



Visalia City Council Agenda

For the regular meeting of: Monday, March 19, 2007

Location: City Hall Council Chambers

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

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.

WORK SESSION AND ACTION ITEMS (as described)

4:00 p.m.

Public Comment on Work Session Items -

4:05 p.m.

1. Presentation of Visalia Police Department Reorganization (no action)

4:25 p.m.

2. FY 2006/07 mid-year financial evaluation of the City's General Fund, Measure T Funds, Redevelopment Funds and Enterprise Funds; and preliminary General Fund projections for FY 2007/08 with recommended budgetary actions

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

ITEMS OF INTEREST

CLOSED SESSION

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

3. Conference with Legal Counsel - Existing Litigation (2)
(Subdivision (a) of Section 54956.9 GC)
 - a. Name of Case: Colello v City of Visalia (TCSC No. 05-214324)
 - b. Name of Case: Hettick v. City of Visalia (TCSC No. 05-214421)
4. Conference with Legal Counsel - Existing Litigation (1)
(Subdivision (1) of Section 54956.9 GC)
Name of Case: Sinor v City of Visalia
5. Item removed from the agenda.

Convene jointly as the City Council and the Redevelopment Agency

- 6. Conference with Real Property Negotiators (G.C. §54956.8.)
Property: 700 E Race (APN: 094-100-022) and 701 E. Murray (APN: 094-250-020)
Under Negotiation: Authority to negotiate price, terms and conditions of potential purchase and begin site plan
Negotiating Parties: Steve Salomon, Michael Olmos, Colleen Carlson, California Department of Transportation

Adjourn as the Redevelopment Agency and remain in session as the City Council

- 7. Conference with Real Property Negotiators (G.C. §54956.8.)
Property: 401 E. Acequia (AKA 210 S. Santa Fe; APN:094-221-010)
Under Negotiation: Price, terms, conditions of purchase
Negotiating Parties: Steve Salomon, Michael Olmos, Colleen Carlson, Jeffrey Roberts Granville Homes, Inc.), Reza Assemi (Pyramid Homes) and Steve Castellanos (Quad Knopf)
- 8. Conference with Labor Negotiators (54957.6a)
Agency Designated Representatives: Eric Frost, Jim Harbottle, Janice Avila
Employee organization: All
- 9. Conference with Real Property Negotiators (G.C. §54956.8.)
Property: (Walnut Orchard)North West Corner of Caldwell and Highway 99
Under Negotiation: Consideration and approval of appraisal; authority to negotiate price, terms and conditions of potential purchase and lease.
Negotiating Parties: Steve Salomon, Alex Peltzer, Hughes
- 10. Conference with Real Property Negotiators (G.C. §54956.8.)
Property: 310 Northwest Third Avenue, at the Community Campus
Under Negotiation: Land transfer concerning price and contract
Negotiating Parties: City of Visalia and Tulare Kings Hispanic Chamber of Commerce

REGULAR SESSION

7:00 p.m.

PLEDGE OF ALLEGIANCE

INVOCATION – Pastor Mark Condie, Savior’s Community Church

SPECIAL PRESENTATIONS/RECOGNITION

Introduction of newly promoted Battalion Chief: Brian Adney by Fire Chief George Sandoval.

Introduction of new firefighters by Battalion Chief Kevin Gildea and Captain Eric Bush: Nick Branch, Robert Briggs, James Galaviz, Russ Ordonia, Fernando Trejo, Tom Van Grouw, Tyler Williams.

Special Recognition of Battalion Chief Doyle Sewell and Georgia Salinas for their efforts in the Creative Center fundraiser event.

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.

CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION

11. 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) Receive Planning Commission Action Agenda for the meeting of March 12, 2007.
 - c) Authorization to accept an "Irrevocable Offer to Dedicate Real Property" for Shannon Parkway, Sedona Avenue, Corvina Avenue, and Conyer Street right-of-way for roadway purposes as offered per Document No. 2003-0011275, dated February 10, 2003, and Shannon Ranch East Subdivision Map recorded in Volume 40 of Maps at page 46, Tulare County Records, generally located between Mooney Boulevard. and Giddings Street north of Riggins Avenue. **Resolution No 2007- 24 required.**
 - d) Authorization to award RFP # 06-07-35, "Water Conservation Plant Master Plan" to Carollo Engineers in the amount of \$307,000.
 - e) **Second Reading of Ordinance No. 2007-04**, changing the title of Section 10.16.140 and adding Section 10.16.140 D regarding provisions for three hour parking limitations.
 - f) Authorization for the City Manager to sign an agreement with AMS Consulting Firm for \$61,500 plus expenses to develop a Community Cultural Arts Plan and authorization to appropriate up to an additional \$35,000 for the plan and expenses.
 - g) Authorization to purchase to a Bomag Asphalt Paver from Great West Equipment Company for the total amount of \$122,626.82.
 - h) Request authorization to file a Notice of Completion for Lot Line Adjustment 2004 -22 and Lot Line Adjustment 2004 - 23, forming an extension of Perez Avenue connecting Foxwood Unit #4 to Foxwood Unit #5, located at the southwest corner of Vermont Street and Perez Avenue.
 - i) Authorization for the City Manager to sign the Cooperative Agreement and the Task Agreement with the National Park Service which are the agreements needed to implement the internal shuttle service.

12. Authorization to form a Council subcommittee to consider the delivery process on the proposed Public Safety Headquarters and Dispatch Center Building.
13. **Public Hearing:**
 - a. General Plan Amendment No. 2006-11: A request by RHL Design Group to change the General Plan land use designation from RLD (Residential Low Density) to Shopping Office Center and RMD (Residential Medium Density) on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003);
 - b. Change of Zone No. 2006-10: A request by RHL Design Group to change the Zoning designation from R-1-6 (Single-family Residential – 6,000 sq. ft. minimum) to P-C-SO (Planned Shopping/Office Commercial) and R-M-2 (Multi-family Residential – 3,000 sq. ft. minimum) on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003); **Resolution No. 2007- 25 required for a and b.**
 - c. Consider an Appeal of the Planning Commission’s Denial of Conditional Use Permit No. 2006-62: A request by RHL Design Group to allow a Planned Unit Development including a 17,272 sq.ft. retail building with general retail sales and drive-thru pharmacy, and a 32-unit apartment complex on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003) **Resolution No. 2007- 26 required.**
 - d. Adoption of Mitigated Negative Declaration 2006-109: For GPA 2006-11, C of Z 2006-10, and CUP 2006-62 Resolution required only if any one of the three project components are approved by the City Council. **(Motion to continue recommended if Council chooses to approve the GPA, Change of Zone and overturn the appeal.)**
14. **Public Hearing** for the second extension of Interim Ordinance No. 2006-03, establishing prohibited and permitted uses and development standards for a portion of the East Downtown Strategic Plan Area. **Resolution No. 2007-27 required (requires a 4/5 vote).**
15. **Hearing** - Adoption of fee for Reserved Parking Spaces in the West Acequia Parking Structure. **Resolution No. 2007 -28.**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

Upcoming Council Meetings

Monday, March 26, 2007- Jt. City Council/Planning Commission (Convention Center) 4:00 p.m.

Monday, April 2, 2007 – City Hall Council Chambers

Monday, April 16, 2007 – City Hall Council Chambers

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: March 19, 2007

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

Agenda Item Wording: Reorganization Powerpoint Presentation

Deadline for Action: N/A

Submitting Department: Police Department

Contact Name and Phone Number: Chief Bob Carden, Ext. 4215

Department Recommendation: N/A

Summary / Background: The purpose of this Power Point Presentation is to provide the City Council with information on the Police Department's proposed command structure for addressing the growth associated with the two new police precincts and the community.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: Power Point presentation

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 20

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Recommended Motion (and Alternative Motions if expected): N/A

Environmental Assessment Status

CEQA Review:

NEPA Review:

{ SHAPE * MERGEFORMAT }

Copies of this report have been provided to:

City of Visalia Agenda Item Transmittal

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: FY 2006/07 mid-year financial evaluation of the City's General Fund, Measure T Funds, Redevelopment Funds and Enterprise Funds; and preliminary General Fund projections for FY 2007/08 with recommended budgetary actions.

Deadline for Action: None

Submitting Department: Administration Services - Finance

Contact Name and Phone Number:

Eric Frost,	Administrative Services Director	713-4474
Gus Aiello,	Finance Manager	713-4423
Melody Murch,	Financial Analyst	713-4379
Tim Fosberg,	Financial Analyst	713-4565

Department Recommendation and Summary: The purpose of this report is to outline the current operational financial status of the General Fund, Measure T Funds, Redevelopment Funds and the Enterprise Funds for FY06/07. Additionally, Finance has made preliminary General Fund forecasts for FY07/08 along recommended budgetary actions to better meet the financial needs of the City. A number of recommendations are made. In the General Fund, the projected General Fund surplus as of 6/30/07 would be approximately \$234,000 which would be dedicated to the Council's priorities.

The General Fund Evaluation:

The General Fund continues to reflect an expanding economy, although single family construction activity is slowing. Last fiscal year, FY05/06 the General Fund was balanced by an approved plan using reserves for planned capital expenditures. Fiscal Year 06/07 in contrast, the City added 16.5 new General Fund positions to better meet service demand, increasing the ongoing costs of governmental operations. The continued improvement in General Fund revenues has absorbed these higher costs and provided additional resources for ongoing programs.

As the year has progressed, a number of Council actions have occurred which revised the budget. One item potentially has a large impact on the budget. At budget time, \$1 million was set aside to renovate the Oaks Stadium. When the Council heard the item, Council authorized \$5 million for the project. Staff recommends that this project be financed by debt. Thus, the City fund \$1 million from current appropriations and fund the remaining project amount from a \$4 million debt offering. Staff proposes that this debt be matched with the new Oak Stadium lease term, 10 years. The new lease will also generate additional revenues from the stadium, approximately \$100,000 a year after the renovations are complete to help pay off the debt. The

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):_45__

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

remaining displays assume that the funding of the Oak Stadium takes this approach. If Council acts otherwise, then the projections will need to be adjusted appropriately.

Revenues. General Fund revenues are higher than expected. Attachment #1, General Fund Amended Budget and Projected Revenues, illustrates the General Fund activity in greater detail. Property Taxes and Sales Taxes are higher than expected, even after a reduction for both the freeze, and declining development revenues. Much of the Sales Tax increase is due to the State's triple flip. Back in 2004, the voters of California authorized the issuance of State deficit bonds to pay for the State's budget problems. The bonds required a dedicated revenue source. As a result, the State took $\frac{1}{4}$ of local governments' sales taxes and pledged them to repay the bonds. In exchange, the State directed that cities and counties be repaid with a property tax transfer from schools' property tax. Finally, schools were made whole by transferring additional monies from the State's General Fund to schools. Thus, the triple flip: State takes from cities, schools pay for cities loss and schools are made whole by an additional payment from the State.

One technical issue is driving the revenue increase for Visalia this year: the State's "true up". Each year's property tax payment is based upon the prior year's sales tax. Thus, the growth in sales tax is always one year late in coming. The difference this year between what was paid in 2005/06 and what was actually due is approximately \$1 million. The state paid \$4.4 million and $\frac{1}{4}$ of Visalia's sales tax was \$5.4 million.

To date, base sales tax has grown by 5% without the "true up" revenues. The January Freeze and its affect on local revenues are included in the sales tax projections. The sales tax projection assumes that the remainder of the year's sales tax shows no growth due to the freeze. Despite this no growth assumption from the Freeze, current year sales tax adds another \$0.9 million to Visalia's revenues above budget projections. Property taxes also showed increased growth over budget by \$0.5 million.

These increases are offset by declines in development revenues. At budget time, Building Safety decreased expected building permit activity, but not significantly, anticipating 1,400 – 1,500 single family dwellings. The City is currently on pace to issue a little over 1,000 permits, down from 1,700 last year. This will cause a significant decrease in a development related fees. On a separate track, Building Safety is bringing back to Council a recommendation to either increase building permit fees or substantially reduce building permit services. In either case, development revenues declines have led to approximately a \$1.0 million revenue shortfall between budget and projections.

Additionally, forecasted interest earnings are projected to be less than expected because interest dedicated to Council Reserves has been removed from this year's General Fund interest calculations. In times past, these dedicated revenues were shown in the General Fund's interest earnings. The net overall effect is that General Fund revenues are projected to exceed budgeted revenues by \$1.2 million.

Expenditures. Since the budget was adopted last June, the Council has made a number of smaller changes, increasing budgeted revenues by \$63,000 and increasing operating expenditures by \$286,000 and Capital by \$211,000. The largest operating cost increase is the addition of a contracted Fire Inspector position. The capital budget adjustments are: \$90,000 for the South East Area Master Plan, \$50,000 for the Sequoia Region Institute for Higher Learning and various smaller amounts. These changes are included in the forecast.

Operating expenditures are projected to be near budget. Table I, General Fund Amended Budget and Projections, shows the current revenue and expenditure projections for the year

end. The major variance is in Fire which exceeds its budgeted expenditures by \$385,000 as shown in Attachment #2, General Fund Projections Summary. This 4 percent variance is mainly due to overtime costs. Fire last year was authorized to hire 3 new firefighter positions to act as floaters in an effort to reduce overtime cost. These positions were not hired until the end of November. In addition, the Department hired firefighter trainees. As trainees, the new employees are put through a training program which will last at least to July. Until then, these new employees are not available to cover shifts and other firefighters are called upon to work overtime. In addition, the department has been down 1 Battalion Chief and 4 shift positions due to retirements. For other departments, vacant positions lead to salary savings.

In contrast, the Fire department's minimum staffing requirements lead to forced overtime. These situations coupled with the normal demands to maintain minimum staffing has increased overtime costs, causing a negative variance in their budget.

Even with this one noted variance, the General Fund's operating budgets are close to budget. The primary issue to be addressed is how to pay for additional capital projects.

General Fund Recommendations:

1. Fund \$4 million of the Oaks Stadium Capital Project from a debt issue in FY07/08. When the Council approved the \$5 million investment in the Oaks Stadium, the options to fund the project were not fully discussed. Staff recommends that Council authorize staff to seek a \$4 million bank loan for the renovation project, beyond the \$1 million already in the Capital Improvement Program. A ten year note would match the term of the new Oaks lease and would require an approximate annual debt service of \$550,000 a year if the City can obtain a 6% interest rate. The new lease will also generate additional revenues from the stadium, approximately \$100,000 a year after the renovations are complete to help pay off the debt.

1a. Suspend additional designations to Recreation Park Stadium Reserve. If \$4 million is funded for the Oaks Stadium Capital Project, management recommends that the current dedication of additional monies to the Oaks Stadium be suspended until the debt is repaid. Further, management would recommend that the Council direction of any General Fund revenues exceeding expenditures be directed as shown below. If the final numbers for the year follow the projected forecast and Council approves the new allocation of General Fund monies, the Council priority distributions will be as follows:

- 47% to the Sports Park \$ 352,500
- 47% to the Civic Center \$ 352,500
- 6% to West 198 Scenic Corridor \$ 45,000

Table I

General Fund
Amended Budget and Projections
FY July 1, 2006 - June 30, 2007
(in thousands)

	<u>Fiscal Year 2006 - 07</u>			<u>Variance Fav(Unfav)</u>
	<u>FY 05-06 Actual</u>	<u>As Amended Budget</u>	<u>Projections</u>	
<u>REVENUES/SOURCES</u>	\$ 66,365	\$ 69,277	\$ 70,460	\$ 1,183
<u>EXPENDITURES/USES</u>				
Operating Expenditures	(60,182)	(62,370)	(62,444)	(74)
Capital Improvement Program (CIP)	(3,119)	(2,274)	(2,399)	(125)
Transfers Out/Debt Service	(2,863)	(4,867)	(4,867)	-
Transfer to Council Directed Capital Projects	(201)	-	(750)	(750)
Total Expenditures/Uses	(66,365)	(69,511)	(70,460)	(949)
 Revenue Over (Under) Expenditures	 \$ (0)	 \$ (234)	 \$ 0	 \$ 234

See Attachment #2 for detail

2. ***Fund a Community Relations Manager out of the City Manager's Office.*** This position would develop on-going, pro-active information to the community about City matters utilizing a series of tools including the e-mail newsletter and other e-mail/internet methods, brochures, statement stuffers and other media, manage the website to insure current information is presented in a user-friendly manner, assist departments with developing marketing and information campaigns for specific programs, serve as a liaison with the media, and assist with grant development. Annual cost: approximately \$92,000 a year. The cost for FY 06/07 would be less than \$10,000 as it will take time to recruit for the position.
3. ***Fund a United Way request for First Call, a non-profit referral service for 06/07 and 07/08.*** For the past 3 years, the City has participated in a United Way referral program with all the other cities in Tulare County. This program connects Tulare County residents with available non-profit agency services. The service handled 1,500 calls during the first 11 months of 2006, of which Visalia was more than 1/3 of all calls. United Way's request is for \$3,000.
4. ***Authorize the acceleration of Police Precinct equipment for \$100,000 from FY 07/08 to 06/07.*** The police precincts are now scheduled to be turned over to the City in mid-May. To properly outfit the facilities with their furniture and equipment, monies previously budgeted for next fiscal year need to be accessed now. The net effect of this change will be to increase costs this year and reduce them next.
5. ***Direct staff to develop the necessary documents to issue a Pension Obligation Bond (POB).*** Attachment 6 is a memo outlining the potential benefits of issuing Pension Obligation Bonds. A number of cities have found it advantageous to issue taxable pension bonds to pay down their retirement debt. Treasury regulations consider pension debt an operating cost, thus excluding POBs from as a potential tax-exempt debt offering. The technique works as follows:

The City provides a pension benefit for its regular employees. Actuaries annually calculate whether or not the pension is on track to be able to fully pay its obligations. When the accumulated assets fall below the levels needed as projected by the actuaries, the City pays a make up amount to get the plan back on track.

The City several years ago revised its pension benefit and applied it to all employees. Coupled with several years of poor investment returns, as a result a pension deficit was created which raised current Public Employees Retirement System (PERS) contribution rates. PERS assumes that it will earn 7.75% per year; thus, any deficit is charged 7.75% interest rate per year. If the City can borrow money at less than 7.75%, then the City could effectively reduce this pension funding obligation.

As of the City's last pension valuation on 6/30/05, the City had an unfunded liability of \$30 million. If the City borrowed money at 6.00% and PERS earns 7.75%, the annual interest savings would be about \$450,000. These savings could be used to pay down other debts.

6. ***Appropriate \$100,000 from both the General Fund Sports Park Reserve and Parks Impact Fees Funds to begin planning the next phase of the Sports Park.*** The City has made excellent progress in developing the Sports Park and is scheduled to complete Phase 1 this next year. The City has set aside monies to pay for increased maintenance and other operation costs in next year's budget. Staff recommends that plans begin to be developed Phase II. These plans will take over a year to develop during which time the City will be able to evaluate the use of the park and how best to move forward with the next phase.
7. ***Appropriate \$110,000 for a new medians and roadsides maintenance contract for FY06-07 and \$200,000 for FY07-08.*** This item is a clean-up item to last year's budget which was not budgeted correctly. In the past, the Parks division maintained street medians and billed the streets department. Starting in FY06-07, this work is being contracted out. During the last budget cycle, Parks division reduced their budgeted expenses, but the Streets division did not budget the increase. The annual contract cost is \$200,000 but the contract was not awarded until January 2007 (half way through the fiscal year).
8. ***Appropriate \$92,000 for a new Programmer / Analyst in the Geographical Informational Systems (GIS) division.*** GIS is an important tool for the City. As a result, management has reviewed the current structure, reassigned the division to Community Development from Administrative Services and proposes adding one additional position, a programmer / analyst.

The GIS division's next major objective is to increase its accessibility to its users. The primary method for accomplishing this will be through the Internet. A programmer / analyst would help the division have the skills and time available to work on projects continuing to make GIS a valuable and accessible tool to employees. In addition, the City has become increasingly dependent upon GIS services. The current staffing of three individuals does not allow for sufficient cross training and excess capacity to develop the system. As a result, staff recommends adding a programmer/analyst to the division to increase the division capabilities at an annual cost of \$92,000.

9. ***Appropriate \$5,000 for Miki City travel and housing.*** Miki City, our Japanese Sister City, has extended an invitation for the City of Visalia to send a student delegation to

Japan this summer for a week long cultural exchange. Recruitment for the 5-8 students who will participate in the exchange is underway. The students will cover their own expenses for the trip; however, staff is recommending that a male and a female chaperone accompany the delegation. While this has not occurred with former delegations, staff believes that given today's sensitivities, it would be prudent to have City officials travel with the students throughout the trip. While many of the transportation and other expenses during the trip will be provided by Miki City, staff is recommending up to \$5,000 covering two chaperones travel and housing expenses.

10. **Authorize the acceleration \$54,000 (for a 1-ton truck) from FY07/08 to FY 06/07 for its use in purchasing a self-propelled asphalt paver from the Vehicle Replacement Fund.** Staff recommends accelerating budget authorization and using funds previously budgeted for a pneumatic roller to instead purchase a self-propelled asphalt paver at a cost of \$122,000. The City's two year budget includes money for a 1-ton truck and pneumatic roller. Public Works recommends that both these items be postponed as the City more importantly needs the self-propelled asphalt paver. This equipment replaces an old paver that has excessive down time which reduces the department's ability to maintain Visalia's streets. The equipment is typically used for repair of existing streets for patches, diggouts and trenches.

Preliminary General Fund Forecast for 07/08. Finance has prepared a preliminary forecast of the General Fund's position for FY 07-08 as shown on Table III, General Fund Preliminary Forecast. The forecast builds upon improved revenue projections and Council directed budget changes.

Table III

General Fund Preliminary Forecast
July 1, 2007 - June 30, 2008
(in thousands)

	Actual FY 05-06	Projections FY 06-07	Fiscal Year 2007-08		
			As Amended Budget *	Forecast *	Variance
<u>REVENUES / SOURCES</u>	\$ 66,365	\$ 70,460	\$ 76,472	\$ 77,719	\$ 1,247
<u>EXPENDITURES / USES</u>					
Operating Expenditures	(60,182)	(62,444)	(64,634)	(64,997)	(363)
Capital Improvement Program (CIP)	(3,119)	(2,399)	(6,087)	(6,087)	-
Transfers Out / Debt Service	(2,863)	(4,867)	(6,139)	(6,139)	-
Transfer to Council Directed Capital Projects	(201)	(750)		(496)	(496)
Total Expenditures / Uses	<u>(66,365)</u>	<u>(70,460)</u>	<u>(76,860)</u>	<u>(77,719)</u>	<u>(859)</u>
Revenue Over (Under) Expenditures	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (388)</u>	<u>\$ -</u>	<u>\$ 388</u>

* Includes Oaks Stadium financing, surpluses would be dedicated to the Council's priorities

MEASURE T Funds

Last month, Council received and approved the second annual Measure T audit. The audit offers assurance to the Council and the citizens of Visalia that Measure T is being implemented as proposed. A Comprehensive Public Safety Improvement Program (Plan) was established to cover specific Public Safety spending proposals. Initiative authority specifies the funds can only be used for additional Public Safety. As a check and balance on this requirement, the measure requires an independent citizen's advisory oversight committee and an independent accounting firm to conduct an annual audit on the fund's financial activity.

