,604	268.14	635,954	40.61	14%
<b>Total</b>	<b>\$ 28,942,104</b>	<b>\$ 12,574,502</b>	<b>621.12</b>	<b>\$ 8,764,852</b>	<b>393.59</b>	

**Discussions with Community Groups:** Staff met with the following community groups:

Building Industry Association (BIA)	Dec. 9, 2004 & Jan. 12, 2005
Tulare Kings Builders Exchange	January 11, 2005
Visalia Chamber of Commerce	Jan. 11, 2005 & Feb. 8, 2005
Visalia Economic Development Corporation	February 16, 2005

Some of the comments pertaining to the General Facility Impact Fees were stated in a February 18, 2005 letter from the BIA.



1. **Comment:** The BIA believes that the **Library project** is a good project, but recommends it to be a community effort.

**Answer:** Presently the Library expansion project is estimated to be \$5.2M with the State's portion at \$3.4M; the remaining funds are coming from local sources which include \$650,000 from the Library Foundation. Presently the Foundation has only \$450,000 committed which is the community effort portion of the project and they are struggling to complete their commitment and this is seen as the most funds the community would be able to generate at this time.

2. **Comment:** The **Parking structure, which is part of the Civic Center Fee**, seems to have excessive costs per the BIA. They would recommend the City pursue other funding sources such as grants which are helping finance the proposed downtown structure.

**Answer.** As these fees are paying for only 31% of the cost of the structure, the city will be naturally looking at other funding sources for the remainder of the cost. Parking structures allow greater use of land but are difficult to fund. Thus, staff continues to recommend inclusion of this structure in the Civic Center fee.

3. **Comment:** **The BIA suggests that the enterprise funds pay** their share of the increased need for facilities and that the city currently owns land adjacent to the corporation yard.

**Answer.** The comment is a good comment in that enterprises should pay their fair share. However, the proposed fee is for new growth, not current population. **Enterprises fees would pay for current population, not future growth.** A facility charge to enterprises would collect for current facilities, not future facilities.

**Conclusion:** Although the proposed impact fees will be borne by new development, several factors should be weighed. First, new development generally requires the same level of service and infrastructure as existing development. New residents are attracted to the quality of life that Visalia's offers and they expect to experience and enjoy a similar lifestyle. To maintain that standard, the City needs to find funding sources.

Secondly, a review of Impact Fees from 2000 to 2004, indicate that the overall impact fees will not have increased significantly in proportion to the cost of a home over the past four years even with the proposed increases.

As shown on Table 2, the average housing cost has increased over 50% during the past 4 years. In discussions with the local building industry, their average new home sales have increased 45.4% in the past four years from \$181,000 to \$263,000. The recommended Impact Fees are in line with this growth, especially when land acquisition and construction of facilities have increased significantly during this period.

**Table 3**  
**Fees as a Percentage of Housing Cost**

	<u>2000</u>	<u>2004</u>
Average Building Permit Value (including land)	\$147,417	\$226,507
Average Impact Fees (as Proposed)	\$5,326	\$8,980
Fees as a percentage of Housing cost.	3.61%	3.96%

This proposed increase is less than a half percentage point (.35%) of the present housing cost as shown in more detail in Appendix A and B. If these rates are approved for 2004-05, the fees would total \$8,980 or 3.96% of the average single family dwelling unit building permit including land.

**Prior Council/Board Actions:** Review by Council on Agenda dated November 30, 2004, and review by Council on Agenda dated February 22, 2005

**Committee/Commission Review:**

Building Industry Association (BIA)	Dec. 9, 2004 & Jan. 12, 2005
Tulare Kings Builders Exchange	January 11, 2005
Visalia Chamber of Commerce	Jan. 11, 2005 & Feb. 8, 2005
Visalia Economic Development Corporation	February 16, 2005

**Alternatives:** Not approve establishing General Government Facilities Fees at this time.

**Attachments:** Ordinance 2005- \_\_\_\_, including Proposed Public Facility Impact Fees  
Attachment A. Comparable Impact Fees for the City of Visalia as Proposed  
Attachment B. Impact Fee Comparison from other Cities  
Attachment C. Population Comparables of the General Facility Study  
Attachment D. General Facilities and Library Impact Fee study dated October 8, 2004 by Maximus  
Attachment E. Council Agenda November 30, 2004  
Attachment F. Council Agenda February 22, 2005

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** Public Hearing – Introduction of Ordinance No. 2005-\_\_\_\_, establishing the General Government Facilities Impact Fees, and approve such fees. The impact fees would become effective 60 days after the date of adoption.