Revenues

Table IV, Measure T Revenues, provides detail of the Measure T revenues from inception of the sales tax beginning in fiscal year 2004-05.

**Table IV
Measure T Revenues**

<u>Fiscal Year</u>	<u>Budget</u>	<u>Actual / Estimate</u>	<u>Difference</u>
04-05	\$ 4,578,250	\$ 4,217,184	\$ (361,066)
05-06	4,660,310	5,193,988	533,678
06-07	<u>4,792,400</u>	<u>5,360,988</u>	<u>568,588</u>
Total	<u>\$ 14,030,960</u>	<u>\$ 14,772,160</u>	<u>\$ 741,200</u>

In fiscal year 2004-05, revenues were less than expected by approximately \$0.4 million. Lower revenues were due to how the special district 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 Dinuba resident who buys their motor vehicle in Visalia pays the City's general sales tax of 1% but not the Visalia's special district tax of ¼ cent. Instead, those from Dinuba would pay their ¾ cent special district tax. This difference was not factored into the original forecast. Although no action was proposed at that time, Council instructed staff to monitor the revenue source.

Due to the growth of the local economy, revenues in fiscal year 2005-06 exceeded the original plan by over \$0.5 million. During the first two full years of the special district tax, collections have exceeded the plan by nearly \$0.2 million. Currently, staff estimates revenues for 2006-07 to exceed the plan by approximately \$0.6 million, resulting in an overall revenue surplus of \$0.7 million.

Capital Projects

There are three major capital projects funded partly with Measure T funds; two new police precincts, a northwest fire station and training facility and a public safety building.

The precincts continue to progress and are scheduled for completion in May 2007 and operational in July 2007. The northwest fire project continues to progress as well. The architect on the project, RRM Design Group, has completed final designs. Construction is estimated to be completed in July 2008. Although the public safety headquarters and dispatch building project has not begun, it is another significant investment partially funded with Measure T funding.

Table V - Capital Project Costs, details the funding sources for three major capital projects

partially funded with Measure T revenues.

Table V

**Capital Project Costs
(in millions)**

	Police Precincts			NW Fire			Public Safety Bldg		
	<u>Orig</u>	<u>Curr. Est.</u>	<u>Diff.</u>	<u>Orig</u>	<u>Curr. Est.</u>	<u>Diff.</u>	<u>Orig</u>	<u>Curr. Est.</u>	<u>Diff.</u>
Measure T	\$ 1.0	\$ 3.8	\$ 2.8	\$ 1.5	\$ 1.9	\$ 0.4	\$ 2.7	\$ 9.5	\$ 6.8
Impact Fees	1.8	4.2	2.4	3.4	4.5	1.1	5.8	16.7	10.9
General Fund	1.0	1.0	-	-	-	-	2.7	2.7	-
Total	\$ 3.8	\$ 9.0	\$ 5.2	\$ 4.9	\$ 6.4	\$ 1.5	\$ 11.2	\$ 28.9	\$ 17.7

As evident in Table V above, all three capital projects are estimated to cost more than originally anticipated. The Police Precincts and the NW Fire Station estimates come from actual invoices or contractor estimates. The Public Safety Building estimate is based upon the square foot cost for the Police Precincts. Management will work to decrease that cost.

The Measure T portion of the increase is \$10.0 million above the original estimate. When the recertified Measure T plan is presented to the Citizens Advisory Committee for FY 07/08, staff will recommend using any excess revenues to fund the excess capital project costs.

Operations

During the first two years of implementation, Measure T has recognized a savings in its operational expenditures. Table VI, Measure T Operations, details the budget and actual expenditures for both Police and Fire during the first two years of operations.

Table VI

Measure T Operations

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Police	\$ 1,535,082	\$ 1,349,654	\$ (185,428)
Fire	105,110	81,701	(23,409)
	<u>\$ 1,640,192</u>	<u>\$ 1,431,355</u>	<u>\$ (208,837)</u>

All elements of the Plan continue to be implemented even with an operational savings during the first two years of implementation. The following milestones of the Plan have been met through fiscal year ending June 30, 2006:

- Hired 10 new Police Officers
- Purchased 10 new Police vehicles
- Hired 4 Firefighters in advance of the Plan requirement – funded by the General Fund until July, 2006 as approved by Council

In fiscal year 2006-07, year three of the Plan, the following milestones are scheduled:

- Hire 5 new Police Officers – the Officers have been hired

- Purchase 5 new Police vehicles – the vehicles have been ordered through Groppetti Automotive

Recommended Action:

11. That the recertified Measure T plan for FY07/08 be recommended to the CAC utilizing excess Measure T revenues to fund higher priced capital projects.

REDEVELOPMENT

Table VII, RDA Funds Analysis, details Redevelopment’s current available resources against outstanding debt or commitments. The table shows that all current resources are committed. At the same time, redevelopment exists to encourage new development in areas that are currently disadvantaged. Governmental resources are obtained from borrowing against future property tax growth. So, the districts need to be evaluated upon what monies can be borrowed against future tax increment growth.

Table VII
Analysis of RDA Funds
June 30, 2006
(All Amounts in Thousands)

RDA Areas	Balance Sheet			Debt Issue Sunset
	Fund Balance 06/30/2006	Outstanding Debt and Oblig.	Remaining Fund Balance	
East Visalia	\$ (4,835.8)	\$ (4,680.0)	\$ (9,515.8)	Jul-06
Downtown	1,112.1	(1,283.1)	(171.0)	Jan-04
Central	1,094.7	(1,734.2)	(639.5)	Nov-09
Mooney	93.5	(2,601.3)	(2,507.8)	Jul-07
Amendment				Jul-10
<u>Low/Mod</u>				
East Visalia	1,125.3	(1,318.3)	(193.0)	
Downtown	70.9	(794.6)	(723.7)	
Central	1,228.4	(1,023.4)	205.1	
Mooney	1,444.6	(1,551.5)	(106.9)	
Total	<u>\$ 1,333.7</u>	<u>\$ (14,986.4)</u>	<u>\$ (13,652.7)</u>	

As of June 30, 2006 all available fund balance was exhausted except for the Central Project Area’s Low/ Mod fund. However, future debt capacity exists.

Future Debt Capacity. Two methods are employed in determining a project area’s debt capacity: 1) debt which can be supported by current tax increment without additional tax increment growth; and, 2) debt which can be supported by a growing tax increment. The first method is the most conservative and is employed by bond houses and rating agencies when issuing bonded debt. The second method is most likely to capture available tax increment for

the Agency, but requires some additional credit enhancement such as a General Fund debt pledge.

In contrast, both the Mooney and Central project areas have remaining debt capacity with debt issuance limits of July of 2007 and November of 2009, respectively. Because this is the last opportunity to issue debt and obtain future tax increment, staff considered the more aggressive approach to issuing debt, assuming a number of different levels of project area growth rates. In doing this, the Redevelopment Agency probably maximizes its use of tax increment but also will need help from the General Fund to secure these loans. The available debt capacity for Mooney is shown in Table VIII – Analysis of RDA Funds, assuming a 6% interest rate on borrowed funds.

Table VIII

**RDA - Mooney Blvd.
Debt Issuance Capacity**

Projected Growth Rate	Available for Debt Service (millions)	Comments
2%	\$ 3.5	Allowable rate of reassessment without sale
4%	\$ 6.5	Middle growth assumption
5.15%	\$ 8.6	Average Historical growth rate

A more detailed analysis of future tax increment is included in the appendix as Attachment 4.

Because any unpaid debt at the end of the project's life must be assumed by the City's General Fund, staff recommends assuming the middle forecast for debt issuance, thus seeking a \$6.5 million debt offering.

Project Area Program. In considering the use of redevelopment monies for the Mooney Boulevard project area, staff recommends reviewing the section from Tulare Ave. to Walnut Ave. along Mooney Blvd. This area is marked by structures principally built during the 1960s which are not optimal given today's commercial preferences.

Staff recommends this section of Mooney be evaluated in relation to the adopted Mooney Redevelopment Plan. This review would determine appropriate uses for any additional funds which could be made available through debt issuance.

Staff Recommendation:

12. **Direct staff to seek \$6.5 million bank loan financing prior to July 1, 2007 for the Mooney Redevelopment area equal to the middle growth assumption. The bank loan financing will require a General Fund credit support but will allow the City to borrow the full amount of the loan to:**

- **study strategies for improving the Mooney business; and,**
- **Develop specific recommendations given available resources in accordance with the Mooney Redevelopment Plan and the City of Visalia General Plan.**

ENTERPRISE FUND EVALUATIONS

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

However, the accounting for enterprises must:

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

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

CONVENTION CENTER

<i>Covering operations:</i>	<i>No</i>
<i>Meeting budget objective:</i>	<i>Yes</i>
<i>Meeting debt service:</i>	<i>No</i>
<i>Meeting capital needs:</i>	<i>No</i>
<i>Comment: Supported by the General Fund</i>	

Consider Table IX, Convention Center. This operation is presently treated as an enterprise even though the revenues do not cover operating costs, debt service or capital purchases. It can be argued that this City activity should not be accounted for as an enterprise. However, the fund is presently accounted for as an enterprise because it supplies a service that is based upon user fees.

This financial evaluation does not reflect benefits derived by other local entities due to its existence in Visalia. For example, the Center brings visitors to Visalia, which increases hotel occupancy taxes and helps in generating business for downtown. Council's approved budget includes a study that will consider, current operations, expansion and economic impact in the community. Recommendations on this study will be brought to Council in the near future.

The objective of the Center is to provide a high quality service while minimizing the impact to the General Fund. With that objective in mind, the Center's projected results are better than budget with revenues exceeding budget by 8.5% while expenses only increased by 3.4% over budget.

**Table IX
Convention Center**

OPERATIONS

	<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>		
Operating Revenues	\$ 2,552,112	\$ 2,769,000
<u>EXPENSES</u>		
Personnel	(1,969,074)	(2,039,000)
Operations & Maintenance	(1,529,326)	(1,596,000)
Allocated Costs	(392,010)	(389,000)
	<u>(3,890,410)</u>	<u>(4,024,000)</u>
OPERATING	\$ (1,338,298)	\$ (1,255,000)

OTHER / NON-OPERATING

Revenues - Interest Income & Misc.	20,388	132,000
Debt Service Expenditures	(1,346,714)	(1,480,000)
General Fund Transfers	2,634,114	2,634,000
	<u>1,307,788</u>	<u>1,286,000</u>
CURRENT YEAR RESOURCES		
AVAILABLE FOR CAPITAL	\$ (30,510)	\$ 31,000

CASH AVAILABLE FOR CAPITAL ASSETS

Beginning Capital Asset Cash	624,769	625,000
Add: Curr. Yr. Available Resources	(30,510)	31,000
Less: Capital Purch. - Curr. Yr.	(1,508,600)	(750,000)
Less: Capital Purch. - Prior Yr. Rollover	(118,700)	(50,000)
	<u>(1,033,041)</u>	<u>(144,000)</u>
ENDING CAPITAL ASSET CASH	\$ (1,033,041)	\$ (144,000)

An indicator of the Center's continuing success is the overall occupancy rate. For FY 05/06 occupancy is 40%, up from 38% the year before as shown in Table X, Occupancy By Room Type. In looking at the occupancy by day and room types, it becomes apparent that the Center is reaching capacity in some meeting space. The Charter Oak Ballroom had an overall occupancy rate of 57% with a high of 99% on Sundays. The Upstairs and Downstairs Meeting Rooms occupancy rates were also up considerably. The Exhibit Hall was the only space to see a decline from 38% to 33%. This was due to the loss of several large consumer shows that required multiple day usage. These consumer shows went out of business, Visalia did not lose them to another venue.

The Center has four long-term clients that meet regularly in the facility and each currently have space under construction or are seeking to purchase facilities of their own. It is difficult to know how long each of these clients will continue renting space, but it is conceivable that within the next two years these clients will not be using the Center. They currently represent approximately \$280,000 or 13% of the operating revenue (excluding ticket sales).

The renovation of the Radisson Hotel and its conversion to a Marriott should help to increase occupancy. Staff is expecting to improve Exhibit Hall occupancy beginning in 07-08 with the installation of raised platform telescopic seating. This project is slated for completion in

September 2007 and the added flexibility of the seating should boost future Exhibit Hall usage. In addition, the Center will be adding an extra \$1.00 surcharge on box office ticket sales beginning July 1, 2007 to help offset the cost of the telescopic seating.

Table X

Occupancy By Room Type
FY 04-05 & 05-06

		Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total
Charter Oak	04-05	18%	38%	44%	48%	46%	89%	53%	48%
Ballroom	05-06	24%	45%	50%	46%	57%	80%	99%	57%
Meeting Rooms	04-05	20%	36%	37%	37%	35%	41%	31%	34%
Downstairs	05-06	28%	43%	51%	53%	50%	50%	76%	50%
Meeting Rooms	04-05	7%	20%	41%	34%	18%	37%	49%	30%
Upstairs	05-06	33%	48%	64%	58%	30%	42%	56%	47%
Exhibit Hall	04-05	19%	29%	19%	40%	54%	69%	35%	38%
	05-06	15%	19%	19%	25%	44%	71%	31%	33%
TOTAL FACILITY PERCENTAGE								04-05	38%
								05-06	40%

Recommended Action: Continue to monitor General Fund subsidy, increase revenues, and encourage further economizing actions that do not degrade services at the Convention Center. Also, review the management/marketing study on how to best utilize the Convention Center when it is completed.

VALLEY OAK GOLF

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

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

The Valley Oaks Golf course has been managed by CourseCo Golf since February of 2000. 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 an operating income and reduced their debt to \$3.5 million. Although the planned repayment of the debt has occurred, the fund continues to make progress and pay interest on the outstanding debt.

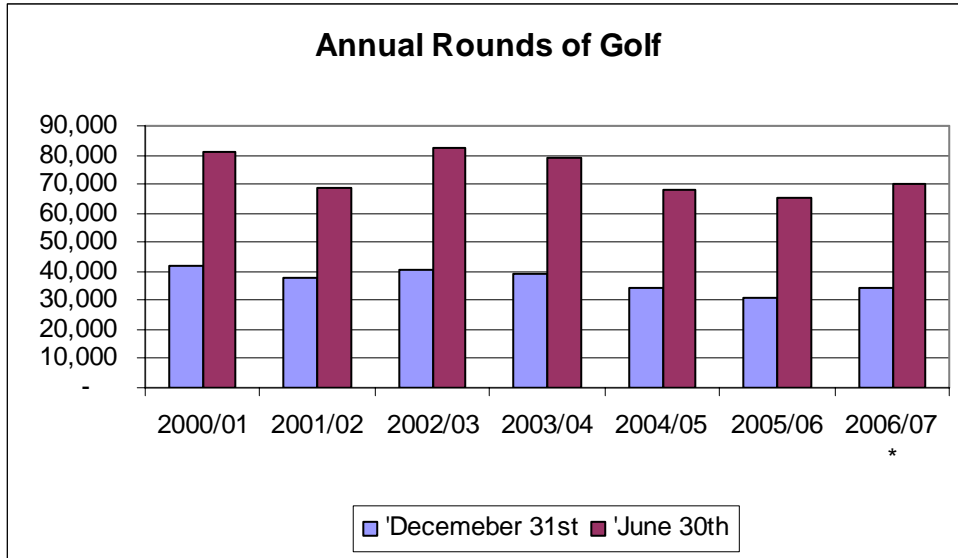
This year's Golf's revenues and expenses are close to projections and this year's revenues are \$178,000 higher than last year and while expenses are virtually the same. Although better operating results might be desired, the golf course is making progress despite losing 5 greens to last year's excessive heat, which caused the green's closure. Those rehabilitated greens led to a change in course play, modifying the 27 hole course to be used as an 18 hole course. The rehabilitated greens are scheduled to open in April.

Chart 2, Annual Rounds of Golf, compares several years of golf rounds. During the early part of

this decade, annual rounds were approximately 80,000 a year. For the last three years, rounds have declined. Rounds this year are projected to be around 70,000. This improvement in rounds played is good progress.

Chart 3, Monthly Rounds of Golf, shows the month to month rounds at Valley Oaks golf for the past two years and a line that indicates the difference between this last calendar year and the year before. Except for two month of 2006, monthly rounds were up when compared to 2005.

Chart 2



* June 30, 2007 is projected.

Chart 3

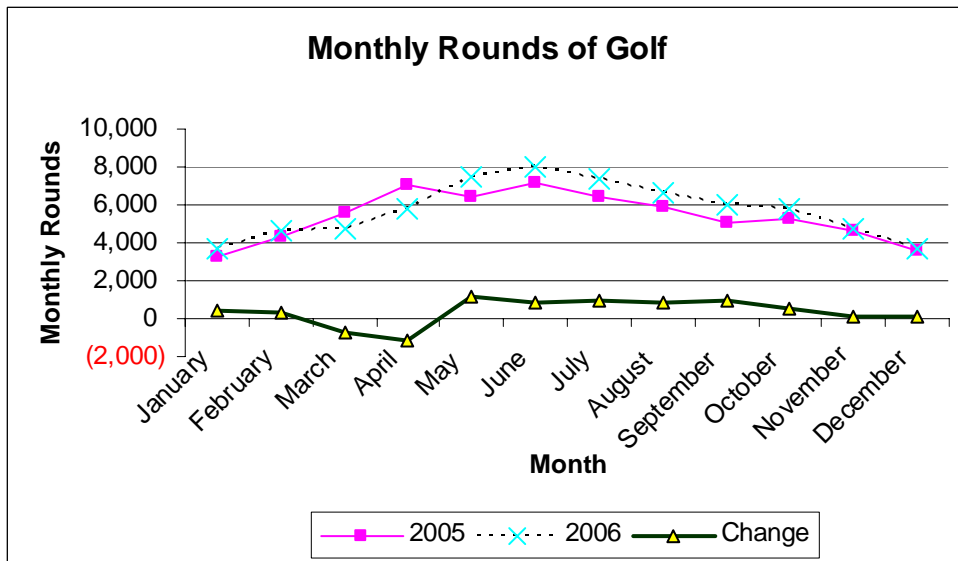


Table XI
Valley Oaks Golf

OPERATIONS**REVENUES**

	<u>Budget</u>	<u>Projected</u>
Operating Revenues	<u>\$ 2,379,040</u>	<u>\$ 2,333,000</u>

EXPENSES

Management Fees	(129,360)	(129,000)
Operations & Maintenance	(1,535,742)	(1,628,000)
Allocated Costs	<u>(40,800)</u>	<u>(41,000)</u>
	<u>(1,705,902)</u>	<u>(1,798,000)</u>

OPERATING	<u>\$ 673,138</u>	<u>\$ 535,000</u>
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OTHER / NON-OPERATING

Revenues - Misc.	-	3,000
Depreciation Expense	-	(260,000)
Debt Service Expenditures	<u>(410,580)</u>	<u>(278,000)</u>
	<u>(410,580)</u>	<u>(535,000)</u>

CURRENT YEAR RESOURCES

AVAILABLE FOR CAPITAL	<u>\$ 262,558</u>	<u>\$ 0</u>
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CASH AVAILABLE FOR CAPITAL ASSETS

Beginning Cash - Operational Only	102,977	103,000
Add: Curr. Yr. Resources Available	262,558	0
Add: Depreciation Transfer	-	260,000
Less: Capital Purchases Authorized - Curr. Yr.	(149,000)	(147,000)
Less: Capital Purchases Authorized - Prior Yrs.	(95,000)	(95,000)
Less: Payment to Debt Principal	<u>(121,535)</u>	<u>(121,000)</u>
ENDING CASH	<u>0</u>	<u>\$ 0</u>

- Depreciation was missed in the FY 06-08 budgeted; it will be in the upcoming fiscal years.

The safety netting on the #1 hole of the Valley course and the upgrades to the on-course restrooms were completed in March. The clubhouse has been repainted and has hosted its first wedding reception. CourseCo is also close to announcing an opening date for their low cost Teaching Academy targeting beginners.

The most significant debt the golf course has is the advance from the City's General Fund. The original repayment plan was that the debt would be paid over 15 years. The fund has not achieved this level of debt repayment yet. However, it has been improving its debt service, paying down all interest and some of the principal debt. As of June 30, 2006, the course owed the General Fund \$3.5 million down from \$3.9 million the previous year. If after paying off the CIP loan all operating income was devoted to debt repayment and the loan carried a 5% interest rate, the fund would pay off its long-term debt in 2028.

As part of the City's management agreement, CourseCo has reviewed local rates and currently

proposes to maintain rates at their current level. Valley Oaks rates remain competitive to the local area.

Recommended Action: Continue to monitor debt repayment progress and future capital replacements.

AIRPORT

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

**Comment: Capital needs
subsidized by Federal
Grants.**

The Airport remains fiscally sound because of the Federal grants it receives for capital projects. Without those grants, the fund would not be able to replace its capital assets. Operating revenues are about equal to operating expenses as shown on Table XII, Airport. As long as the Airport receives capital grant funding to replace and expand the Airport's capital assets the fund will remain healthy.

Operating revenues and operating & maintenance costs are projected to exceed budgets by approximately \$175,000 and \$81,000 respectively. This variance is mainly due to fuel costs being higher than budget. Table XIII, Airport - Gallons of Fuel Sold, also reflects the increase in fuel sold, projected to increase by 22% this fiscal year over and above the 24% increase realized last fiscal year. This increase is driven by two factors: 1) an increase in general aviation fuel sales; and more importantly, 2) a significant increase in the amount of fuel sold to the air carrier, Mesa Airlines, over the previous carrier. The fact that the airline parks overnight an airplane at the airport means that the carrier buys the bulk of their fuel at Visalia for the beginning of the daily route. Due to the routing of service through Merced and an aircraft being stationed in Visalia, the airline takes significantly more fuel in Visalia than the previous airline did. All indicators are that the airline will purchase an additional 70,000 gallons of Jet fuel this year.

Table XII Airport

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>		
Operating Revenues	<u>\$ 1,769,492</u>	<u>\$ 1,945,000</u>
<u>EXPENSES:</u>		
Personnel	(376,088)	(379,000)
Operations & Maintenance	(1,152,400)	(1,225,000)
Allocated Costs	<u>(186,572)</u>	<u>(192,000)</u>
	<u>(1,715,060)</u>	<u>(1,796,000)</u>
OPERATING	<u>\$ 54,432</u>	<u>\$ 149,000</u>
<u>OTHER / NON-OPERATING</u>		
Revenues - Grants (Capital Projects)	6,577,454	3,924,000
Depreciation	(465,000)	(465,000)
Debt Service Expenditures	-	(29,000)
	<u>6,112,454</u>	<u>3,430,000</u>
CURRENT YEAR RESOURCES		
AVAILABLE FOR CAPITAL	<u>\$ 6,166,886</u>	<u>\$ 3,579,000</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>		
Beg. Capital Asset Cash	391	0
Add: Curr. Yr. Resources Avail. For Capital	6,166,886	3,579,000
Add: Depreciation (non-cash expense)	465,000	465,000
Add: Grant Funding - Prior Yr	6,844,706	0
Less: Capital Purch. - Prior Yr. Rollover	(7,204,954)	0
Less: Capital Purch. - Curr. Yr.	<u>(6,949,000)</u>	<u>(4,168,000)</u>
ENDING CAPITAL ASSET CASH	<u>\$ (676,971)</u>	<u>\$ (124,000)</u>

Table XIII

Airport - GALLONS of Fuel Sold

	<u>FY02-03</u>	<u>FY03-04</u>	<u>FY04-05</u>	<u>FY05-06</u>	<u>Projected FY06-07</u>
GALLONS Sold					
100 Av. Gas	150,546.0	150,280.0	126,400.9	140,599.0	140,129.0
Jet Fuel	98,777.2	148,348.4	136,068.7	163,365.0	167,131.0
Jet Fuel - Air Carrier	243.1	167.2	-	22,787.0	92,000.0
	<u>249,566.3</u>	<u>298,795.6</u>	<u>262,469.6</u>	<u>326,751.0</u>	<u>399,260.0</u>
Annual GALLONS % Increase		20%	-12%	24%	22%

Price Per Gallon										
100 Av. Gas	\$	2.31	\$	2.50	\$	3.06	\$	3.91	\$	3.98
Jet Fuel	\$	2.40	\$	2.15	\$	3.01	\$	3.74	\$	3.87

The most significant new business to the Airport this year has been the replacement of Scenic Airlines by Mesa Air Group. Mesa, doing business as US Airways Express, provides daily non-stop and one stop service to McCarran International airport in Las Vegas. McCarran is the number one destination airport in the country and provides a great hub for Visalia to connect to.

An operational issue has occurred with the increased number of commercial flights. The Airport Facility Directory (AFD) states the following:

“Air carrier operations involving aircraft with more than 9 passenger seats are not authorized in excess of 10 minutes before or after scheduled arrival or departure times without prior coordination with airport management and confirmation that ARFF services are available prior to landing or takeoff.”

Currently, the firefighters at Station #3 provide this coverage. In the past, the number of daily departures requiring the use of the Airport Rescue and Firefighting operations (ARFF), per FAA requirements, has been 2 times per day, with a maximum of 12 per week. The impact to the Fire Station 3’s ability to respond to other calls has been minimal. With the increase in the number of flights now being offered by US Airways Express at 24 per week, the Fire Department has expressed concerns that they are being required to commit more resources to provide standby flight coverage. This fact, coupled with the Fire’s plan to relocate personnel from Station 3 to Station 5 when it opens in 2008, has led the airport to consider how to provide the required ARFF coverage.

The ARFF response requirements are the following:

- 1) At least one ARFF vehicle is capable of responding from the Airport Fire Station to the mid-point of Runway 30-12 within 5 minutes from the time of the alarm, and initiate discharge of extinguishing agent.

- 2) All other required ARFF vehicles are capable of responding from the Airport Fire Station to the mid-point of Runway 30-12 within 15 minutes from the time of the alarm and initiate discharge of extinguishing agent.

The Fire Department can handle the 2 tier of coverage, regardless of station moves or emergency response. The more difficult issue is how to assure that the first response capability is accomplished. In many cases, this first response capability can be accomplished by existing

staff. Mesa Airlines began to provide service for Visalia on November 19, 2006. In a two month study of ARFF standbys comparing Mesa and Scenic, Mesa required 244 standbys, while Scenic only required 87. Each standby requires the Station 3 personnel to be committed for approximately one hour. Station 3 Fire personnel are unable to respond to emergency calls during the standby. Using the same two month time frame, Mesa Airlines standby required other units to handle Station 3 calls 72 times. Scenic Airlines standby required other units to handle calls 27 times. All of these calls were related to the standby, other calls and training could have created some of the instances for other units to handle Station 3 calls. Station 3 personnel cross-staff the Hazardous Material Response Vehicle and could be delayed in their ability to respond to a critical hazardous materials emergency in our community. In other words, 30 percent of the time Station 3 was unavailable for other calls because of the need to respond within 5 minutes in the event of a commercial flight emergency response.

Table XIV, American West Express Schedule, provides the times for the scheduled airline flights.

Table XIV
America West Express Schedule

(Effective February 4, 2007)

	Flight Number	Departure Time	Arrival Time	Mon	Tues	Wed	Thur	Fri	Sat	Sun	Stops
VIS-LAS	4795	608	825	x	x	x	x	x	x		1
VIS-LAS	4796	1150	1320	x	x	x	x	x	x	x	0
VIS-LAS	4797	1538	1755	x		x	x	x		x	1
VIS-LAS	4798	1845	2015	x	x	x	x	x		x	0
LAS-VIS	4796	920	1135	x	x	x	x	x	x		1
LAS-VIS	4797	1350	1525	x		x	x	x		x	0
LAS-VIS	4798	1615	1830	x	x	x	x	x	x	x	1
LAS-VIS	4799	2045	2300	x	x	x	x	x		x	1

Two approaches could be used to solve the coverage. First, the City could staff a dedicated Fire response for the commercial flights. This approach has the advantage of adding additional Fire response capabilities to the City but comes at an annual cost of approximately \$300,000 to the General Fund.

A second, less costly response is to have properly trained personnel to respond in the ARFF within 5 minutes of the event. In most cases, the Fire Department will be able to respond, 70 percent of the time during if the last two months of 2006 are an indication for the future. The Fire Department will be the secondary responders, responding within 15 minutes. Such a response is an evolutionary response and has been taken by airports as they grow until the Airport has its own dedicated Fire Staff.

Management recommends training existing personnel at the airport to be capable of responding in the ARFF within the 5 minute requirement. An expanded staffing plan has been created which would require an additional employee and all staff would need to be trained by the FAA to meet the ARFF response requirements, two weeks of training a year. **The Airport Manager recommends that Council approve the funding of an additional airport operations position to provide the required ARFF coverage.**

The cost of the new position and training required for all current employees would be

approximately \$70,000. Revenue from the new airline is anticipated to be approximately \$100,000; therefore the airport could provide the required ARFF coverage and realize a net increase to the airport of \$30,000.

The airport keeps a Hangar Waiting List of individuals who have deposited (non-refundable) \$300 to place their name for lease of a hangar. The Waiting List currently has 6 names. When the list reached 15, the airport will contact these individuals to determine if there are enough willing to commit to a lease. If at least 10 commit to a lease, the Airport will propose to Council to construct another 10 hangars. Based on a recent trend of aircraft being sold and more partnerships being formed, it is anticipated that it will take another year or two until there are sufficient commitments to justify constructing ten hangars.

Recommended Action:

- 13. Authorize the hiring of one additional maintenance worker and begin training to take over ARFF responsibilities as soon as possible.**

TRANSIT

<p>Covering operations: Yes Meeting debt service: Yes Meeting capital needs: Yes</p> <p>Comment: Capital and operational needs are subsidized by Federal and State funding.</p>

The City's Transit operation is somewhat 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. In fact, Transit is more dependent than the Airport on grants: the Airport does not receive operating grants; the Transit operation receives grants and subsidies which pay approximately 80 % of its operating costs. Nevertheless, as long as Transit continues to receive adequate operating and capital funding from state and federal grants, the fund will remain healthy.

Table XV, Transit, projects the operating deficit for the fiscal year to almost match the budget. Transit receives grant funding that support both operational deficits and capital projects.

The Bus Operations & Maintenance Facility was completed on February 16, 2007 and the move into the facility occurred on February 23, 2007. The project was \$7.6 million and includes a bus wash, maintenance bays, office space and fueling equipment. It can park 66 buses and will be used to house & maintain Visalia's 42 transit vehicles. Another 13 Shuttle vehicles for the Sequoia Kings National Park shuttle are proposed to be housed at this facility. In addition, lease revenue will be earned by allowing an outside contractor to maintain the City of Tulare's and the County of Tulare's buses at the facility. These buses will be housed elsewhere.

The Shuttle to the Sequoia National Park is scheduled to begin on May 23, 2007. There will be up to 5 daily round trips from Visalia to the Sequoias. The City is contracted to provide 2 routes within the park. The City will be using an online reservation system that can be accessed through the internet. Visitors will be shown a video about the park during the 1.5 hour trip from Visalia to the Park

**Table XV
Transit**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>		
Operating Revenues	<u>\$ 870,616</u>	<u>\$ 1,038,000</u>
<u>EXPENSES:</u>		
Personnel	(331,055)	(276,000)
Operations & Maintenance	(4,492,750)	(4,676,000)
Allocated Costs	<u>(143,770)</u>	<u>(155,000)</u>
	<u>(4,967,575)</u>	<u>(5,107,000)</u>
OPERATING	<u>(4,096,959)</u>	<u>(4,069,000)</u>
<u>OTHER / NON-OPERATING</u>		
Revenues - Grants (Operating & Capital Projects)	9,357,584	14,333,000
Depreciation	(700,000)	(700,000)
Debt Service Expenditures	<u>-</u>	<u>-</u>
	<u>8,657,584</u>	<u>13,633,000</u>
CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL	<u>4,560,625</u>	<u>9,564,000</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>		
Beg. Capital Asset Cash	750,438	750,000
Add: Curr. Yr. Resources Avail. For Capital	4,560,625	9,564,000
Add: Depreciation (non-cash expense)	700,000	700,000
Less: Grant Funding - Prior Yr	8,725,209	
Less: Capital Purch. - Prior Yr. Rollover	(4,134,100)	(9,567,000)
Less: Capital Purch. - Curr. Yr.	<u>(8,725,209)</u>	
ENDING CAPITAL ASSET CASH	<u>\$ 1,876,963</u>	<u>\$ 1,447,000</u>

The City's Transit operation will be receiving Measure R funds starting July 2007. The City is in the process of completing a planning study derived from public input. The final report, after input from staff and City Council will be completed by the end of April

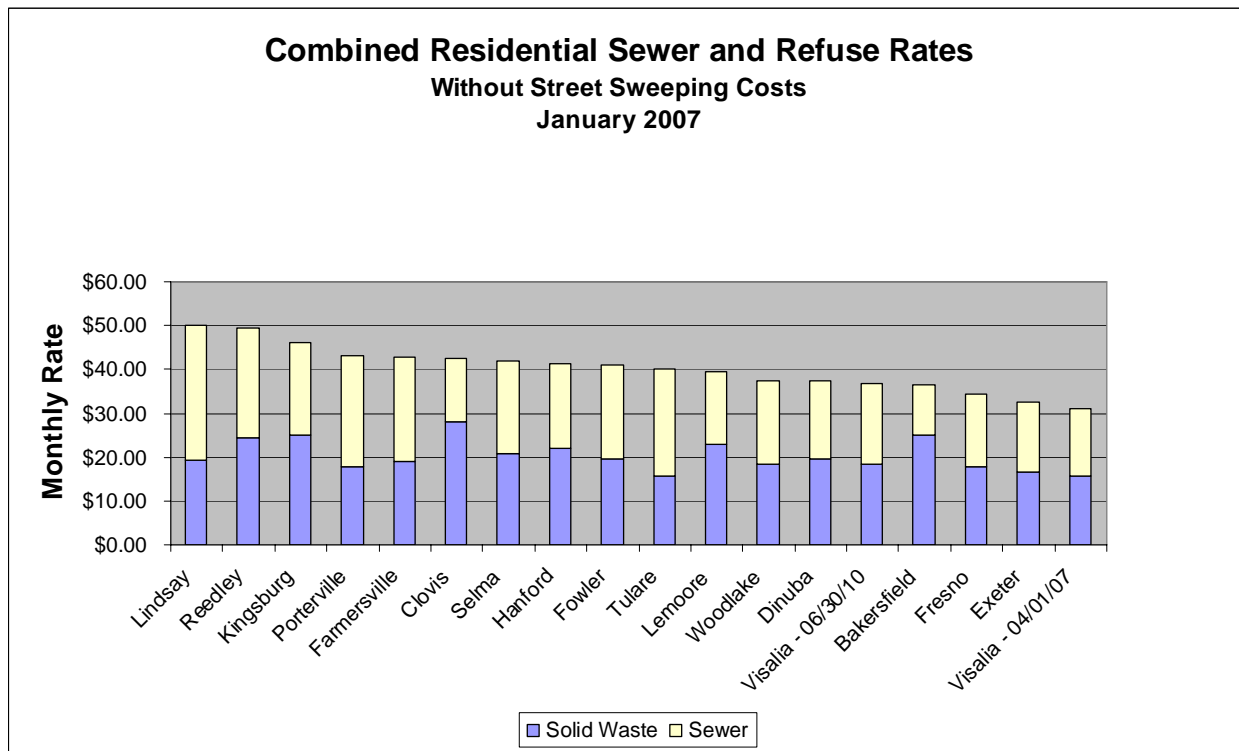
Recommended Action:

14. ***Develop a comprehensive plan for expending Measure R funds, and continue to monitor operations and funding of Transit and encourage greater use of the City's Transit system.***

UTILITY Operations

The City has two significant utility operations: sewer and solid waste. These two utilities operate efficiently and tend to be among the lowest costs in the South San Joaquin Valley. Chart 4, Combined Residential Sewer and Refuse Rates, compares the combined residential sewer and solid waste rates to other local communities. The fact is that Visalia has some of the lowest rates in the area.

Chart 4



One of the methods for keeping costs low, is to cooperate with CalWater. CalWater includes the City's utilities with its water bill for about \$1 a bill. The City has conducted some internal studies which suggest that a full billing operation would cost the City about twice that amount. However, the current CalWater bills and the City's bills are not in synch. The City bills in arrears or after the service has been provided. CalWater bills in advance, before the service has been provided. This normally does not cause a problem except when closing bills occur. When closing bills occur, the customer one month will get a bill for CalWater's services and the following month the customer receives a second CalWater bill for the City's services. On an average over 500 customers a month receive these closing bills which leads to confusion.

To resolve this issue, the City is synching its bills with CalWater. Over the next 12 months starting in April, the City's customers will be billed for a 33 or 34 day billing cycle instead of a 30 day billing cycle. This change will increase the typical utility customer's bill by \$3 - \$5. However, the increase is for longer service periods, not for a rate increase. During the synch up period, staff recommends no additional rate increases beyond the scheduled CPI increase in July. Although no major increase is scheduled, the customer will be sending more money to the City

during that time period to move from billing in arrears to in advance.

After the synch up period is complete, a number of issues should be addressed, leading to proposed rate increases. Further, the City has had a tradition of adjusting these rates in smaller, more frequent amounts. Fresno's recent experience with large utility increases underscores the need to better manage rate increases. Staff has done a number of internal studies that justify rate increases on the order of 5-6% over several years. **Staff's proposal is to prepare the necessary documents for a multi-year rate increase for Sewer and Refuse which will average 4-6% a year from July 1, 2006 to June 30, 2010.**

Solid Waste

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

Comment:	Implement a multi-year rate increase program for additional capital and operational costs.
-----------------	---

Solid Waste is currently projected to meet the objective of covering operating costs, as shown on Table XIX, Solid Waste for the current year. Cash for capital purchases is being depleted during this fiscal year. The current year and the next three fiscal years have a higher than normal amount of trucks being replaced. This abnormal spike in large capital purchases has caused the funds cash position to be extremely low, even using its operating cash to fund the latest purchases.

Table XVIII additional reflects that if all of the proposed capital purchases were completed, the operation would need to borrow \$226,000. However, the actual purchases of vehicles usually happen over time; as a result, the fund will most likely not require a cash advance.

Further, capital funding is needed for black-top upgrades for the Corporation Yard's compressed natural gas slow fill station. (The Solid Waste vehicles park overnight at this location while their vehicles are refueled.) The costs are currently being developed but could range up to \$1 million for an area dedicated to parking Solid Waste vehicles. The cost for this new asset is not included in the depreciation portion of the rates. Operational costs have also increased this last year with increased CNG fuel cost. It cost approximately \$10,000 more a year per vehicle in fuel to run CNG verses diesel. Also, next year the City's contribution to the Consolidated Waste Management Authority (CWMA) goes up from \$90k to \$130k, increasing to an estimated \$195k by FY08-09. This increase is occurring because the CWMA had cash reserves in the past that have lowered the authority members' costs for the first two years. As shown in Table XVII, Residential Refuse Rate Increase, it is currently estimated that the increase specifically related to these items would cause an approximate increase in the residential monthly rate by \$0.58, which does not include normal CPI increases.

The last refuse rate increases occurred in July 2005 and July 2006 in which the residential rate was increased by \$0.35 each year for CNG capital conversion costs. These increases were the

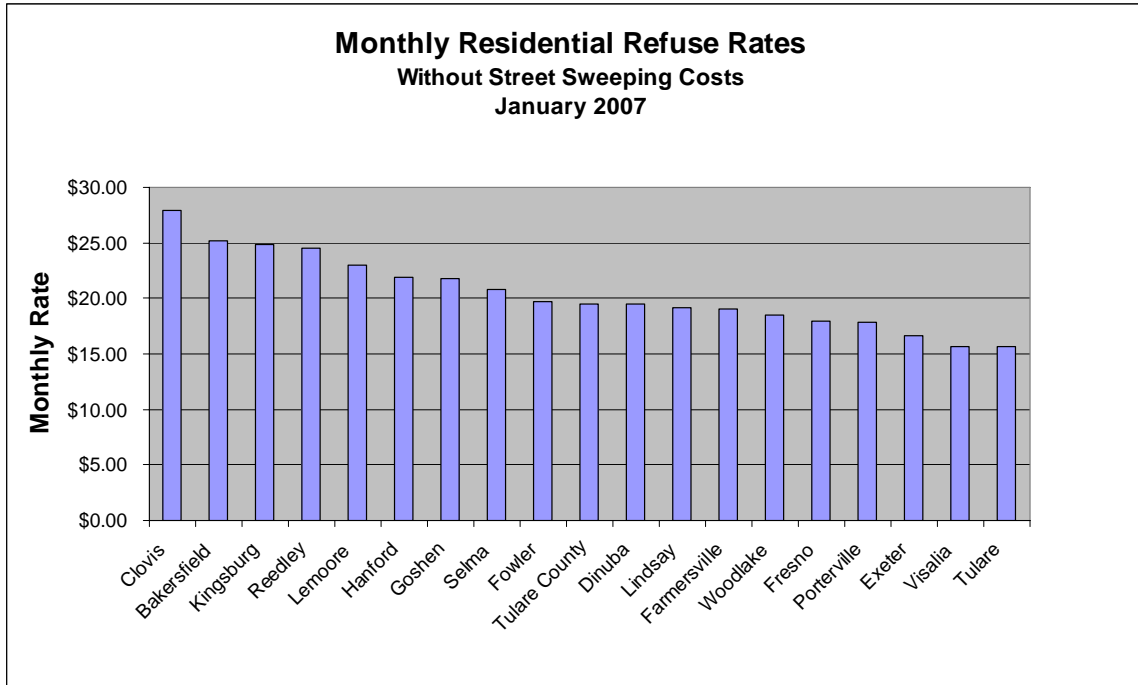
first two years of a four-year rate increase program of annual increases of 2.5%. Other than this four-year increase for specific capital costs Solid Waste has not had a rate in over 10 years.

The City's residents are paying the lowest monthly refuse fees as compared to the surrounding communities as evidenced by Chart 5, Monthly Residential Refuse Rates. Visalia residents are the beneficiary of a well managed enterprise, even when including the remaining next two years of increases, Visalia's rates would remain among the lowest in the South San Joaquin Valley, which benefits our customers by providing both a high quality service at a low cost.

**Table XVII
Solid Waste**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>		
Charges & Fees	\$ 12,548,177	\$ 13,575,000
<u>EXPENSES</u>		
Personnel	(3,657,872)	(3,771,000)
Operations & Maintenance	(4,020,871)	(4,577,000)
Allocated Costs	(4,030,862)	(4,157,000)
	<u>(11,709,605)</u>	<u>(12,505,000)</u>
OPERATING	<u>838,572</u>	<u>1,070,000</u>
<u>OTHER / NON-OPERATING</u>		
Revenues - Penalties, Grants & Misc.	747,700	704,000
Depreciation Expense	(850,000)	(850,000)
Debt Service Expenditures	-	-
	<u>(102,300)</u>	<u>(146,000)</u>
CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL	<u>\$ 736,272</u>	<u>\$ 924,000</u>
<u>CASH AVAILABLE FOR CAPITAL ASSETS</u>		
Beginning Capital Asset Cash	1,666,274	1,666,000
Add: Curr. Yr. Resources Available	736,272	924,000
Add: Depreciation Transfer	850,000	850,000
Less: Capital Purchases Authorized - Curr. Yr.	(2,975,400)	(2,737,000)
Less: Capital Purchases Authorized - Prior Yrs.	(929,261)	(929,000)
ENDING CAPITAL ASSET CASH	<u>\$ (652,115)</u>	<u>\$ (226,000)</u>

Chart 5



Finally, it should be noted that approximately 1/3 of Solid Waste’s operating costs are tipping fees. Currently no proposal exists for increasing those costs. However, when the fees for disposing of trash increase, Solid Waste’s rate structure will need to be evaluated.

Recommended Action:

- 15. **Direct staff to bring to Council the necessary reports to implement a multi-year rate increase.**

WASTEWATER

Covering operations: Yes
Meeting debt service: Yes
Meeting capital needs:
 Current year - Yes
 Future years - No

Comment: Implement a multi-year rate increase. A Master Plan is being developed that will guide expansion of the plant.

As shown in Table XIX, Wastewater, total revenues and expenses are slightly above budget. Wastewater currently has a projected net cash balance totaling \$4.3 million (including both Operational and Capital Cash balances). Income from operating and non-operating activities is projected to have a deficit of \$844K this fiscal year.

The projected \$5.2 million balance of Capital Cash includes \$3.5 million of National Pollutant Discharge Elimination (NPDES) capital projects as yet to be defined. Eliminating these expenditures would erase the operation’s potential cash deficit if the City decides to pay for the projects with a bond issue.

As stated, the budgeted deficit in Cash Available for Capital Assets is directly attributable to \$3.5 million in NPDES permit costs that are being budgeted in anticipation of future costs. The wastewater plant was issued a new discharge permit by the Regional Water Quality Control Board. This permit requires various upgrades to the facility which could range from \$20 to \$40 million. Plans for implementing the requirements are due by September 30, 2007. Studies are currently underway to identify the needed upgrades and funding to accomplish the upgrades. Once specific capital costs and potential funding sources are identified, staff will return to Council with specific recommendations.