***Financial Impact***

**Funding Source:**

Account Number: \_\_\_\_\_ (Call Finance for assistance)

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change: Yes_____ No_____	

Copies of this report have been provided to:

***Environmental Assessment Status***

**CEQA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**NEPA Review:**

Required? Yes No

Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** March 7, 2005

**Agenda Item Number:** 16

**Agenda Item Wording:** Public Hearing and recommendation of approval of the Implementation Plan of the Community Redevelopment Agency of the City of Visalia.

**Deadline for Action:** March 7, 2005

**Submitting Department:** Community Development- Economic and Redevelopment Division

**Contact Name and Phone Number:**

Steve Salomon, City Manager, 713-4312  
Michael Olmos, Community Development Director, 713-4328  
Bob Nance, Economic and Redevelopment Manager, 713-45411  
Cass Cook, Senior Administrative Analyst, 713-4298

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

**Recommendation:**

Staff recommends that the City Council/Agency Board, upon holding a public hearing to receive testimony, approve the Implementation Plan for 2006-2010 for the use of redevelopment funds.

Public Hearing Requirement:

The purpose of the Public Hearing is to allow citizens the opportunity to provide comments about the proposed Implementation Plan. Upon close of the public hearing, the Council may consider the testimony presented and take actions toward the adoption of the Implementation Plan. The approval may be based on the Implementation Plan as submitted, or with changes to the draft, and adopt as amended.

**Background:**

The function of this Implementation Plan is in part to comply with the laws and statutes governing Redevelopment (stated in the Health and Safety Code Sec. 33490) and to act as a guide to the Community Redevelopment Agency of the City of Visalia for use of the Agency's tax increment funds including the Low and Moderate income funds over the next five years. This will be the third Implementation Plan prepared by the Redevelopment Agency. The first Implementation Plan was prepared in 1994, updated in 1997, and updated again in 1999.

**Summary:**

*Redevelopment Regular Funds*

All of the redevelopment regular areas are at or beyond their financial capacities and are primarily paying down existing debt. Aside from operating costs, annual contributions to the

Property Based Improvement District (PBID), and minimal assistance with parking projects, there is no money available for future projects. The recent property purchases in the East area have been made possible due to General Fund advances to the area.

The Downtown and Central areas are financially stable. This means that Central and Downtown are projected to meet their operating obligations over the life of the areas. Unfortunately, the financial conditions for East and Mooney aren't as favorable. With previous efforts to control expenditures and the suspension of projects, the East area is recovering financially from previous obligations. The Mooney Area is financially frail and vulnerable to economic development and growth decisions made throughout the city. The project area is projected to require General Fund assistance to meet contractual obligations.

#### *Land Acquisition*

It is the Agency's goal to improve existing conditions for Visalia by removing blight and promoting sustainable, beneficial development. Due to commitments made to previous projects, there are currently no resources available for new projects in the regular redevelopment areas. The Agency has purchased a significant amount of land from the Van Ness family, Southern California Edison (SCE) and Union Pacific Railroad (UPR). These purchases were made possible with General Fund advances to the East project area and will have to be repaid by East from proceeds of future land sales as was done with the Sonic restaurant and transit maintenance facility.

The SCE lot has been partitioned into two separate parcels that will be used for a commercial restaurant (Sonic Burger) and a Transit Maintenance Complex. The UPR parcel will be the subject of a master plan review that will eventually be developed into a Civic Center Complex containing mixed-use professional offices and retail space.

#### *Redevelopment Low and Moderate Funds*

During the 1999 to 2004 Implementation period, the Agency used low and moderate income funds to assist with development of the following: rehabilitation of a 99 unit residential rental housing for low-income seniors (Oak Meadows), construction of 60-unit high density (5-story) senior housing (Oak Meadows II), development of a 95-unit senior housing community (Kimball Court), rehabilitation of an 18-unit low-income mental health living center, and the commitment of \$3 million for the development of a 70-unit affordable housing complex in the northeast quadrant of the city.

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

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

Approval of 1999-2004 Implementation Plan, December 1999

Approval of update to original Plan, 1997

Approval of original Implementation Plan, 1994

##### **Alternatives:**

None recommended

##### **Attachments:**

Implementation Plan

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):**  
Upon completion of a Public Hearing, move to approve the Implementation Plan.

***Financial Impact***

**Funding Source:**

**Budget Recap:**

Total Estimated cost: \$		
Amount Budgeted: \$	Lost Revenue: \$	
New funding required: \$	New Personnel: \$	
Council Policy Change: Yes___	No__X__	

***Environmental Assessment Status***

**CEQA Review:**

Required? No  
Review and Action: Prior:  
Required:

**NEPA Review:**

Required? No X  
Review and Action: Prior:  
Required:

**Review and Approval - As needed:**

**Department Head Review (Signature):**

**Risk Management Review (Signature):**

**City Attorney Review (Signature):**

**Administrative Services Finance Review (Signature):**

**Others:**