The current rate structure will need to be adjusted to provide for these capital expenditures. Fortunately the WWTP will be making its final debt payment this coming December on \$18.6 million of Revenues Bonds issued in 1992. When this debt is paid off, revenues become available to fund another debt of approximately \$20 million. To the extent that NPDES costs exceed \$20 million, revenues will need to be increased to fund these costs. Rates will increase 2.8% this July 1, 2007 as a result of the City-wide 2 year / biennial rate adjustments (based on CPI increases) which were approved by Council last July. Due to the upcoming need for funding solution for the costs that exceeding the \$20 million, staff recommends that a small increase in the rates be initiated instead of larger rate increases.

Of interest is that the plant operates at a very high compliance level and annually, the plant processes 30,000 lab samples to determine water quality compliance. Only 2 of these samples did not meet water quality levels, both were considered abnormalities of a particular sample.

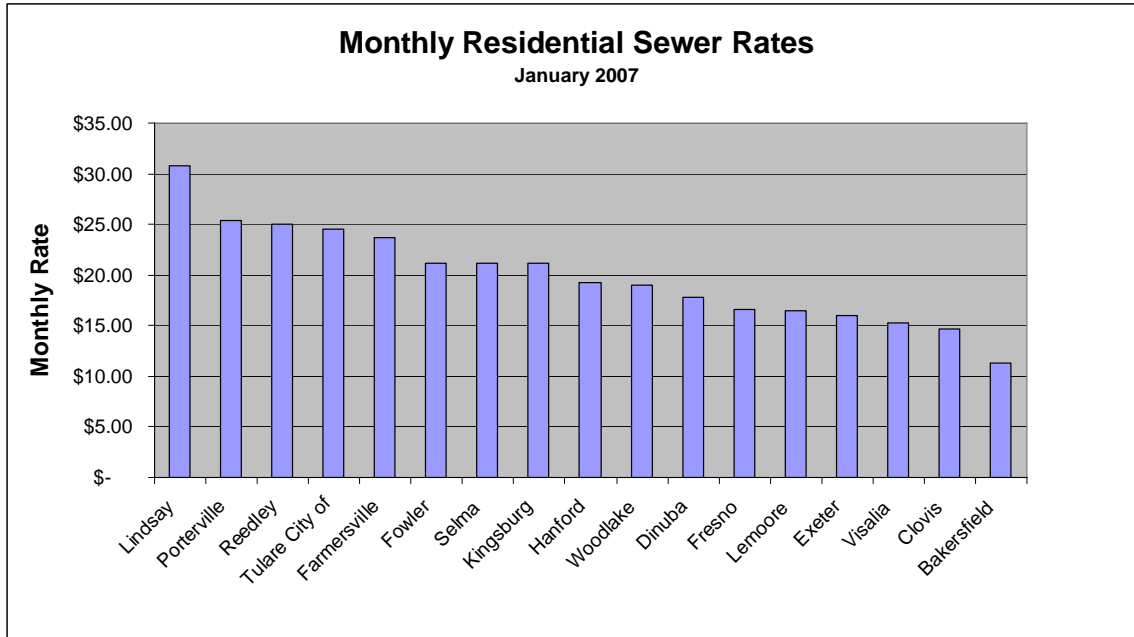
Of additional interest is that Wastewater owns over 850 acres south of the plant on Avenue 280, which was at one time the largest contiguous single-variety walnut orchard in the Valley. In 2005, the City removed 250 acres of the least productive acreage and leased it out for fodder crops. The remaining 600 acres of orchard is contracted out to a farmer for a set fee. The 2005 walnut harvest was 1 ton per acre. The 2006 harvest was significantly larger at nearly 1.45 tons per acre and the nut quality was exceptional. This particular variety of walnuts, Serrs, is known for their alternating high / low yields. The City should receive approximately \$1.3 million of revenue from the sale of these nuts as reflected in the higher non-operating revenues below. The orchard will continue to be monitored to determine what effect various management techniques have on production.

**Table XIX
Wastewater**

<u>OPERATIONS</u>	<u>Budget</u>	<u>Projected</u>
<u>REVENUES</u>		
Charges & Fees	<u>\$ 9,786,370</u>	<u>\$ 9,958,000</u>
<u>EXPENSES</u>		
Personnel	(2,404,365)	(2,418,000)
Operations & Maintenance	(3,687,245)	(3,299,000)
Allocated Costs	<u>(1,217,691)</u>	<u>(1,255,000)</u>
	<u>(7,309,301)</u>	<u>(6,972,000)</u>
OPERATING	<u>2,477,069</u>	<u>2,986,000</u>
 <u>OTHER / NON-OPERATING</u>		
Revenues - Walnuts & Misc. Revenues	1,247,961	1,607,000
Depreciation Expense	(2,270,000)	(2,270,000)
Debt Service Expenditures	<u>(2,842,000)</u>	<u>(3,167,000)</u>
	<u>(3,864,039)</u>	<u>(3,830,000)</u>
CURRENT YEAR RESOURCES		
AVAILABLE FOR CAPITAL	<u>\$ (1,386,970)</u>	<u>\$ (844,000)</u>
 <u>CASH AVAILABLE FOR CAPITAL ASSETS</u>		
Beginning Capital Asset Cash	5,022,178	5,022,000
Add: Curr. Yr. Resources Available	(1,386,970)	(844,000)
Add: Depreciation Transfer	2,270,000	2,270,000
Less: Capital Purchases Authorized - Curr. Yr.	(3,390,650)	(1,294,000)
Less: Capital Purchases Authorized - Prior Yrs.	<u>(5,700,638)</u>	<u>-</u>
ENDING CAPITAL ASSET CASH	<u>\$ (3,186,080)</u>	<u>\$ 5,154,000</u>

Chart 6, Monthly Residential Sewer Rates, compares sewer charges for surrounding communities. For the residents of Visalia, one measurement of success for the treatment plant is the rate they pay. Visalians enjoy a sewer rate that tends to be among the lowest in the surrounding communities. As of July 1, 2007, the rates were scheduled to increase 2.8%. Staff recommends that due to the impending NPDES capital costs that exceed the upcoming \$20 million debt service capacity, a 5% rate increase for 2 years starting April 1, 2008 (in addition to the upcoming 2.8% operating CPI increase). This would support approximately another \$10 million in NPDES costs (over the \$20 million for which we will have debt capacity). If in the plan estimates the NPDES costs to be less, Council could not implement the second year's increase in April 2009. This small annual incremental increase is in keeping with the City's tradition of having small incremental rate increases rather than less frequent larger ones.

Chart 4



Recommended Action:

16. **Direct staff to bring back to Council the necessary reports to implement a multi-year rate increase program to fund NPDES capital costs.**

Overall, the City remains in good financial shape while making progress in serving the needs of Visalians.

Prior Council / Board Actions: Mid-cycle Budget Adoption, June 20, 2005

Committee / Commission Review and Actions:

Alternatives:

Attachments:

- Attachment 1 - General Fund Amended Budget and Projected Revenues (2 pages)
- Attachment 2 - General Fund Projections Summary
- Attachment 3 - RDA – Mooney Blvd. Future Tax Increment Analysis (3 pages)
- Attachment 4 - Cal Water / City of Visalia Utility Billing Stuffer
- Attachment 5 - Pension Obligation Bond Pooled Financing Memo (2 pages)

Recommended Motion (and Alternative Motions if expected): That the City Council accept the mid-year report on the General Fund, Measure T Funds, Measure R, Redevelopment Funds and Enterprise Funds; and authorize the following:

General Fund:

1. Fund \$4 million of the Oaks Stadium Capital Project from a debt issue in FY07/08
- 1a. Suspend additional designations to Recreation Park Stadium Reserve and direct General Fund revenues exceeding expenditures to be allocated to the following designations; 47% to Sports Park, 47% to Civic Center and 6% to West 198 Scenic Corridor
2. Fund a Community Outreach Manager out of the City Manager's Office
3. Fund a United Way \$3,000 request for First Call (a non-profit referral service)
4. Accelerate Police Precinct equipment for \$100,000 from FY07/08 to FY06/07
5. Develop documents necessary to issue a Pension Obligation Bond (POB)
6. Appropriate \$100,000 from both the General Fund Park Reserve and Parks Impact Fees Funds to begin planning the next phase of the Sports Park
7. Appropriate \$110,000 for medians maintenance for FY06-07 & \$200,000 for FY07-08
8. Appropriate \$92,000 for a new Programmer / Analyst in the GIS division
9. Appropriate \$5,000 for Miki City travel and housing

Vehicle Replacement Fund:

10. Accelerate Streets appropriation of \$54,000 from FY07/08 to 06/07 for its use in purchasing a self-propelled asphalt

Measure T:

11. Recommend to the CAC that any excess Measure T revenues are utilized to fund higher priced capital projects

Redevelopment:

12. Seek \$6.5 million debt financing prior to July 1, 2007 for the Mooney Blvd. RDA area

Airport:

13. Hire a new maintenance worker to perform ARFF responsibilities as soon as possible

Transit:

14. Develop a comprehensive plan for expending Measure R funds

Solid Waste:

15. Direct staff to bring to Council the necessary reports to implement a multi-year rate increase

Wastewater:

16. Direct staff to bring back to Council the necessary reports to implement a multi-year rate increase program to fund NPDES capital costs

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:

NEPA Review:

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

GENERAL FUND
AMENDED BUDGETED AND PROJECTED REVENUES
Fiscal Year Ending June 30, 2007
(in thousands)

REVENUE TYPE	FY05-06 ACTUAL	FISCAL YEAR 2006-07		
		AMENDED BUDGET	PROJECTIONS	VARIANCE FAV(UNFAV)
PROPERTY TAXES:				
Current Taxes - Secured Roll	\$ 6,742	\$ 6,570	\$ 6,845	\$ 275
Current Taxes - Unsecured Roll	274	306	326	20
Real Property Transfer Tax	771	495	676	181
Aircraft Property Tax	141	143	143	-
Other Property Taxes	590	20	20	-
Subtotal Property Taxes	8,518	7,534	8,010	476
Property Tax in Lieu of Sales Tax*	4,435	5,498	6,397	899
VLF Property Tax Swap*	7,026	7,386	7,575	189
State Contribution*	(1,024)	-	-	-
Net VLF Property Tax Swap	6,002	7,386	7,575	189
Total Property Taxes	18,955	20,418	21,982	1,564
SALES TAXES:				
Sales Tax	21,417	21,831	23,606	1,775
Property Tax in Lieu of Sales Tax*	(4,435)	(5,498)	(6,397)	(899)
Total Sales Taxes	16,982	16,333	17,209	876
OTHER TAXES:				
Transient Occupancy Tax	1,718	1,699	1,787	88
Franchise Tax	1,737	1,768	1,856	88
Business License Tax	1,557	1,469	1,615	146
Other Taxes	365	494	496	2
Total Other Taxes	5,377	5,430	5,754	324
SUBVENTIONS & GRANTS:				
Vehicle License Fee (VLF)	761	631	723	92
Booking Fees	-	-	177	177
Grant Funding for Capital Projects	-	666	666	-
Other Subventions & Grants	2,463	1,957	1,720	(237)
Total Subventions & Grants	3,224	3,254	3,286	32
LICENSES & PERMITS:				
Construction Permits	2,419	3,075	2,008	(1,067)
Other Licenses & Permits	39	50	73	23
Total Licenses & Permits	2,458	3,125	2,081	(1,044)

* Triple Flip

**GENERAL FUND
AMENDED BUDGETED AND PROJECTED REVENUES
Fiscal Year Ending June 30, 2007
(in thousands)**

REVENUE TYPE	FISCAL YEAR 2006-07			
	FY05-06 ACTUAL	AMENDED BUDGET	* PROJECTIONS	VARIANCE FAV(UNFAV)
FINES, FORFEITURES & FEES:				
Local Ordinance Violations	180	199	231	32
Vehicle Code and Parking Violations	968	808	1,021	213
Highway Maintenance Charges	-	90	90	-
Total Fines, Forfeitures and Fees	1,148	1,097	1,342	245
USE OF MONEY & PROPERTY:				
Investment / Interest Earnings	1,122	1,741	1,334	(407)
Rents and Concessions	283	298	270	(28)
Total Use of Money & Property	1,405	2,039	1,604	(435)
CHARGES FOR CURRENT SERVICES:				
Zoning Fees	378	363	237	(126)
Engineering and Subdivision Fees	1,614	1,469	1,218	(251)
Special Police and Fire Services	459	365	399	34
Recreation Programs	676	721	722	1
Other Service Fees	107	109	103	(6)
Total Charges for Current Services	3,234	3,027	2,679	(348)
OTHER REVENUE	563	314	283	(31)
TOTAL GENERAL FUND REVENUES	53,344	55,017	56,200	1,183
ONE-TIME REVENUES:				
VLF Receivable	-	-	-	-
Sales of Property	-	-	-	-
Total One-Time Revenues	-	-	-	-
TOTAL GENERAL FUND REVENUES	\$ 53,344	55,017	\$ 56,200	\$ 1,183

Detail Budget Revisions:

Homeland Security Grant	(46)
VUSD After School Program Grant	(18)
Beginning Budget Amount	\$ 54,953

* Does not include interest earnings on Council directed reserves

**GENERAL FUND
PROJECTIONS SUMMARY
FY July 1, 2006 - June 30, 2007
(in thousands)**

	FY 05-06 Actual	Fiscal Year 2006 - 07		
		Amended Budget	Projections	Projected Variance
<u>REVENUES / SOURCES</u>				
Current Revenues	\$ 53,344	\$ 55,017	\$ 56,200	\$ 1,183
Internal Service Reimbursements	13,021	14,260	14,260	-
Debt Issuance	-	-	-	-
Total Revenues/Sources	\$ 66,365	69,277	70,460	1,183
<u>EXPENDITURES / USES</u>				
Department Expenditures:				
Administration	3,233	3,602	3,544	58
Administrative Services	3,595	3,996	4,120	(123)
Community Development	7,120	7,964	7,853	112
Parks & Recreation	8,173	7,886	7,734	153
Fire & Emergency Services	10,011	9,896	10,281	(385)
Police	21,805	22,474	22,495	(21)
Public Works	6,245	6,552	6,419	133
Total Department Expenditures	60,182	62,370	62,444	(74)
Capital Improvement Program (CIP):				
General Fund - Current Year	3,119	2,274	2,399	(125)
Total CIP	3,119	2,274	2,399	(125)
Transfers Out / Debt Service:				
Transfers Out	1,329	2,723	2,723	-
Debt Service	1,534	2,144	2,144	-
Transfer to Council Directed Capital Proj.	201	-	750	(750)
Total Transfers Out / Debt Service	3,064	4,867	5,617	(750)
Total Expenditures/Uses	\$ 66,365	69,511	70,460	(949)
Revenue Over (Under) Expenditures	\$ (0)	(234)	0	234

Attachment #3

Page 1 of 3

**RDA - Mooney Blvd.
Analysis of Future Tax Increment
At 2% Assessed Value Growth Rate**

Fiscal Year	Tax Increment	Operating / Allocations	Agreements & Debt Service	Pass Through Payments	20% Housing Set Aside	Remaining	Present Value at 6%
Beg. Bal.	\$ 93,548	-	-	-	-	-	-
2006-07	2,262,893	\$ (96,931)	\$ (431,652)	\$(1,192,425)	\$ (452,579)	\$ 182,854	\$ 182,854
2007-08	2,336,873	(98,870)	(435,681)	(1,241,933)	(467,375)	93,014	87,611
2008-09	2,412,333	(100,847)	(288,932)	(1,292,553)	(482,467)	247,534	219,609
2009-10	2,489,301	(102,864)	(291,617)	(1,344,312)	(497,860)	252,648	211,125
2010-11	2,567,810	(104,921)	(294,356)	(1,397,239)	(513,562)	257,732	202,861
2011-12	2,647,888	(107,020)	(297,149)	(1,451,363)	(529,578)	262,778	194,817
2012-13	2,729,568	(109,160)	(299,999)	(1,506,717)	(545,914)	267,778	186,990
2013-14	2,812,882	(111,343)	(302,905)	(1,563,331)	(562,576)	272,727	179,381
2014-15	2,897,863	(113,570)	(305,870)	(1,607,541)	(579,573)	291,309	180,473
2015-16	2,984,542	(115,842)	(308,894)	(1,663,190)	(596,908)	299,708	174,889
2016-17	3,072,955	(118,158)	(311,978)	(1,719,965)	(614,591)	308,263	169,432
2017-18	3,163,137	(120,522)	(315,124)	(1,777,888)	(632,627)	316,976	164,098
2018-19	3,255,122	(122,932)	(318,333)	(1,836,985)	(651,024)	325,848	158,892
2019-20	3,348,946	(125,391)	(321,607)	(1,897,178)	(669,789)	334,981	153,856
2020-21	3,444,648	(127,898)	(324,945)	(1,956,245)	(688,930)	346,630	149,957
2021-22	3,542,263	(130,456)	(328,351)	(2,016,482)	(708,453)	358,521	146,091
2022-23	3,641,831	(133,065)	(331,824)	(2,077,914)	(728,366)	370,662	142,263
2023-24	3,743,389	(135,727)	(335,367)	(2,140,563)	(748,678)	383,054	138,479
2024-25	3,846,979	(138,441)	(338,981)	(2,204,458)	(769,396)	395,703	134,741
2025-26	3,952,642	(141,210)	(342,667)	(2,269,621)	(790,528)	408,616	131,055
2026-27	4,060,417	(144,034)	(346,427)	(2,336,080)	(812,083)	421,793	127,422
2027-28	4,170,348	(146,915)	(427,599)	(2,403,859)	(834,070)	357,905	101,841
Totals	\$ 69,478,178	(2,646,117)	(7,300,258)	(38,897,842)	(13,876,926)	\$ 6,757,035	\$ 3,538,737

Attachment #3

Page 2 of 3

**RDA - Mooney Blvd.
Analysis of Future Tax Increment
At 4% Assessed Value Growth Rate**

Fiscal Year	Tax Increment	Operating / Allocations	Agreements & Debt Service	Pass Through Payments	20% Housing Set Aside	Remaining	Present Value at 6%
Beg. Bal.	\$ 93,548	-	-	-	-	-	-
2006-07	\$ 2,262,893	\$ (96,931)	\$ (431,652)	\$(1,192,425)	\$ (452,579)	\$ 182,854	\$ 182,854
2007-08	2,397,185	(98,878)	(438,262)	(1,265,782)	(479,437)	114,826	108,155
2008-09	2,536,575	(100,864)	(294,248)	(1,341,682)	(507,315)	292,466	259,472
2009-10	2,681,262	(102,890)	(299,831)	(1,420,219)	(536,252)	322,070	269,137
2010-11	2,831,452	(104,957)	(305,638)	(1,501,491)	(566,290)	353,076	277,906
2011-12	2,987,360	(107,065)	(311,676)	(1,585,600)	(597,472)	385,547	285,834
2012-13	3,149,208	(109,216)	(317,956)	(1,672,655)	(629,842)	419,539	292,965
2013-14	3,317,229	(111,411)	(324,488)	(1,762,764)	(663,446)	455,120	299,348
2014-15	3,491,662	(113,650)	(331,280)	(1,856,046)	(698,332)	492,354	305,025
2015-16	3,672,758	(115,934)	(338,344)	(1,952,618)	(734,552)	531,310	310,037
2016-17	3,860,778	(118,264)	(345,691)	(2,052,605)	(772,156)	572,062	314,425
2017-18	4,055,993	(120,641)	(353,332)	(2,156,136)	(811,199)	614,685	318,223
2018-19	4,258,683	(123,066)	(361,278)	(2,263,347)	(851,737)	659,255	321,470
2019-20	4,469,139	(125,541)	(369,543)	(2,374,278)	(893,828)	705,949	324,241
2020-21	4,687,669	(128,065)	(378,137)	(2,486,825)	(937,534)	757,108	327,536
2021-22	4,914,585	(130,640)	(387,076)	(2,603,413)	(982,917)	810,539	330,281
2022-23	5,150,218	(133,268)	(396,372)	(2,724,195)	(1,030,044)	866,339	332,510
2023-24	5,394,907	(135,948)	(406,040)	(2,849,334)	(1,078,981)	924,604	334,256
2024-25	5,649,009	(138,683)	(416,095)	(2,978,999)	(1,129,802)	985,430	335,550
2025-26	5,912,892	(141,473)	(426,551)	(3,113,363)	(1,182,578)	1,048,927	336,421
2026-27	6,186,940	(144,319)	(437,427)	(3,252,610)	(1,237,388)	1,115,196	336,897
2027-28	6,471,553	(147,223)	(526,073)	(3,396,925)	(1,294,311)	1,107,021	314,998
Totals	\$ 90,433,498	(2,648,927)	(8,196,990)	(47,803,312)	(18,067,990)	\$ 13,716,279	\$ 6,517,541

Attachment #3

Page 3 of 3

**RDA - Mooney Blvd.
Analysis of Future Tax Increment
At 5.15% Assessed Value Growth Rate**

Fiscal Year	Tax Increment	Operating / Allocations	Agreements & Debt Service	Pass Through Payments	20% Housing Set Aside	Remaining	Present Value at 6%
Beg. Bal.	\$ 93,548	-	-	-	-	-	-
2006-07	\$ 2,262,893	\$ (96,931)	\$ (431,652)	\$(1,192,425)	\$(452,579)	\$ 182,854	\$ 182,854
2007-08	2,431,864	(98,882)	(439,746)	(1,279,495)	(486,373)	127,368	119,968
2008-09	2,609,107	(100,873)	(297,352)	(1,370,363)	(521,821)	318,698	282,743
2009-10	2,795,038	(102,905)	(304,700)	(1,465,209)	(559,008)	363,216	303,521
2010-11	2,990,098	(104,978)	(312,426)	(1,564,224)	(598,020)	410,450	323,065
2011-12	3,194,745	(107,093)	(320,551)	(1,667,606)	(638,949)	460,546	341,436
2012-13	3,409,467	(109,251)	(329,093)	(1,775,569)	(681,893)	513,661	358,690
2013-14	3,634,771	(111,453)	(338,076)	(1,888,330)	(726,954)	569,958	374,880
2014-15	3,871,194	(113,701)	(347,521)	(2,019,072)	(774,239)	616,661	382,037
2015-16	4,119,297	(115,994)	(357,453)	(2,142,972)	(823,859)	679,019	396,229
2016-17	4,379,673	(118,333)	(367,896)	(2,272,455)	(875,935)	745,054	409,507
2017-18	4,652,945	(120,721)	(378,877)	(2,407,790)	(930,589)	814,968	421,910
2018-19	4,939,764	(123,158)	(390,424)	(2,549,263)	(987,953)	888,966	433,484
2019-20	5,240,819	(125,644)	(402,565)	(2,697,076)	(1,048,164)	967,370	444,311
2020-21	5,556,834	(128,181)	(415,331)	(2,849,292)	(1,111,367)	1,052,663	455,398
2021-22	5,888,566	(130,771)	(428,755)	(3,008,516)	(1,177,713)	1,142,811	465,676
2022-23	6,236,814	(133,413)	(442,870)	(3,175,091)	(1,247,363)	1,238,077	475,186
2023-24	6,602,416	(136,110)	(457,712)	(3,349,380)	(1,320,483)	1,338,731	483,968
2024-25	6,986,257	(138,862)	(473,319)	(3,531,767)	(1,397,251)	1,445,058	492,058
2025-26	7,389,263	(141,671)	(489,729)	(3,722,648)	(1,477,853)	1,557,362	499,491
2026-27	7,812,408	(144,537)	(506,984)	(3,922,448)	(1,562,482)	1,675,957	506,300
2027-28	8,256,719	(147,463)	(602,465)	(4,131,605)	(1,651,344)	1,723,842	490,512
Totals	\$ 105,354,500	(2,650,925)	(8,835,497)	(53,982,596)	(21,052,190)	\$ 18,833,292	\$ 8,643,224

Attachment 4

Cal Water / City of Visalia Utility Billing Stuffer

Upcoming Billing Change...

The City of Visalia's sewer and solid waste rates are among the lowest in this part of the Central Valley due, in part, to joint billing with CalWater. However, CalWater and the City's service dates are currently not for the same time frame which has caused some confusion for some citizens.

What is changing? To serve you better, the City's billing period will change to "catch up" with CalWater's billing cycle.

How will this affect you? Over the next year, 3-5 days of additional service billing will be added to each billing cycle.

Is this a fee increase? No. Beginning in April, you will simply be "catching up" on paying for one month of service. Rather than paying it all at once, you will pay over 12 months.

Have questions? Call your local customer center at 624-1600.



559 713-4531
www.ci.visalia.ca.us
California Water Service Co.
559 624-1600

Observe por favor el Cambio de la Facturación

Las tarifas de la ciudad de Visalia de las alcantarillas y de la basura sólida están entre el más bajo de esta parte del Central Valley, porque, CalWater y la Ciudad de Visalia se mandan las cuentas juntos. Porque las fechas del servicio para CalWater y la ciudad de Visalia no son actualmente en el mismo marco de tiempo, los residentes están confundidos.

¿Qué está cambiando? Para proporcionar un servicio mejor, la Ciudad cambiará el período de la facturación para emparejar con CalWater.

¿Cómo este cambio le afectará? En el año próximo, 3-5 días adicionales serán agregados a cada ciclo de facturación.

¿Los honorarios aumentarán? No. Empezando en abril, usted simplemente pagará un mes de servicio. En vez de pagarlo de una vez, usted pagará durante los 12 meses próximos.

Si usted tiene preguntas. Llame su centro local del cliente a 624-1600.



559 713-4531
www.ci.visalia.ca.us
California Water Service Co.
559 624-1600

Attachment 5

Memorandum

To: Eric Frost, Administrative Services Director
From: Gus Aiello, Finance Manager
Date: March 9, 2007
Re: Pension Obligation Bond Pooled Financing

The City of Visalia funds employee retirement benefits through the California Public Employees Retirement System (CALPERS). Each year an actuarial study is done to determine if the City's funding is sufficient to pay for the benefit when employees retire. There are two components the actuarial study addresses:

- The amount of future benefits (referred to as normal cost)
- The amount of any unfunded actuarial liability (UAAL). This occurs when an employer's retirement account balance is less than the amount required to fund future retirement obligations. UAAL's are generally created due to investment losses or enhancements to retirements benefits.

The City of Visalia's deficit can mainly be attributed to three years of negative returns from 2000 through 2003, creating the unfunded accrued actuarial liability (UAAL) noted above. The current UAAL per the most recent actuarial report is approximately \$30.9 million for all City employees.

There are several options to fund the UAAL:

- The use reserves to make the payment
- An increase in the amount employees pay through a payroll deduction
- A decrease in plan benefits
- Issue pension obligation bonds (POB's) to fund the UAAL

Pension Obligation Bonds (POB's)

There is an option the City is reviewing to fully fund the pension liability. An opportunity to issue pension obligation bonds to pay off the unfunded PERS liability is being offered through California Statewide Communities Development Authority (CSCDA). The City will be required a follow a set timeline in order to participate in this pooled funding process (see the benefits of using CSCDA to complete the bond issuance include:

- All parties involved in the transaction are in place, eliminating the requirement for City staff to solicit bids or proposals from interested companies
- The costs of the transaction has been negotiated up front

A pension obligation bond is a refunding of an unfunded obligation to PERS. It can be equated to refinancing a home mortgage to a lower rate. The bond issue is offered at an interest rate of approximately 5.75%, as opposed to the 7.75% currently paid to PERS, and is estimated to save the City approximately \$7.6 million (present value) over a 30 year period beginning 6/30/07, as displayed in Table I – POB Savings Summary.

Table I
 POB Savings Summary
 Combined Safety & Miscellaneous

Present Value Savings (\$)	\$	7,609,374
Present Value savings (%)		24.11%
Total Gross Savings	\$	14,088,703
Gross Savings FY 06-07 to FY 10-11	\$	2,134,823
Avg. Annual Savings FY 06-07 to Maturity	\$	485,817

Risk/Mitigants of POB's

As with most financial decisions, issuing pension obligations does not come without risks. The two most critical risks are:

- A strong return on system investments may result in the over-funding or a surplus in the City's pension account
- Future enhancements to pension benefits can create a new unfunded liability

Although there are some risks associated with POB's, the largest mitigating factor is that PERS now uses a 15 year smoothing of gains and losses, alleviating any potential spikes in losses.

A benefit of participating in a pension bond issuance is the fact that the normal costs as well as the unfunded liability are being paid off in 30 years. Currently, PERS uses a 30 year rolling amortization method, in which the unfunded liability will never be paid off.

However, perhaps the largest benefit of issuing pension obligation bonds is the estimated \$7.7 million present value savings over the 30 year life of the bonds. This savings allows the City flexibility to reallocate those General Fund resources to other Council priorities.

POB Pooled Funding Process

Although this will be the largest debt issuance in the City's history, it will not require a vote because it is a refinancing of current and future obligations. However, in order for the City to participate in the POB process, the following timelines will need to be met:

- April 30, 2007 - Council adopts a Resolution allowing the transaction, which begins a 90 day validation period. The validation period is a process whereby the court determines the legality of the bond issue.
- July 31, 2007 – the 90-day validation period concludes.
- August 31, 2007 - the bond issue will close and the UAAL will be paid off.
- Annually, the City will make a payment towards the bonds instead of PERS starting at \$1.4 million and rising over time.

ACTION

PLANNING COMMISSION AGENDA

CHAIRPERSON:

Vincent Salinas

{ EMBED
Image.Server \s }

VICE CHAIRPERSON:

Larry Segrue

COMMISSIONERS PRESENT: Sam Logan, Vincent Salinas, Adam Peck, Victor Pérez, Larry Segrue

MONDAY MARCH 12, 2007; 7:00 P.M., CITY HALL WEST, 707 WEST ACEQUIA, VISALIA CA

- | | |
|--|---|
| 7:00 TO 7:00 | 1. THE PLEDGE OF ALLEGIANCE |
| 7:00 TO 7:01 | 2. CITIZEN'S REQUESTS - The Commission requests that a 5-minute time limit be observed for requests. Please note that issues raised under Citizen's Requests are informational only and the Commission will not take action at this time. |
| No one spoke | |
| 7:01 TO 7:01 | 3. CITY PLANNER AGENDA COMMENTS – No comments |
| 7:01 TO 7:01 | 4. CHANGES TO THE AGENDA – No changes to agenda |
| 7:01 TO 7:01 | 5. CONSENT CALENDAR - All items under the consent calendar are to be considered routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of the Commission and made a part of the regular agenda. <ul style="list-style-type: none"> • No items on consent calendar |
| 7:01 TO 8:10 | 6. PUBLIC HEARING –Presented by Andy Chamberlain |
| Approved to continue to April 9, 2007 (Peck, Logan) 5-0 | Appeal of the Planning Director's denial of a Home Occupation Permit and business tax application to operate a photography site as a home occupation at 1015 S. Giddings St. (APN 123-230-012). |
| Open: 7:11
Close: 7:49 | |
| 8:10 TO 8:15 | 7. PUBLIC HEARING –Presented by Paul Scheibel |
| Approved as recommended (Logan, Segrue) 4-0-1 Peck abstained | Conditional Use Permit No. 2007-06: is a request by Virginia's Hair Design to allow a 1,100 square foot Beauty Salon in the OC (Office Conversion) zone. The site is located at 2000 W. Tulare Ave. APN: 095-113-013. |
| Open: 8:15
Close: 8:15 | |
| 8:20 To 8:25 | 8. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION: <ul style="list-style-type: none"> a. Fred Brusuelas reminded the Commissioners of joint meeting with the City Council on March 26, 2007 |

- b. Paul Scheibel informed the Commissioners of new Fish and Game regulations and 9510 -Information Regarding Recently Approved Projects

The Planning Commission meeting may end no later than 11:00 P.M. Any unfinished business may be continued to a future date and time to be determined by the Commission at this meeting. The Planning Commission routinely visits the project sites listed on the agenda.

For the hearing impaired, if signing is desired, please call (559) 713-4359 twenty-four (24) hours in advance of the scheduled meeting time to request these services. For the visually impaired, if enlarged print or Braille copy is desired, please call (559) 713-4359 for this assistance in advance of the meeting and such services will be provided as soon as possible following the meeting.

**THE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, MARCH 26, 2007
CITY HALL COUNCIL CHAMBERS
707 WEST ACEQUIA**

8:25 TO 8:25
Motion to Adjourn (Logan, Peck) 5-0

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 c

Agenda Item Wording: Request authorization to accept an "Irrevocable Offer to Dedicate Real Property" for Shannon Parkway, Sedona Avenue, Corvina Avenue, and Conyer Street right-of-way for roadway purposes as offered per Document No. 2003-0011275, Dated February 10, 2003 and Shannon Ranch East Subdivision Map recorded in Volume 40 of Maps at page 46, Tulare County Records, generally located between Mooney Boulevard. and Conyer Street north of Riggin Avenue.

Resolution No 2007-24 required

Deadline for Action: March 19, 2007

Submitting Department: Public Works, Engineering

Contact Name and Phone Number:

Andrew Benelli: 713-4340

Greg Dais: 713-4164

Department Recommendation and Summary: Staff recommends that the City Council accept the "Irrevocable Offer to Dedicate Real Property" for Shannon Parkway right of way for roadway purposes as offered per Document No. 2003-0011275, Dated February 10, 2003. Also Sedona Avenue, Corvina Avenue and Conyer Street right of way for roadway purposes as offered per Shannon Ranch East Subdivision Map generally located between Mooney Boulevard and Conyer Street alignment north of Riggin Avenue.

An irrevocable offer of dedication is a means used by public agencies to ensure that right of way can be obtained at a future time. Government Code Section 7050 states that an irrevocable offer of dedication "may be accepted at any time by the City council of the city within which such real property is located at the time of acceptance." Irrevocable offers of dedication are acquired by public agencies during development entitlement processes, such as subdivisions or conditional use permits, to enable dedication to be exercised when the need to widen or improve a street becomes necessary.

Acceptance of the irrevocable offer to dedicate will provide the City of Visalia with an 84-foot wide street right-of-way along Shannon Parkway between Mooney Boulevard and Giddings Street. The Shannon Parkway improvements will be constructed as the phases for Shannon Ranch 3 Subdivision are being constructed. This segment of Shannon Parkway between Mooney Boulevard and Giddings Street will be completed in two phases.

or action by:

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

For placement on which agenda:

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

Est. Time (Min.): 1

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Also acceptance of the irrevocable offer to dedicate will provide the City of Visalia with an 58-foot wide street right-of-way along a portion of Corvina Avenue and 29-foot half street along another portion of Corvina Avenue and 29-foot along Sedona Avenue and 30-foot along Conyer Street as shown on the Shannon Ranch East Subdivision Map between Mooney Boulevard and Conyer Street alignment. Shannon Ranch 3 Subdivision will be dedicating the other half of the street right of way. The streets will then be built to full width as the phases for Shannon Ranch 3 Subdivision are being constructed. Along the Corvina Avenue alignment a sewer line will be installed with the first phase of Shannon Ranch 3 Subdivision between Mooney Boulevard and Sedona Avenue alignment. This sewer line will also be extended from Sedona Avenue to Riverway Avenue with the first phase of Shannon Ranch 3 Subdivision.

Finally, staff recommends the City Council accept the irrevocable offer of dedication along Shannon Parkway, Sedona Avenue, Corvina Avenue and Conyer Street. Having the dedication now will allow these streets to be built full width with each phase of Shannon Ranch 3 Subdivision.

Prior Council/Board Actions: None

Committee/Commission Review and Actions: None

Alternatives: Relinquish the Irrevocable Offer of Dedication for Real Property as offered per Document No. 2003-0011275, Dated February 10, 2003 and as offered per Shannon Ranch East Subdivision Map.

Attachments: Location map

City Manager/Executive Director Recommendation:

Recommended Motion (and Alternative Motions if expected):

Move to accept an "Irrevocable Offer to Dedicate Real Property" for Shannon Parkway, Sedona Avenue, Corvina Avenue and Conyer Street right-of-way for roadway purposes as offered per Document No. 2003-0011275, Dated February 10, 2003 and as offered per Shannon Ranch East Subdivision Map recorded in Volume 40 of Maps at page 46, Tulare County Records. Resolution No. 2007 - 24

Copies of this report have been provided to:

Financial Impact

Funding Source:

Account Number:

Budget Recap:

Total Estimated cost:	\$ N/A	New Revenue:	\$ N/A
Amount Budgeted:	\$ N/A	Lost Revenue:	\$ N/A
New funding required:	\$ N/A	New Personnel:	\$ N/A
Council Policy Change:	Yes{ FORMCHECKBOX }	No{ FORMCHECKBOX }	

Environmental Assessment Status

CEQA Review:{ FORMTEXT }

Required? Yes { No { FORMCHECKBOX }
FOR
MCH
ECK
BOX
}

Review and Action: Prior:
Required:

NEPA Review:{ FORMTEXT }

Required? Yes { No { FORMCHECKBOX }
FOR
MCH
ECK
BOX
}

Review and Action: Prior:
Required:

RESOLUTION NO. 2007- 24

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA
AUTHORIZING THE ACCEPTANCE OF A
IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY
ALONG SHANNON PARKWAY, SEDONA AVENUE, CORVINA AVENUE AND
CONYER STREET**

WHEREAS, as offered per Document No. 2003-0011275, Dated February 10, 2003 and Shannon Ranch East Subdivision Map recorded in Volume 40 of Maps at page 46, Tulare County Records and

WHEREAS, the City Council of the City of Visalia finds it to be in the public interest to accept into the City's street system those certain parcels more particularly and legally described as follows:

Shannon Parkway

That portion of Parcel 11 of that certain document recorded February 10, 2003 as Doc. No. 2003-0011275 of Tulare County Records, located in the Southwest quarter of Section 18, Township 18 South, Range 25 East, Mount Diablo Base and Meridian, in the City of Visalia, County of Tulare, State of California, described as follows:

An 84-foot wide strip, the centerline of which is described as follows:

Commencing for reference at the Northwest corner of the Southwest quarter of said Section 18;

Thence South 00°05'34" West, along the West line of said Southwest quarter of Section 18, distance of 753.18 feet;

Thence easterly, 129.76 feet, along a non-tangent curve concave southerly with a radius of 2,200.00 feet, a central angle of 03°22'46" and a beginning radial which bears North 04°48'12" West, to the southwesterly corner of Parcel 6 of Parcel Map No. 4649 as recorded in Book 47 of Parcel Maps, at Page 54 of Tulare County Records, and the True Point of Beginning;

Thence continuing easterly, 1,576.42 feet along a curve concave southerly with a radius of 2,200.00 feet and central angle of 41°03'20";

Thence continuing easterly, 1,028.62 feet along a reverse curve concave northerly with a radius of 1,500.00 feet and central angle of 39°17'26" to the Southeast corner of Parcel 8 of said Parcel Map No. 4649, said point also being the Southwest corner of the parcel conveyed to the City of Visalia by Deed recorded December 1, 2000, as Doc. No. 2000-0078561 of Tulare County Records and the terminus of said 84-foot wide strip.

Note: The sidelines of said 84-foot wide strip shall be extended or shortened so as to terminate on the East right of way of Mooney Boulevard and the East line of the Southwest quarter of said Section 18.

See Exhibit A for map.

Sedona Avenue, Corvina Avenue and Conyer Street

Being an irrevocable offer along the north 29 feet of Lots 1, 2 and 3 as offered on the Shannon Ranch East Subdivision Map recorded in Volume 40 of Maps at page 46, Tulare County Records, located in the Southwest quarter of Section 18, Township 18 South, Range 25 East, Mount Diablo Base and Meridian, in the City of Visalia, County of Tulare, State of California;

Together with an irrevocable offer along the east 30 feet of said Lot 3 as offered on said Shannon Ranch East Subdivision Map;

Also together with an irrevocable offer of 58 feet across said Lot 1 as offered on said Shannon Ranch East Subdivision Map, the centerline of which is described as follows:

Commencing at the northwest corner of said Lot 1;

Thence South $82^{\circ}32'21''$ East, along the north line of said Lot 1, distance of 292.19 feet;

Thence easterly, 313.69 feet, along a tangent curve concave northerly with a radius of 1,000.00 feet, a central angle of $17^{\circ}58'23''$ and a beginning radial which bears South $00^{\circ}27'39''$ West, also said curve being the north line of said Lot 1, to a corner of Lot 1 and the True Point of Beginning;

Thence continuing easterly, 424.11 feet along a curve concave northerly with a radius of 1,000.00 feet and central angle of $24^{\circ}17'59''$;

Thence continuing easterly, 241.44 feet along a compound curve concave northerly with a radius of 1,300.00 feet and central angle of $10^{\circ}38'28''$ to a point on the northeasterly line of said Lot 1, and the terminus of said irrevocable offer of 58-foot.

See Exhibit B for map.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Visalia hereby accepts the "Irrevocable Offer to Dedicate Real Property" as described herein and made a part thereof.

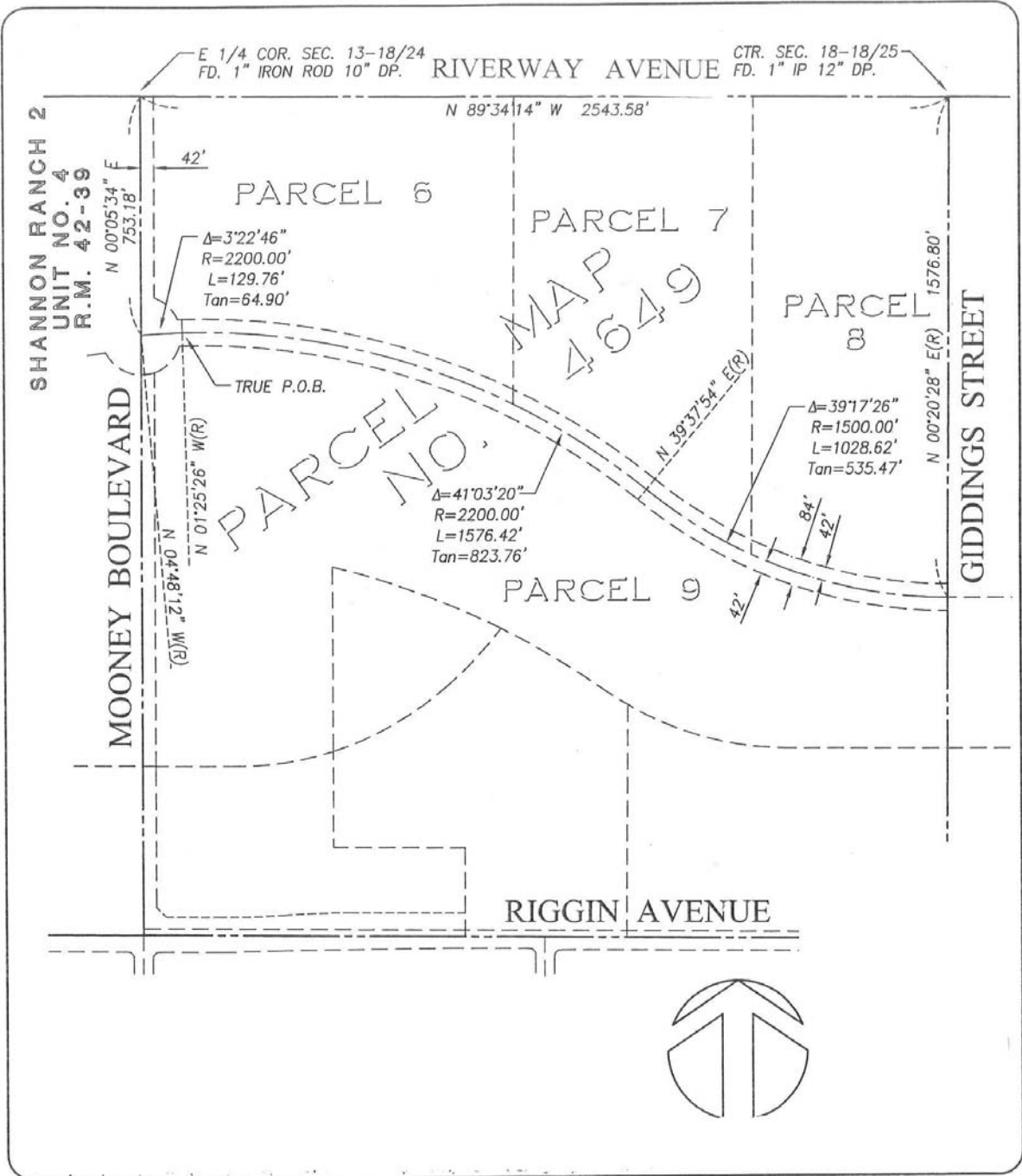


EXHIBIT A
 ACCEPTANCE OF IRREVOCABLE OFFER

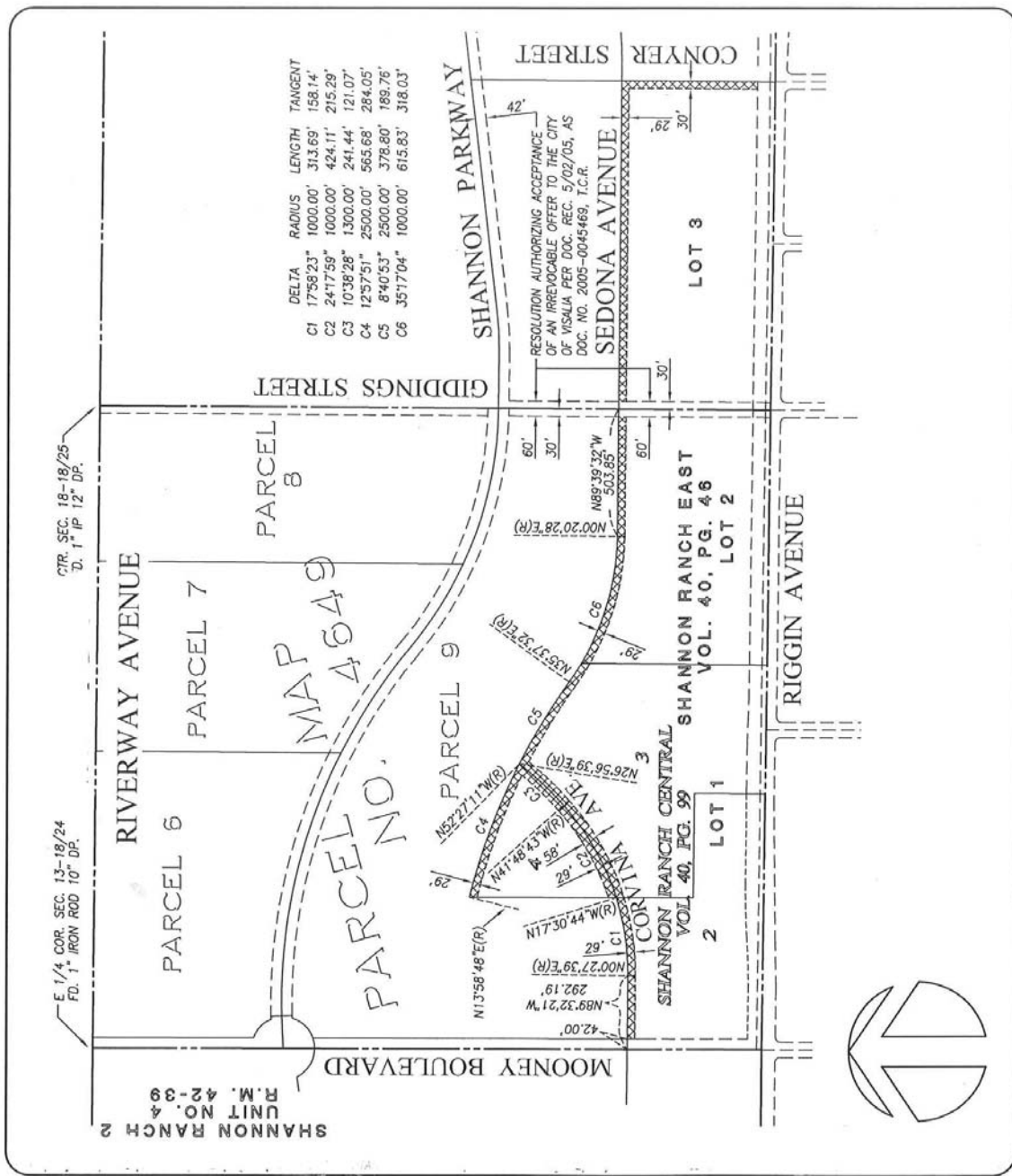


EXHIBIT B
 ACCEPTANCE OF IRREVOCABLE OFFER

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 d

Agenda Item Wording: Authorization to award RFP # 06-07-35, "Water Conservation Plant Master Plan" to Carollo Engineers in the amount of \$307,000.

Deadline for Action: March 19, 2007

Submitting Department: Public Works

Contact Name and Phone Number: Andrew Benelli, Director, 713-4340, Jim Ross, Manager, 713-4466

Department Recommendation

Staff recommends that Council authorize the City Manager to execute a Professional Services Agreement with Carollo Engineers to prepare a "Treatment Plant Master Plan" in the amount of \$307,000.

Discussion

The City of Visalia wastewater treatment plant (WWTP) operates under a discharge permit issued by the Regional Water Quality Control Board (RWQCB, or Regional Board). In September 2006, the City was issued a new discharge permit that was significantly more restrictive than the previous permit.

As part of the new Waste Discharge Requirements (WDRs), the City is required to complete a "Treatment Plant Master Plan", which will identify the facility improvements necessary to ensure compliance with permit requirements and will guide the expansion of the plant through the year 2027.

The existing Treatment Plant Master Plan was produced in 1987 and is at the end of its 20 year lifespan.

The Treatment Plant Master Plan Request for Proposal (RFP) No. 06-07-35 was issued on November 13, 2006 and closed on December 22, 2006. Three firms submitted proposals. Public Works and Engineering staff reviewed the proposals and the unanimous consensus was that Carollo Engineers was the correct firm to prepare this Master Plan.

Carollo began their long history with Visalia in the 1960s when they conducted the initial design work for the City's wastewater treatment plant. In addition to preparing the 1987 treatment plant

For action by:

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

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): 1

Review:

- Dept. Head**
(Initials & date required)
- Finance**
- City Atty** _____
(Initials & date required or N/A)
- City Mgr** _____
(Initials Required)

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master plan, Carollo has been awarded the design work for several expansion projects over the past 20 years. Currently, Carollo is preparing numerous studies and reports in connection to the newly adopted wastewater discharge permit, and is near completion on the Visalia sanitary sewer collection system master plan.

In addition to their traditional approach to planning, Carollo has integrated sustainability considerations into their projects, and the current project will continue this trend. Specifically, the Visalia Treatment Plant Master Plan will address sustainability issues such as

- Alternative energy opportunities, including solar energy and methane gas production,
- tertiary treatment to allow greater flexibility for recycled water usage,
- small-scale satellite treatment plants to expand localized water reuse options,
- groundwater recharge options, both up-gradient and down-gradient of the City,
- evaluation of ultraviolet verses chlorine disinfection,
- on-site biosolids composting or co-composting verses off-site disposal, and
- energy saving technologies that are to be included in all future design work.

Carollo's recent projects demonstrate their ability and commitment to address these and similar issues with a forward thinking approach. Recent examples include:

- the City of Pismo Beach wastewater master plan, which included an analysis of solar energy and other energy efficient technologies. Carollo received an award from PG&E and the City of Pismo Beach received various rebates and economic credits.
- the cities of Morro Bay and Ridgecrest master plans. Carollo provided evaluations of on-site composting operations to produce Exceptional Quality Class A Biosolids.
- The City of Hanford. Carollo negotiated agreements for water reuse on 10,000 acres of cropland in cooperation with the Kings County Water District. The agreement also addresses District purchase of excess water to recharge the aquifer near Hanford.
- The City of Morro Bay. Carollo developed detailed costing information for treatment above the required level. Tertiary filtration was evaluated to determine the cost/benefit for reuse of treated effluent.
- numerous "green" buildings designed to reduce energy usage by taking advantage of natural lighting and solar characteristics.

Carollo will produce three stand-alone documents as part of this effort.

The Wastewater Treatment Plant Master Plan will present a "recommended plan" for the twenty-year horizon after evaluating

- current and projected flows,
- the current condition of plant facilities and equipment,
- current and likely future regulatory requirements,
- the nitrogen control facilities,
- discharge options related to Mill Creek,
- water reuse opportunities,
- disinfection alternatives,
- biosolids treatment and disposal options,
- support facilities, and
- funding methodology.

Information regarding effluent disposal will be used to create a stand-alone document which will detail the City's plan and schedule to cease discharge to Mill Creek (or not). This document will be presented to the Regional Board to comply with provision H.11 of the discharge permit.

In addition, a Biosolids Management Plan will present the City's long-term biosolids disposal strategy to ensure compliance with permit limitations.

Carollo's budget proposal to complete the project is \$308,000.

This cost is reasonable and below the \$310,000 budgeted (CIP project No. 4311-720000-0-0-8015).

This plan must be completed and presented to the Regional Board prior to September 25, 2007.

It should also be noted that feasibility studies for recycled water use and solar energy generation were both separately budgeted in the 06-07 CIP budget (\$60,000 and \$20,000, respectively). Because the current project includes these evaluations, these separate projects will be unnecessary.

Prior Council/Board Actions: August 21, 2006: authorize advertising Master Plan RFP

Committee/Commission Review and Actions: None

Alternatives: None

Attachments: none

Recommended Motion (and Alternative Motions if expected):

Move to authorize City Manager to execute a Professional Services Agreement with Carollo Engineers in the amount of \$307,000 to prepare a Treatment Plant Master Plan.

Environmental Assessment Status

CEQA Review:

NEPA Review:

{ SHAPE * MERGEFORMAT }

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 e

Agenda Item Wording: Second Reading of Ordinance No. 2007-04, changing the title of Section 10.16.140 and adding Section 10.16.140 D. regarding provisions for 3 hour parking limitations.

Deadline for Action: March 19, 2007

Submitting Department: Administration

Contact Name and Phone Number: Phyllis Coring, 713-4566

Department Recommendation:

Staff recommends that City Council approve the second reading of Ordinance No. 2007- 04, changing the title of Section 10.16.140 and adding Section 10.16.140 D. regarding provisions for 3 hour parking limitations.

Summary/background:

The municipal code currently includes provisions for 1 hour, 2 hour and 4 hour parking limitations. This ordinance would provide the ability to limit parking to 3 hours if it is considered appropriate.

Currently, there are 2 hour parking limitations along many streets in the downtown, including Main St., and in some downtown parking lots. This ordinance would provide the opportunity to establish areas, such as the new West Acequia Parking Structure, for 3 hour parking. Staff has met with the PBID Parking Committee, which is recommending that there be the ability for a 3 hour limitation to accommodate a wider range of activities that can be handled in 2 hours, such as a meal along with shopping or a business meeting.

This ordinance would provide for the opportunity to set parking limits to 3 hours. This ordinance does not require that any on-street or off-street parking limits be changed or establish where any 3 hour parking lots or areas might be located.

Prior Council/Board Actions: Council introduced the ordinance on March 5, 2007.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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Committee/Commission Review and Actions:

Alternatives: City Council can choose to not approve the second reading of the ordinance.

Attachments: Ordinance No. 2007- 04 (changes shown in italics)

Recommended Motion (and Alternative Motions if expected):

I recommend that Council approve the second reading of Ordinance No. 2007-04, changing the title of Section 10.16.140 and adding Section 10.16.140 D. regarding provisions for 3 hour parking limitations.

Environmental Assessment Status

CEQA Review:

NEPA Review:

{ SHAPE * MERGEFORMAT }

Copies of this report have been provided to:

Ordinance No. 2007-04

An Ordinance of the City of Visalia
Amending the Title of Section 10.16.140 and
Adding Section 10.16.140 D. to provide for 3 hour Parking Limitations

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VISALIA AS FOLLOWS:

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Section 1: The municipal code currently provides for public parking limitations in one, two and four increments and this ordinance would enable the city to apply public parking limitations in three hour increments where deemed appropriate.

Section 2. Section 10.16.140 is hereby amended to read as follows (changes shown in italics):

10.16.140 One hour, two hour, *three hour* and four hour parking.

- A. When authorized signs have been determined by the city manager to be necessary and are in place giving notice thereof, no operator of any vehicle shall stop, stand or park said vehicle between the hours of eight a.m. and five p.m. of any day except Sundays and holidays for a period of time longer than one hour.
- B. When authorized signs have been determined by the city manager to be necessary and are in place giving notice thereof, no operator of any vehicle shall stop, stand or park said vehicle between the hours of eight a.m. and five p.m. of any day except Saturday(s), Sunday(s), and holidays for a period of time longer than two hours.
- C. When authorized signs have been determined by the city manager to be necessary and are in place giving notice thereof, no operator of any vehicle shall stop, stand or park said vehicle between the hours of eight a.m. and five p.m. of any day except Saturday(s), Sunday(s), and holidays for a period of time longer than four hours.
- D. *When authorized signs have been determined by the city manager to be necessary and are in place giving notice thereof, no operator of any vehicle shall stop, stand or park said vehicle between the hours of eight a.m. and five p.m. of any day except Saturday(s), Sunday(s), and holidays for a period of time longer than three hours.*

Section 3: This ordinance shall be effective thirty (30) days after its passage.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 f

Agenda Item Wording: Authorization for the City Manager to sign an agreement with AMS consulting firm for \$61,500 plus expenses to develop a community cultural arts plan and authorization to appropriate up to an additional \$35,000 for the plan and expenses.

Deadline for Action: N/A

Submitting Department: Administration, Parks and Recreation

Contact Name and Phone Number: Leslie Caviglia, 713-4317;
Vince Elizondo, 713-4367

Department Recommendation

It is recommended at the City enter into a contract with AMS consulting firm for \$62,000 to develop a community cultural arts plan and that the Council authorize a new appropriation of up to an additional \$35,000 for the plan and expenses.

Department Discussion

At the Council's annual planning session, encouraging cultural arts throughout the community was one of the priority items the Council identified. There have been a number of successes in recent years. The Enchanted Playhouse, Arts Visalia, The Creative Center, The Ice House Theatre, the Fox Theatre, First Arts, and several other cultural groups have expanded and diversified Visalia's cultural environment. In looking at other Cities (Ventura, Austin Tx, Pasadena, etc.) that have been successful in promoting the arts, its obvious that their comprehensive approach through a well developed cultural arts plan has been a clear road map for their success and staff recommends that developing a Visalia Cultural Arts plan be the next investment the Council makes in the community's cultural evolution.

Last fall, the City Council authorized staff to issue a Request for Proposal (RFP) for a firm to develop a cultural arts plan for the community.

The RFP specified that the City was looking for a plan that will be a comprehensive plan developed through a participative process, for supporting the arts throughout the community now and in the future. While the process will be driven by the community, the RFP noted that the community has a long history that may be appropriate to weave in to parts of future cultural planning, and that the plan should build upon the community's current successes by assessing current strengths, identifying future needs, recommending public and private funding options, developing strategies for integrating arts into the community, event development, arts education, mentoring, and possibly a public art program that could include murals, etc.. In

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File location and name: { FILENAME \p * MERGEFORMAT }

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head LBC 3907

Finance

City Atty AP 31307

City Mgr

addition, many plans also assess the impact that can be made on historic preservation, neighborhood revitalization, tourism, economic development and other more global type issues, and the firms were asked to consider these issues as well as the plan evolves.

Two responses to the RFP request were received, one from AMS, with multiple offices including one in Peteluma, and another from Atelier of Alameda.

The proposals were reviewed by a panel comprised of three Visalia Arts Consortium representatives from different disciplines, Mary Jo Eastes (visual), Chad Homan (multi-media), and Don Williams (performing), and Vince Elizondo and Leslie Caviglia from City Staff. In addition, the public was invited to participate. A notice went out to broad base of arts enthusiasts, a press release was issued and the RFP's were posted on the website. Aaron Collins, Carole Firstman and Wally Roeben did respond and rated the proposals. They were invited to participate throughout the process. After reviewing the written proposals, the panel and public members felt it would be beneficial to interview both firms.

The interviews were conducted last week, and the panel concluded that AMS was the best qualified firm to develop a cultural arts plan for the community. AMS has 20 years of experience in cultural consulting, and an impressive list of references including Ventura, Walnut Creek, and Pleasanton.

The project manager for the Visalia plan would be Arthur Greenberg. He comes with impressive credentials and more than 20 years of experience. Specifically, he was involved in the development of the Ventura plan in the early 1990's that has been the catalyst for significant change in that community. He and AMS were highly recommended by Elena Brokaw, the Community Services Director for the City of Ventura. She made a presentation regarding cultural arts plans to the Council last fall and gave an enthusiastic endorsement of Greenberg's work.

He was also the project manager for the development of the Temecula cultural arts plan. Both he and the firm are well regarded in that community for having developed a comprehensive plan that included an action plan for implementation. Developed in 1999, the Temecula staff related that most of the plan has been implemented and they will shortly be developing an RFP for a second phase. The Temecula staff would not hesitate to use Greenberg and AMS and expects that firm to be very competitive in the upcoming RFP process.

As noted, the panel was impressed with the number of similar projects that AMS had successfully developed in cities of a similar size. The panel also believed that the AMS proposal included more community involvement in the development process. The firm also demonstrated that they were well aware of the need to seek diverse viewpoints, and had used unique techniques in the past to ensure a wide range of viewpoints were included.

AMS also has significant survey and data gathering capabilities that the panel believes will be useful in the process and result in a level of object data that will be an important factor in the development of the plan.

Most importantly, AMS's past history indicates that their end product will be a plan will include a realistic action plan that can readily be implemented.

At the Council's annual planning session, encouraging cultural arts throughout the community was one of the priority items the Council identified. There have been a number of successes in recent years. The Enchanted Playhouse, Arts Visalia, The Creative Center, The Ice House Theatre, the Fox Theatre, First Arts, and several other cultural groups have expanded and diversified Visalia's cultural environment. In looking at other Cities (Ventura, Austin Tx, Pasadena, etc.) that have been successful in promoting the arts, its obvious that their comprehensive approach through a well developed cultural arts plan has been a clear road map for their success and staff recommends that developing a Visalia Cultural Arts plan be the next investment the Council makes in the community's cultural evolution.

Last summer, the Council appropriated \$40,000 for the development of the cultural arts plan; however, both proposals came in approximately \$35,000 over this budget once expenses are included. During the RFP process, when we contacted numerous firms about applying, some concern was expressed about the budget, so we were not surprised when both proposals came in higher than the proposed budget. What we found interesting is that they were very close, within about \$3,000, although the AMS proposal had considerably more community involvement included in the plan development.

Staff has considered the alternatives for reducing the budget; however, to do so would mean limiting community input by reducing the number of community interviews and meetings. Staff will, however, try to save money by negotiating on the expenses during the contract process. Staff believes that is not a prudent move, especially given the broad based community interested that has been expressed for this plan, and therefore, staff is recommending that the Council authorize the additional funds. Staff also consulted with Elena Brokaw, the Community Services Director from the City of Ventura, who made a presentation to the Council last October. A former arts planning consultant who is now employed by Ventura, she confirmed that the costs are normal and customary for a study of this magnitude.

Prior Council/Board Actions:

Fall, 2006 - Authorized the issuance of an RFP

Committee/Commission Review and Actions:

N/A

Alternatives:

Attachments:

AMS Consultant Presentation

Recommended Motion (and Alternative Motions if expected):

I move to authorize the City Manager to sign an agreement with AMS consulting firm for \$62,000 to develop a community cultural arts plan consistent with the requirements set forth in the RFP, subject to City Attorney approval as to form, and authorization to appropriate an additional \$35,000 for the plan.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 g

Agenda Item Wording: Authorization to purchase a Bomag Asphalt Paver from Great West Equipment Company for a total amount of \$122,626.82.

Deadline for Action: March 19, 2007

Submitting Department: Public Works / Engineering Design

Contact Name and Phone Number:

Earl Nielsen, 713-4533
Andrew Benelli, 713-4340

Department Recommendation:

Staff recommends that the City Council authorizes the purchase of a new asphalt paver from Great West Equipment Inc. The total cost to purchase the paver is \$122,626.82. Funds that were allocated for a pneumatic roller and a 1-ton pickup will be used to purchase the pavebox instead. Funds for the pickup and the pneumatic roller will be programmed in a future budget. The new paver is ready for immediate delivery upon approval.

Discussion:

The City of Mountain View recently issued a Request for Bids (RFB) to purchase a new paver. Great West Equipment submitted the low bid for a Bomag Model 814-2. The Streets Division is currently using a 1986 model Bomag paver. The staff is familiar with this paver and has been pleased with the support they have received from the manufacturer and dealer. The Dealer has indicated that he will sell Visalia a paver at the same price as the Mountain View bid. Mountain View has indicated that they have no objection to Visalia using their bid results. Awarding bids based on other City's bids is often called "piggy backing" and meets the State's legal requirements for competitive bidding.

Funding:

The Streets division has a capital budget of \$81,000 in place for fiscal year 2007-08 to replace a pneumatic roller, and \$54,000 to purchase a 1-ton pickup. The funds allocated for the roller and truck will be combined and used to purchase the pavebox. The truck and roller need to be replaced because they are old and require more maintenance than new equipment. However, it is much more important at this time to replace the paver. The City has several rollers and trucks but only one paver. There have been several recent breakdowns with the old paver that

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.): 3

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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completely stop production. The funds for the roller and the truck will be reallocated in a future budget year. The paver specified in the Mountain View RFB (attached) meets all the specifications for the City's use including a particulate trap filter, which the contractoe included as an added alternative for \$9,350.00 The total amount bid for the paver is \$122,626.82.

Justification To Replace:

The existing paver was purchased in 1986, has been evaluated by Fleet services and is recommended for immediate replacement. The existing paver is breaking down more often now (and the repairs are becoming more costly), and with no second paver available the down times of the paver also impact the ability of the streets crews to get their work done in a timely manner (recently the paver broke down in the middle of a job which required the streets crews to remove and re-do the whole job).

Purchasing Specifications:

The bid price includes a new self-propelled asphalt paver with an added alternative to include a diesel particulate filter as required by the San Joaquin Valley Air Pollution Control District (SJVAPCD). The Streets supervisor, Mike McCoy, has evaluated the paver purchased by the City of Mountain View and feels that it would work well for the City's maintenance operations.

Prior Council/Board Actions: Mid-year budget adjustment to combine funds allocated for a pneumatic roller and a 1-ton pickup to purchase a new asphalt paver instead.

Committee/Commission Review and Actions:

Alternatives:

Attachments: Copy of RFB from the City of Mountain View that includes pricing page for paver.

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected):

Financial Impact

Funding Source:

Account Number:

Budget Recap:

Total Estimated cost:	\$ 122,626.82	New Revenue:	\$
Amount Budgeted:	\$ 122,626.82	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*)

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 h

Agenda Item Wording: Request authorization to file a Notice of Completion for Lot Line Adjustment 2004 -22 and Lot Line Adjustment 2004 - 23, forming an extension of Perez Avenue connecting Foxwood Unit #4 to Foxwood Unit #5, located at the southwest corner of Vermont Street and Perez Avenue.

Deadline for Action: March 19, 2007

Submitting Department: Public Works Department

Contact Name and Phone Number: Andrew Benelli 713-4340,
Norm Goldstrom 713-4638

Department Recommendation:

Staff recommends that City Council give authorization to file a Notice of Completion as all the necessary improvements for this lot line adjustment have been completed and are ready for acceptance by the City of Visalia. The lot line adjustment was developed by Foxwood Residential Investors, LLC. During the development of Foxwood Unit #5, McMillin Homes operating under Foxwood Residential Investors, LLC, wanted to connect between Foxwood Unit #4 and Foxwood Unit #5 to improve circulation. Since Foxwood Unit #4 was already a recorded subdivision a lot line adjustment was necessary to accomplish this connection. The City holds a maintenance bond in the amount of \$2,649.50 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

Prior Council/Board Actions: N/A

Committee/Commission Review and Actions: N/A

Alternatives: N/A

Attachments: Location sketch and vicinity map.

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.

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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Recommended Motion (and Alternative Motions if expected):

I hereby authorize filing a Notice of Completion for Lot Line Adjustment 2004 -22 and Lot Line Adjustment 2004 - 23

Environmental Assessment Status

CEQA Review: Environmental finding completed for tentative subdivision map.

NEPA Review:

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Copies of this report have been provided to:

City of Visalia Agenda Item Transmittal

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 11 i

Agenda Item Wording: Authorization for the City Manager to sign the Cooperative Agreement and the Task Agreement with the National Park Service which are the agreements needed to implement the internal shuttle service.

Deadline for Action: March 19, 2007

Submitting Department: Administration

Contact Name and Phone Number: Steve Salomon, 713-4312, Leslie Caviglia, 713-4317

Department Recommendation

It is recommended that the City Council authorize the City Manager to sign the Cooperative Agreement and Task Agreement with the National Park Service, which are the agreements needed to implement the internal shuttle service within Sequoia National Park.

Department Discussion

The City of Visalia and the officials at the Sequoia Kings Canyon National Park (NPS) have been working for several years to implement a Gateway shuttle service from the Valley floor to the National Park. This Gateway service is contingent upon the implementation of an internal shuttle. The internal shuttle is the final piece of the in the Giant Forest Restoration Plan that was first developed in the 1970s. Over \$70 million dollars have been invested implementing the Giant Forest Restoration Plan, all of which was based on the fact that shuttles would enable visitors to continue to access and enjoy the trails and features of the Giant Forest. The Giant Forest Restoration Plan has now been implemented, with the exception of the internal shuttle system.

In the spring of 2004, the Congressman Devin Nunes and the NPS convened a meeting to solicit partners interested in working with the NPS on a Gateway Shuttle, which one of the Giant Forest Restoration implementation plans identified as an important aspect of the overall plan, citing the need for the park to have mass transit connectivity with the Valley floor.

As a result, the Council signed a memorandum of understanding with the NPS to pursue joint transportation, marketing, and other mutually beneficial endeavors, and authorized staff to pursue funding and authorization for the Gateway shuttle. A \$1.3 million Congestion Management Air Quality Grant was received to fund a three year pilot program for the Gateway Shuttle, and a \$400,000 grant to purchase vehicles through the Alternative Transportation in Parks and Public Lands program in the Federal Department of Transportation was also awarded to the City for this program.

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For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head LBC31607

Finance 31607

City Atty 31607

City Mgr

In the process of working on the Gateway Shuttle, it was determined that one of the obstacles to the internal shuttle was the cost, that the City could provide the service at significantly lower cost than a private contractor, and there could be some economies of scale and shared resources if the Gateway and internal shuttles were operated by a single source. The City Council authorized the staff to work with the National Parks Service on an agreement for the City to operate the internal shuttle if it was found mutually beneficial.

The results of those discussions, a cooperative agreement which authorizes the NPS and the City to have a financial relationship in which the NPS pays the City to provide the shuttle, and the task agreement, which includes the specific agreements and expectations regarding the operation of the internal shuttle, are attached. Staff is recommending that the Council authorize the City Manager to sign these agreements; however, it is a recommendation that is given with the understanding that there are provisions in these agreements that are not in keeping with our usual and customary practices.

The Federal Government has certain requirements, especially relating to indemnity, liability, and liquidated damages, that could leave the City more at risk than we would generally accept if dealing with the private sector or with another government agency. However, the City will be named as an additionally insured by MV Transportation, the City's transit contractor, who will be operating the Gateway and internal shuttle. While it still doesn't preclude us from being involved in legal matters that could result from operation of the shuttles, it does provide a certain level of protection. To address the liquidated damages matter, the NPS and the City have agreed to larger payments for service at the beginning of the service so the City receives more money up front.

The City Attorney has noted that if the Council chooses to authorize these agreements, it should be with the understanding that the City is accepting a higher level of risk, both in regards to liability, financial risk and liquid damages, than normal require. Staff has worked with NPS to address these issues, and to limit our exposure where possible, but there are areas in the agreements where the Federal government will not alter their requirements.

Staff will be bringing an item to Council regarding contracting with MV Transportation to provide both the internal and Gateway shuttle services.

Prior Council/Board Actions:

May 16, 2005 - Council was updated on the progress regarding both the proposed shuttle within SEKI and the Gateway Shuttle, as well as the proposed fee increase that is needed to fund the internal shuttle.

February, 2004 - Council approved a contract with Moore and Associates to develop an operating and marketing plan for a Gateway Shuttle.

December, 2004 – The Council was updated on discussions with the NPS and discussed the possibility of a jointly operated internal/Gateway Shuttle.

2004- Entered into a Memorandum of Understanding with the National Park Service

Committee/Commission Review and Actions:

Alternatives:

Attachments:

Recommended Motion (and Alternative Motions if expected):

I move to authorize the City Manager to sign the Cooperative Agreement and the Task Agreement with the National Park Service which are the agreements needed to implement the internal shuttle service.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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City of Visalia Agenda Item Transmittal

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 12

Agenda Item Wording: Recommendation for Council to form a Council Subcommittee to consider the delivery process on the proposed Public Safety Headquarters and Dispatch Center Building.

Deadline for Action:

Submitting Department: Police, Fire, Administrative Services
Community Development

Contact Name and Phone Number:

Eric Frost, x4474
Michael Olmos, x4332
Bob Carden, x4215
George Sandoval, x4218
Sharon Sheltzer, x4414

Department Recommendation: That the City Council appoint a Council Subcommittee to consider the delivery process for Public Safety Building and provide direction into the development process of the Public Safety Building. The first step appears to be to have staff develop an RFP for either:

- 1) a Construction Manager @ Risk; or,
- 2) a Fee Construction Manager process

to construct the proposed Public Safety Building at Burke and Oak.

Summary/background: The City is ready to move ahead with building a public safety building at Burke and Oak. This building will be a multi-story building housing Police and Fire Administration as well as dispatch. Preliminary estimates suggest that the building will be approximately 58,000 square feet. Using the square foot cost of the Police Precincts as a potential guide, the building may cost \$28,000,000.

As the City prepares to construct this building, staff will be tasked to represent the City in constructing these projects. It will be important to provide skilled City staff to represent the interests of the City and to oversee the management of this project. However, the scope of this project will require additional management assistance which can be provided by a Construction

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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Management consultant. City staff has found this helpful in all of the City's recent major projects: Sports Park, Parking Structure, Police Precincts and Fire Station.

Traditionally, the City delivers major projects as organized in Chart I, Design/Bid/Build.

Chart I
Design/Bid/Build

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On most projects, City staff acts as the owner's representative. When the staff has sufficient experience, the process works well. Or, when the project is small, the consequence of error is not very great. However, as the size and scope of projects increases, the potential for problems and required skills increases. As a result, many public agencies hire construction managers to represent them in the building process.

Such representation is needed because, despite everyone's best efforts, project design and actual construction will vary. As a result, conflicts will need to be resolved between the City and the General Contractor. To the extent one party has better information than the other, the outcome will tend to favor the more informed party. Hiring a construction manager improves the City's representation but comes at a cost, typically 5-7% of the construction contract. Specifically, the City has used a fee construction manager on the Police Precincts, Transit Maintenance Facility, Sports Park and West Acequia Parking Structure.

Another approach that some agencies have found helpful is an arrangement known as Construction Manager @ Risk or Design/Build. Based upon qualifications, the architect can be selected by the City or the construction manager. The construction manager is also chosen based on qualifications and they act as a general contractor during construction, assuming the risk of the sub-contracts. At an agreed upon point in time, the construction manager will provide the City with a bonded guaranteed maximum price. If a fee is given before construction drawings are complete, conflict may arise over what was implied by the design drawings. The CM @ Risk would work with the City to develop the project scope and projected cost. Chart II, Construction Manager @ Risk, illustrates this arrangement. The approach offers the advantage that the Construction Manager is brought into the project early on and before the project finally precedes forward so significant effort is focused on what the project will finally cost.

Chart II
Construction Manager @ Risk

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The City is using this approach to construct the Northwest Fire Station which is still in process. Two specific control features in the Construction Manager @ Risk need to be noted, namely:

- 1) At the completion of the design phase of the project, the Construction Manager @ Risk would give the City a Guaranteed Maximum Price for the project. Going into the project, the City would then have some assurance of what the project would cost.
- 2) At the same time, the City would have the option of purchasing the entire work product to date and proceeding with the traditional bid process to select a general contractor. The City might do this if the City was not satisfied with the delivery process.

Recommendation

Staff believes it is in the best interest of the City to hire some type of construction management services as the City proceeds forward. The two methods outlined in the memo could work. Both methods have pros and cons.

A Council subcommittee to fully consider the pros and cons of this matter would allow for a more full review and move the process along. In the end, however, staff recommends that the City hire a construction manager because he or she would improve the delivery process for this important community asset.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments:

Recommended Motion (and Alternative Motions if expected): I move that Councilmembers _____ and _____ serve on a subcommittee to consider the delivery process for the Public Safety Dispatch and Headquarters Building.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 13

a) Public Hearing for General Plan Amendment No. 2006-11:

A request by RHL Design Group to change the General Plan land use designation from RLD (Residential Low Density) to Shopping Office Center and RMD (Residential Medium Density) on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003) **Resoluton 2007-25**

b) Public Hearing for Change of Zone No. 2006-10:

A request by RHL Design Group to change the Zoning designation from R-1-6 (Single-family Residential – 6,000 sq. ft. minimum) to P-C-SO (Planned Shopping/Office Commercial) and R-M-2 (Multi-family Residential – 3,000 sq. ft. minimum) on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003) **Resolution 2007-25**

c) Public Hearing to Consider an Appeal of the Planning Commission's Denial of Conditional Use Permit No. 2006-62:

A request by RHL Design Group to allow a Planned Unit Development including a 17,272 sq.ft. retail building with general retail sales and drive-thru pharmacy, and a 32-unit apartment complex on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003) **Resoluton 2007-26**

d) Adoption of Mitigated Negative Declaration No. 2006-109. A Resolution adopting the Mitigated Negative Declaration is required only if part or all of the above-referenced project components are approved.

Deadline for Action: None for the GPA and CofZ. The Appeal of the Planning Commission's denial of CUP 2006-62 must be considered by the City Council within 45 calendar days following receipt of the Appeal (Zoning Ordinance section 17.38.130). The Appeal was filed on February 14, 2007. The 45-day period for the City Council to hear the Appeal closes on April 1, 2007.

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

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Submitting Department: Community Development - Planning

Contact Name and Phone Number:

Paul Scheibel, AICP, Principal Planner, 713-4369
Fred Brusuelas, AICP, Assistant Community Development
Director/City Planner 713-4364

Department Recommendation and Summary:

Recommendation: The Planning Commission recommends that the City Council adopt Resolutions denying General Plan Amendment (GPA) 2006-10 and Change of Zone (CofZ) No. 2006-11, pertaining to the proposed land use and zoning change to a mix of Commercial Service Office (CSO) and Medium Density Residential (R-M-2) on the southwest corner of Demaree Street and Houston Ave. The Planning Commission also recommends that the City Council adopt a resolution upholding the denial of Conditional Use Permit (CUP No. 2006-62, a Planned Unit Development (PUD) for a mixed-use development project on the site. If all of the elements of the project are denied by the City Council, then no action needs to be taken on the environmental document. In the event one or all components of the project are approved, staff recommends that Mitigated Negative Declaration No. 2006-109 be adopted for this project. This would be accomplished by adoption of a separate resolution to be brought forward to the City Council as part of a continuation action.

The staff recommendations were communicated to the applicants in writing, beginning with their original Site Plan Review submittals in April 2006, and were reiterated upon their formal application filings in late 2006. The applicants acknowledged the staff recommendations, but they elected to proceed for formal decisions by the Planning Commission and City Council.

The Alternatives portion of this report also includes requests for direction for the required findings to approve the project, and it includes recommended conditions of approval if the City Council desires to approve the project. Finally, there is a second alternative that would require the entire 25-acre area, including the properties adjacent to the south, to be master planned in order to gain project and land use change approvals.

Summary of Actions Taken : On February 12, 2007, the Planning Commission held a public hearing to consider the GPA, CofZ, and the CUP. The Planning Commission concurred with the staff recommendations to deny the applications, primarily on the basis of General Plan Land Use and Circulation Element and Zoning Ordinance incompatibilities. The Planning Commission voted 3-2 for denial. Chairman Logan, Commissioners Peck and Segrue voted to deny the project, Commissioners Perez and Salinas voted to approve. The Planning Commission considered but did not need to adopt the Mitigated Negative Declaration prepared for the project since the project was denied.

Project Summary: RHL Design Group, representing Rite Aid Drugs is requesting the GPA to change the General Plan land use and Zoning designations from single-family residential (6,000 sq.ft. minimum lot size) to Medium Density Residential (3,000 sq.ft. of lot area per unit) and Planned Shopping/Office Commercial. The land use designation changes are to facilitate a (horizontal) mixed-use Planned Unit Development (PUD) project featuring a 17,272 sq.ft. Rite Aid store with a drive-thru pharmacy, and a 32-unit apartment complex adjacent to the west of the store site. Commercial/Residential PUDs are conditionally allowed uses in both the R-M-2 and P-C-SO zones per Zoning Ordinance Chapter 17.26. The minimum site area for a PUD is ten acres, although a smaller site may be allowed if the Planning Commission determines the special circumstances specified in section 17.26.040.A.5.

The project originally proposed to change the land use designation on the site from single-family residential to a mix of commercial (Neighborhood Commercial) and multi-family uses. In consultation with the applicant, the land use and zoning change to Shopping Office/Commercial (CSO) was determined to be the closest match to the applicant's development goal that would compare most favorably with the General Plan and Zoning provisions applicable to the project. However, the GPA and CofZ are still inconsistent with the General Plan and Zoning Ordinance. Consequently, staff could not recommend approval of the proposal.

The pharmacy building would be one-story, with the main entrance oriented to the southwest corner of Demaree Street and Houston Avenue. The drive-thru would be on the building's west elevation, and the loading door would be on the south elevation. The site would be accessed by a full access on Houston Ave. and a right-in/right-out only access point on Demaree Street. The apartment portion of this mixed-use development would feature two 2-story buildings, a rental office/club house building, and covered parking for 24 of the 50 on-site parking spaces. There are no improved outdoor recreation areas proposed. The store site comprises a total of 80,929 sq.ft. (1.86-acres), and the apartment complex would comprise the remaining 2.2 acres. Landscaping, parking and refuse enclosures meet City zoning standards per the applicant's submitted site plans.

Project Analysis

The Planning Commission concurred with the staff recommendations. Analysis of the project's General Plan and Zoning Ordinance inconsistency is summarized below, and is detailed in the Planning Commission staff report dated February 12, 2007, incorporated herein by reference.

Circulation: The Planning Commission considered testimony from the applicant's traffic consultant who concluded that the project would not add significant traffic volumes to Demaree Street. However, Engineering and Planning Division staffs pointed out that the buildout traffic volumes on Demaree St. are projected to be Level of Service (LOS) F, and are already periodically deficient without Demaree Street's traffic collection area to the north beyond Riggins Ave., west to Linwood St., and east to Mooney Blvd. being built out.

With these factors, it would be a conflict with General Plan Circulation Element Policy 5.1.4, which pertains to the requirement that otherwise developable projects that would reduce levels of service (LOS) to less than LOS D, may need to wait until the servicing roadways have received improvements and upgrades that will allow buildout traffic volumes to meet the minimum LOS D standard.

Demaree St. serves as a major north-south collector that provides access to many of the new housing developments in the north part of Visalia. There are few north-south streets in this area that cross the railroad tracks. The Green Acres Golf Course also creates a barricade that limits the north-south circulation in this area. There are plans for Chinowth St. to cross over the railroad tracks and connect to Goshen Avenue (funds are allocated in the 2007/2008 budget). This will provide an alternate route for north south traffic and give some relief to Demaree Street. The traffic counts collected for this project in December, 2006 indicated 19,800 vehicles per day travel on Demaree between Goshen and Houston. The volume is expected to increase to 33,000 vehicles when all of the approved projects in the area are completed. The approved projects include a new Lowe's Home Improvement store and shopping center on Riggan Ave. and Demaree St., and several new residential subdivisions. This project will generate approximately 1,700 additional trips. However, some of these trips will use Houston and will not add to the traffic on Demaree Street. Single family homes on this site would generate approximately 300 trips per day.

The Demaree and Goshen intersection is currently operating at a "C" level of service (LOS) during both the AM and PM peak hour periods. The level of service is projected to diminish to an "E" during the PM peak hour when the approved projects are completed. Improvements are needed at the intersection to reduce the impacts of the additional traffic from the approved projects. Dual left turn lanes on Goshen Ave. need to be installed and dedicated right turn lanes need to be constructed on every corner. These changes will require right of way acquisition from the railroad and possibly from the landowners on the other corners. Widening Demaree St. will also require that the safety gates and warning devices for the railroad crossing are moved and upgraded. The current City budget does not allocate funds for these intersection improvements. Some funds are in the budget for the railroad improvements. Staff is investigating using Measure R funds to upgrade this intersection.

The Demaree and Houston intersection is currently operating at a "B" level of service during both the AM and PM peak hour periods. The level of service is projected to diminish to a "C" when the approved subdivisions and commercial projects in the area are completed. The Demaree / Houston traffic signal was installed in 2005 and was designed to allow for dual left turn lanes on Houston Avenue. The extra turn lanes will be added when warranted by increased traffic volumes. Please see the attached traffic study prepared by Peters Engineering for more information on the traffic impacts created by this project.

Demaree St. between Goshen and Houston Avenues is planned in the City's current circulation element to have an 84-foot wide right-of-way and a 64-foot wide street width. It is staffs opinion that this is too narrow of a street width for an area that has commercial development on both sides of the street. Staff recommends constructing

Demaree St. to an arterial standard (ninety feet wide) in this area if the zone change is approved. The wider street width would allow a median island and sufficient room for u-turns. It would also provide room for a right turn lane into the project driveway on Demaree Street.

Amending the 2020 General Plan Land Use Element as requested by the applicant, without a street circulation master plan for the southwest quadrant of Houston Ave. and Demaree St. will result in a missed opportunity to improve the area's traffic related issues. A piecemeal approach to allow each individual project proponent to create their own circulation solution, as shown in Attachment F, does not address the community-wide solutions needed to mitigate or improve anticipated near-term and buildout traffic impacts within this area of the City.

Land Use and Zoning: The project conflicts with the intent of General Plan Land Use Policy 3.5.6 and Zoning Ordinance section 17.18.010.B.2 that requires at least one-mile separation between Neighborhood Commercial centers. The proposed pharmacy with general merchandise sales is a permitted use in both the CSO and CN zones. By inference, the separation policy can be applied to this land use change. The policy is intended to minimize over-concentration of similar daily needs uses within a local market area. This was intended to ensure that retail developments that are allowed remain economically viable for the benefit of its local market area. In this case there is an adequate site that is already zoned CN on the southeast corner of Demaree St. and Houston Ave. It is unlikely that the local market area (one-half mile radius) would fully support this project and a future neighborhood retail center on the opposite corner, which would be permitted by right.

The proposal is also inconsistent with General Plan Policy 3.5.7. with regard to specified areas and locations for CSO zoning. However, this policy allows CSO zoning in "(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." The CSO zoning was recommended to the applicant as the most appropriate to meet their development goals, and the least-inconsistent land use designation from among the several possible commercial designations. However, it would still be inconsistent with the General Plan, and not consistent with the underlying and surrounding residential land use district of single-family residential.

General Plan Policy 4.1.3, and the associated Zoning Ordinance section 17.26.040, which pertain to minimum project size of ten acres cannot be met by the project site which totals 4.08 acres. The Planning Commission may approve a smaller-sized PUD if it makes findings related to unique circumstances about the site. In staff's analysis, there are no unique circumstances related to the site that would warrant favorable consideration of a smaller PUD site. In fact, approval of the project would likely inhibit more comprehensive area planning to include all surrounding properties near the southwest corner of Demaree St. and Houston Ave. More comprehensive planning of the entire 25-acre area is discussed as an Alternative action in this report.

Appeal of CUP 2006-62: The Planning Commission acknowledged that the project would improve the aesthetic value of this highly trafficked segment of Demaree St. and Houston Ave. In addition, while mixed-use projects, particularly those that include multi-

family units, are encouraged by City policies and codes, this project would fail to meet the minimum site area for a PUD with commercial/residential uses (10 acres), and the design would result in little more than two separate diverse uses with a common access point, rather than an integrated mixed-use development.

In the Planning Commission's determination, the project's site design would likely further complicate comprehensively planned development of the remainder of this 25-acre area that is substantially constrained by access limitations on Demaree St. and Houston Ave., along with disjointed parcelization patterns and likely interface conflicts with existing and proposed new developments to the west and south. The Planning Commission determined that added conditions of approval to add shared access points to the south and possibly to the west would not satisfactorily alleviate this issue. The applicant's appeal form, filed on February 14, 2007, is attached (Attachment 1).

Associated Project: Site Plan Review (SPR) 2006-123 is a request for a mixed-use development, including a self-storage facility and a high density residential component on the approximately 15 acres adjacent to the south of the project site (see Attachment E). This project has not been referred out of the SPR Committee to date, pending the applicant's address of several critical concerns with the plan. The SPR Committee has encouraged the applicants to try to work together on a comprehensive development plan for the entire area. However, due to differing development timelines and project goals, no formal coordination has occurred between the applicants.

Additionally, the site was previously denied for a self-storage facility (CUP 98-19) on March 15, 1999, and because the concept of a self-storage facility in residential zones city-wide has been determined to be a major policy initiative that warrants being agendaized for a future City Council Worksession review in order for the property owner and City staff to obtain general direction and comment from the City Council members. To date, no specific Worksession date has been identified.

Alternatives: None recommended. However, if the City Council desires to approve the GPA and CofZ, staff recommends that the item be continued so that a new resolution for the GPA and an Ordinance for the CofZ can be prepared, including findings provided by the City Council based on the information received at the public hearing.

Additionally, if the City Council also desires to overturn the Planning Commission's denial of CUP 2006-62, staff requests the item be continued in order to prepare findings for approval. The findings to approve the project should address the following:

- Unique site circumstances that warrant the project site area to be less than five acres required for a PUD, and 20 acres required for a PUD with commercial/residential uses.
- The proposed CSO land use and zoning to facilitate the retail component will not conflict with the required one-mile radius between Neighborhood Commercial centers.

- The Mitigation Measures contained in the environmental document (MND 2006-109) related to traffic impacts will adequately reduce potentially significant to a level of insignificance

If the City Council desires to approve CUP 2006-62, staff recommends that the following special conditions be included in the approval:

- That any proposed phasing shall include development of the multi-family component prior to or concurrently with the commercial component.
- That the site plan be revised to include an access easement granted to the parcels adjacent to the south.
- That the Mitigation Monitoring Plan contained in the environmental document (MND 2006-109) are incorporated into the project conditions. This would include substantial offsite street and intersections required to minimize the traffic impacts resulting from the project.

Comprehensive Planning Alternative: An additional alternative is for the City Council to deny the CUP without prejudice, or to continue the item indefinitely, and take no action on the GPA and CofZ components at this time. This would leave open the opportunity for the applicant to engage with their neighbors to the south to prepare a more comprehensive development plan incorporating the proposed self-storage facility/high density residential development proposal (SPR 2006-123, Attachment E). In addition, the project is likely to affect the final design of the Country Club Shopping Center project on the southeast corner of Demaree St. and Houston Ave. because of the implications for access points onto Demaree St., and consideration of a signalized main entrance to that shopping center project (please see Attachments F and G).

A comprehensive planning approach could achieve a more acceptable land use pattern and traffic circulation plan than could be achieved by the two property owners acting relatively independently. However, in this particular case, the self-storage facility proposal to the south has already experienced a CUP denial, and there has not been new policy direction to support a mixed-use variant of this project type. Additionally, the Country Club Shopping Center project, while permitted by right due to its existing Neighborhood Commercial zoning, will also have substantial traffic impact issues, including concerns that the proposed signalization of the main entrance, as desired by the proponents, will further adversely impact particularly northbound traffic on Demaree Street.

It should also be understood that the City does not have the authority to mandate the cooperation among property owners necessary to achieve a comprehensive development plan as a condition of approval for a project. However, it is consistent with the City's codes, state Planning law, and the General Plan to deny a project due to land use and circulation conflicts, and encourage - but not require that the proponents work together on a comprehensive development proposal as a means to achieve their

development entitlements in the future, after demonstrating the original reasons for denial have been resolved.

Staff views this project as being significantly premature and recommends that the proponent work with the adjacent property owner to devise a master plan to address street circulation and land use compatibility considerations within the southwest quadrant of Goshaen Ave. and Demaree St. The alternative for the individual property owners to conform to the Land Use and Circulation Element provisions already in place with the City's 2020 General Plan. It is the opinion of staff that any General Plan Land Use amendment without a master plan is premature and will result in a missed opportunity to create a better land use and circulation plan for the area.

Finally, if one or more of the project components is approved, staff will prepare a resolution adopting Mitigated Negative Declaration 2006-109.

Attachments:

- Resolution denying General Plan Amendment (GPA 2006-11) and Change of Zone (CofZ 2006-10)
- Resolution denying the Appeal of CUP 2006-62
- Applicant's Appeal of the Denial of CUP 2006-62
- Planning Commission Staff Report, dated February 12, 2006 (includes MND 2006-109 and applicant/owner's disclosure information)
- Attachment E Self-Storage/High Density Residential Conceptual Plan
- Attachment F Proposed Projects and Access Points
- Country Club Shopping Center Site Plan
- Traffic Study (provided by separate distribution)

Recommended Motion (and Alternative Motions if expected):

"I move to deny General Plan Amendment 2006-11 and Change of Zone 2006-10 by adoption of Resolution No. 2007- 25, and denial of the applicant's Appeal of the Planning Commission's denial of CUP 2006-62 by adoption of Resolution No. 2007- 26, based on the findings contained in the staff report for the project. I further move that no General Plan amendment be considered within the southwest quadrant of Houston Ave. and Demaree St. until such time that a multiple property owner-initiated master plan that resolves land use compatibility and circulation deficiencies is submitted."

Or

"I move to continue this item, and to direct staff to prepare a resolution adopting Mitigated Negative Declaration 2006-109, resolutions approving GPA 2006-11 and CUP 2006-62, and an Ordinance approving Change of Zone 2006-10."

Environmental Assessment Status

CEQA Review: A Mitigated Negative Declaration has been prepared for the project. It will need to be certified if one or more of the project components are approved.

NEPA Review: None required

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Copies of this report have been provided to:

Applicant

Planning Commission

Darrel Ridenour

RESOLUTION NO. 2007- 25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA, DENYING GENERAL PLAN AMENDMENT NO. 2006-11, AND CHANGE OF ZONE NO 2006-10, A REQUEST TO CHANGE THE LAND USE DESIGNATION AND ZONING FROM LOW DENSITY RESIDENTIAL/SINGLE-FAMILY RESIDENTIAL, 6,000 SQ.FT. MINIMUM LOT SIZE TO MEDIUM DENSITY RESIDENTIAL/MULTI-FAMILY RESIDENTIAL ZONE, 3,000 SQ.FT. MINIMUM LOT AREA PER UNIT AND SHOPPING OFFICE CENTER/PLANNED SERVICE COMMERCIAL ON APPROXIMATELY 4.1 ACRES, LOCATED ON THE SOUTHWEST CORNER OF DEMAREE STREET AND HOUSTON AVENUE

WHEREAS, General Plan Amendment No. 2006-11 and Change of Zone No. 2006-11 are a request by RHL Design Group to change the General Plan land use designation from RLD (Residential Low Density) to Shopping Office Center and RMD (Residential Medium Density), and to change the zoning designation from R-1-6 (Single-family Residential – 6,000 sq. ft. minimum) to P-C-SO (Planned Shopping/Office Commercial) and R-M-2 (Multi-family Residential – 3,000 sq. ft. minimum) on 4.08 acres located on the southwest corner of Demaree Street and Houston Avenue. APNs: 077-090-019, 077-660-019, 003 ; and

WHEREAS, the Planning Commission of the City of Visalia, after duly published notice did hold a public hearing before said Commission on February 12, 2007; and

WHEREAS, the Planning Commission of the City of Visalia considered the General Plan Amendment and Change of Zone in accordance with Sections 17.44.060 and 17.54.070 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing; and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this project with mitigation measures for traffic impacts as contained in the environmental document prepared for the project (MND 2006-109); and

WHEREAS, the Planning Commission of the City of Visalia adopted Resolution No. 2007-02 recommending denial of said General Plan Amendment and Change of Zone, based on the findings contained in said resolution; and

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on March 19, 2007; and

WHEREAS, the City Council of the City of Visalia finds the General Plan Amendment and Change of Zone to be inconsistent with the adopted goals, objectives and policies of the General Plan Land Use and Circulation Elements, based on evidence contained in the staff report and testimony presented at the public hearing.

NOW, THEREFORE, BE IT RESOLVED that a Mitigated Negative Declaration was prepared consistent with the California Environmental Quality Act and City of Visalia Environmental Guidelines, but was not adopted by the Planning Commission.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia denies the proposed General Plan Amendment and Change of Zone, in accordance with the provisions of Sections 17.44.090 and 17.54.080 of the Ordinance Code of the City of Visalia based on the following specific findings and based on the evidence presented:

General Plan Amendment 2006-10:

1. That the proposed General Plan Amendment is inconsistent with the intent of the General Plan, and is detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity because the project would add un-programmed traffic onto adjacent roads that were not foreseen or accounted for in the General Plan Circulation Element traffic model, thus contributing to detrimental road conditions for the area at large.
2. That the proposed land use designation of Medium Density Residential would be compatible with existing land uses and land use designations in the surrounding vicinity, but the CSO designation would conflict with the intent of General Plan Land Use Policy 3.5.6 and Zoning Ordinance section 17.18.010.B.2 that requires at least one-mile separation between Neighborhood Commercial centers. The proposed pharmacy with general merchandise sales is a permitted use in both the CSO and CN zones. By inference, the separation policy can be applied to this land use change. The policy is intended to minimize over-concentration of similar daily needs uses within a local market area. This was intended to ensure that retail developments that are allowed remain economically viable for the benefit of its local market area. In this case there is an adequate site that is already zoned CN on the southeast corner of Demaree St. and Houston Ave. It is unlikely that the local market area (one-half mile radius) would fully support this project and a future neighborhood retail center on the opposite corner, which would be permitted by right.
3. General Plan Policy 4.1.3, and the associated Zoning Ordinance section 17.26.040, which pertain to minimum project size of ten acres cannot be met by the project site which totals 4.08 acres. Although the Planning Commission may approve a smaller-sized PUD, it must make findings related to unique circumstances about the site. There are no unique circumstances related to the site that would warrant favorable consideration of a smaller PUD site. In fact, approval of the project would likely inhibit more comprehensive area planning to include all surrounding properties near the southwest corner of Demaree St. and Houston Ave.

Change of Zone No. 2006-10:

1. That the Change of Zone is inconsistent with the intent of the General Plan and Zoning Ordinance, and is detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity because the project would add un-programmed traffic onto adjacent roads that were not foreseen or accounted for in the General Plan Circulation Element traffic model, thus contributing to detrimental road conditions for the area at large.
2. That the proposed zoning designation of R-M-2 (Multi-family Residential) would be compatible with existing land uses and land use designations in the surrounding vicinity, but the CSO designation would conflict with the intent of General Plan Land Use Policy 3.5.6 and Zoning Ordinance section 17.18.010.B.2 that requires

at least one-mile separation between Neighborhood Commercial centers. The proposed pharmacy with general merchandise sales is a permitted use in both the CSO and CN zones. By inference, the separation policy can be applied to this land use change. The policy is intended to minimize over-concentration of similar daily needs uses within a local market area. This was intended to ensure that retail developments that are allowed remain economically viable for the benefit of its local market area. In this case there is an adequate site that is already zoned CN on the southeast corner of Demaree St. and Houston Ave. It is unlikely that the local market area (one-half mile radius) would fully support this project and a future neighborhood retail center on the opposite corner, which would be permitted by right.

3. General Plan Policy 4.1.3, and the associated Zoning Ordinance section 17.26.040, which pertain to minimum project size of ten acres cannot be met by the project site which totals 4.08 acres. Although the Planning Commission may approve a smaller-sized PUD, it must make findings related to unique circumstances about the site. There are no unique circumstances related to the site that would warrant favorable consideration of a smaller PUD site. In fact, approval of the project would likely inhibit more comprehensive area planning to include all surrounding properties near the southwest corner of Demaree St. and Houston Ave.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA DENYING THE APPEAL and UPHOLDING THE PLANNING COMMISSION'S DENIAL OF CONDITIONAL USE PERMIT NO. 2006-62, FOR A PLANNED UNIT DEVELOPMENT INCLUDING A 17,272 SQ.FT. RETAIL BUILDING WITH GENERAL RETAIL SALES AND DRIVE-THRU PHARMACY, AND A 32-UNIT APARTMENT COMPLEX ON 4.08 ACRES. THE PROJECT SITE IS LOCATED ON THE SOUTHWEST CORNER OF DEMAREE STREET AND HOUSTON AVENUE

WHEREAS, Conditional Use Permit No. 2006-62 is a request by RHL Design Group to allow a Planned Unit Development including a 17,272 sq.ft. retail building with general retail sales and drive-thru pharmacy, and a 32-unit apartment complex on 4.08 acres. The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003); and

WHEREAS, the Planning Commission of the City of Visalia, after duly published notice did hold a public hearing before said Commission on February 12, 2007; and

WHEREAS, the Planning Commission of the City of Visalia considered the conditional use permit request in accordance with Section 17.38.110 of the Zoning Ordinance of the City of Visalia based on the evidence contained in the staff report and testimony presented at the public hearing and denied CUP 2006-62; and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this project with mitigation measures for traffic impacts as contained in the environmental document prepared for the project (MND 2006-109) if the project was approved; and

NOW, THEREFORE, BE IT RESOLVED, that Negative Declaration No. 2006-109 was prepared consistent with the California Environmental Quality Act and City of Visalia Environmental Guidelines, but was not adopted by the Planning Commission; and

WHEREAS, an Appeal of the denial of CUP 2006-62 was filed on February 14, 2007; and

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on March 19, 2007; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Visalia, in denying the Appeal, and upholding the Planning Commission's denial of the Conditional Use Permit, pursuant to Visalia Municipal Code Section 17.38.130, makes the following specific findings, and based on the evidence presented in the public hearing and contained in the evidence presented to the City Council as follows:

That the proposed project will be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity because the project would add un-programmed traffic onto adjacent roads that were not foreseen or accounted for in the General Plan Circulation Element traffic model, thus contributing to detrimental road conditions for the area at large.

That the proposed conditional use permit is inconsistent with the policies and intent of the General Plan and Zoning Ordinance. Specifically, the project is inconsistent with the required findings of Zoning Ordinance Section 17.38.110:

- a) The proposed location of the conditional use permit is not in accordance with the objectives of the Zoning Ordinance and the purposes of the zone in which the site is located in that the proposed use is not allowed in the R-1-6 zone, and the request for a change of zone is inconsistent with General Plan and Zoning Ordinance policies pertaining to separation of Neighborhood commercial areas of at least one-mile.
- b) The PUD does not meet the minimum site area of at least ten acres for a PUD and five acres for a PUD with commercial uses. As a result, the project design would result in little more than two separate diverse uses with a common access point, rather than an integrated mixed-use development.
- c) The project design as shown would not facilitate master integrated planned development of the affected area, particularly in regard to shared common access and buffering of existing and contemplated uses on adjacent properties.
- d) The proposed location of the conditional use and the conditions under which it would be operated or maintained will be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

City of Visalia

Memo

To: City Council and City Manager

From: Paul Scheibel, AICP, Principal Planner

Date: March 12, 2007

Re: **Early Distribution of Traffic Impact Study for General Plan Amendment No. 2006-11, Change of Zone No. 2006-10, and Appeal of the Planning Commission's Denial of Conditional Use Permit No. 2006-62:** A request by RHL Design Group to change the Zoning designation from R-1-6 (Single-family Residential – 6,000 sq. ft. minimum) to P-C-SO (Planned Shopping/Office Commercial) and R-M-2 (Multi-family Residential – 3,000 sq. ft. minimum) on 4.08 acres; and a request by RHL Design Group to allow a Planned Unit Development including a 17,272 sq.ft. retail building with general retail sales and drive-thru pharmacy, and a 32-unit apartment complex on 4.08 acres.

The project site is located on the southwest corner of Demaree Street and Houston Avenue (APNs: 077-090-019, 077-660-019, 003)

The Traffic Impact Study for the above-referenced project is being distributed in advance of the staff report package for the March 19, 2007, City Council public hearing. This is intended to simplify the logistical effort of distributing the larger quantity of materials associated with this project than is normally associated with a development project.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 14

Agenda Item Wording: Public Hearing for extension of Interim Ordinance No. 2006-03, an interim ordinance establishing prohibited and permitted uses and development standards for a portion of the East Downtown Strategic Plan area. **Resolution No. 2007 - 27** (Requires a 4/5 vote)

Deadline for Action: March 19, 2007

Submitting Department: Community Development

Contact Name and Phone Number:

Michael Olmos, Assistant City Manager, 713-4332
Sharon Sheltzer, Project Manager, 713-4414

Department Recommendation:

Staff recommends that Council extend Interim Ordinance 2006-03, establishing temporary standards for prohibited and permitted uses and development standards for a portion of the East Downtown Strategic Plan area, for a final period of one year, until March 20, 2008, and approve Resolution 2007- 27 required for this extension.

Summary/background:

On March 20, 2006, Council adopted Ordinance No. 2006-03 establishing temporary standards for a portion of the East Downtown Strategic Plan area (Zone 1 on attached map). This ordinance was adopted as an interim measure to implement the concepts contained in the Strategic Plan that was approved by Council in late 2005. The interim ordinance was adopted pursuant to State Government Code Section 65858 and had an initial life of 45 days from the date of adoption. A noticed public hearing was conducted on May 1, 2006 to extend the interim ordinance for a period of 10 months and 15 days. It was extended until March 20, 2007 and can be extended an additional year provided the following measures are taken:

State law requires that at least 10 days prior to the expiration or extension of an interim ordinance, the City Council must issue a written report describing measures being taken to alleviate the conditions that led to the adoption of the interim ordinance. The necessary written report was approved by Council on March 5, 2007. The report states that the City is proceeding with development of amendments to the General Plan, ordinances and development standards to implement the concepts contained in the Strategic Plan. The City contracted with Crawford,

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 10

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Multari and Clarke Associates on August 22, 2006 and TPG Consulting on September 20, 2006 to prepare these revisions.

This second and final extension requires a Public Hearing. The Notice of Public Hearing was published in the Times Delta on March 8 and March 14, and notices were mailed to all property owners within a 300 foot radius of the affected area on March 6, 2007.

Prior Council/Board Actions:

Council introduced Ordinance 2006-03 on March 6, 2006, adopted said ordinance on March 20, 2006, accepted a written report on April 17, 2006, and extended the interim ordinance for 10 months and 15 days on May 1, 2006. Council accepted a second written report on March 5, 2007.

Committee/Commission Review and Actions: NA

Alternatives: None recommended.

Attachments: Interim area Zone 1 map, Resolution No. 2007 -

Recommended Motion (and Alternative Motions if expected):

That Council extends Interim Ordinance 2006-03, establishing temporary standards for prohibited and permitted uses and development standards for a portion of the East Downtown Strategic Plan area, for a final period of one year, until March 20, 2008, and approve **Resolution 2007- 27** required for this extension.

Environmental Assessment Status

CEQA Review: NA

NEPA Review: NA

Copies of this report have been provided to:

RESOLUTION NO. 2007-27

A RESOLUTION OF THE VISALIA CITY COUNCIL EXTENDING INTERIM ORDINANCE NO.
2006-03 FOR ONE YEAR

WHEREAS, Interim Ordinance No. 2006-03 was adopted by the City Council on March 20, 2006 by a 5-0 vote; and

WHEREAS, Interim Ordinance No. 2006-03 temporarily established prohibited uses, allowed uses and development standards for a portion of the East Downtown Area designated as Zone 1, and generally located in an area bounded by Mineral King Avenue to the south, Bridge Street to the east, Murray/Goshen Avenue to the north, and Ben Maddox Way and Edison to the west; and

WHEREAS, Interim Ordinance No. 2006-03 was adopted and extended for 10 months and 15 days to March 20, 2007 pursuant to California Government Code Section 65858, and would expire on that date unless extended by 4/5 vote of the City Council; and

WHEREAS, Government Code Section 65858 provides for an additional extension of one year if a Written Report describing measures being taken to alleviate the conditions which led to the adoption of the ordinance is issued and accepted by Council; and

WHEREAS, City Council accepted the Written Report describing measures being taken to alleviate the conditions which led to the adoption of Ordinance No. 2006-03 on March 5, 2007.

NOW, THEREFORE, BE IT RESOLVED that the Visalia City council hereby extends Interim Ordinance No. 2006-03 for a period of one year to March 20, 2008.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 19, 2007

Agenda Item Number (Assigned by City Clerk): 15

Agenda Item Wording: Adoption of a fee for Reserved Parking Spaces in the West Acequia Parking Structure by Visalia City Council. **Resolution No. 2007 - 28 Required**

Deadline for Action: March 19, 2007

Submitting Department: Administration

Contact Name and Phone Number:
Phyllis Coring, 713-4566

Department Recommendation:

Staff recommends that the City Council adopt **Resolution No. 2007- 28** establishing a fee for Reserved Parking Spaces in the West Acequia Parking Structure.

Summary/background:

Funding for the West Acequia Parking Structure project is being provided through ten different funding sources in addition to the capitalized value of permit parking in the structure. The adoption of the fee for reserved permit parking will implement that portion of the parking structure funding program.

Fee for Permit Parking

Staff recommends that City Council establish a fee for reserved parking in the West Acequia Parking Structure in the amount of \$75/mo for standard spaces and \$65/mo for compact spaces. The spaces are proposed to be available during the daytime, Monday – Friday. Downtown parking permit programs are prepared under the authority designated to the city manager by Municipal Code Section 10.16.145. The code section stipulates that the permit fees are to be established by resolution of the City Council.

Currently in downtown, there is a parking permit program that allows all day parking in some of the 2-hour lots (excluding parking structures) for \$25./mo. This permit does not guarantee that

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

a space would be available, but allows longer term parking in restricted lots if a space is available. Downtown Visalians manages the issuance of the permits and all the revenue from this program is retained by Downtown Visalians.

The parking permit program for the new parking structure is contemplated to be a different program that what currently exists. Revenue from this program will be used toward funding of the parking structure. There are numerous approaches to a permit parking program that can be designed, including charging a small amount for most spaces or charging a larger amount for a fewer number of reserved spaces. The example provided in the Council transmittal at the time of award of the construction contract suggested 170 spaces reserved at \$50.00/mo. per space. After considering many options, staff recommends that a permit program be established that would initially set aside 110 spaces as reserved spaces with a charge of \$75.00/month for standard spaces and \$65.00/mo. for compact spaces. If 90% occupancy was achieved, the revenue over a 20 year period could support a loan of approximately \$1.26 million at 6% interest.

Since the reserved parking permit is a new concept it is difficult to estimate demand. Staff has received firm inquiries for 20 spaces. Additional reserved spaces could be added if warranted through demand. Similarly, if there is less demand for reserved spaces, the spaces could be converted to an all day or limited hour designation.

Prior Council/Board Actions: City Council awarded the construction contract on December 19, 2005.

Committee/Commission Review and Actions:

Alternatives: Council may determine alternate funding sources.

Attachments:

Recommended Motion (and Alternative Motions if expected):

I move that City Council adopt **Resolution No. 2007-28** , establishing a fee for reserved parking spaces in the West Acequia Parking Structure.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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Copies of this report have been provided to:

RESOLUTION NO. 2007- 28

**RESOLUTION OF THE VISALIA CITY COUNCIL ESTABLISHING A FEE FOR RESERVED
PARKING PERMITS IN THE WEST ACEQUIA PARKING STRUCTURE**

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WHEREAS, Visalia Municipal Code Section 10.16.145 authorizes the establishment of parking permits fees by adoption of a resolution of the Visalia City Council; and

WHEREAS, the municipal code section directs that the fee, less administrative costs, be used to provide public parking.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VISALIA AS FOLLOWS:

1. The Visalia City Council hereby determines and finds that:
 - a. Funds are needed to defray costs of construction and maintenance of the West Acequia Parking Structure.
 - b. The funds needed to defray these costs can be obtained in part through fees for permit parking in the parking structure.
 - c. The fee does not exceed the cost of providing a parking space in the parking structure.
2. The rate for reserved parking in the West Acequia Parking Structure is as follows:

Standard Space - \$75.00/ mo.

Compact Space - \$65.00/ mo.
3. The fee shall be incorporated into the City's Rates and Fees Document.

AND BE IT FURTHER RESOLVED that this Resolution shall be effective upon adoption thereof.