

Visalia City Council Agenda

For the regular meeting of: Monday, April 2, 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.

3:30 p.m.

SWEARING IN OF NEW POLICE OFFICERS

INTRODUCTION OF NEW EMPLOYEES

Paul Bernal, Associate Planner, will be introduced by Mike Olmos, Assistant City Manager.
Gamaliel Anguiano, Transit Analyst, will be introduced by Monty Cox, Transit Supervisor.

4:00 p.m.

WORK SESSION AND ACTION ITEMS (as described)

4:00 p.m.

Public Comment on Work Session Items -

4:05 p.m.

1. Tulare County General Plan Update

5:00 p.m.

2. Youth Transportation System

** 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 Real Property Negotiators (G.C. §54956.8)

Property: Approximately 122 acres bounded generally by Walnut on the north, Shirk on the East, Caldwell on the South and Aviation Drive on the west: APN: 119-021-007,008,010,016, & 018

Under Negotiation: Price, terms and conditions of potential purchase and lease
Negotiating Parties: Steve Salomon, Mario Cifuentez, Eric Frost, Colleen Carlson, Clarence Faria

4. Conference with Real Property Negotiators (G.C. §54956.8.)

Properties:

APN: 094-100-022 (701 E. Race)

APN: 094-250-020 (700 E. Murray)

APN: 098-142-055 (1401 E. Goshen)

APN: 100-190-065 (1325 S. Lovers Lane)

APN 100-190-064 (1337 S. Lovers Lane)

APN: 094-240-026 (300 N. Tipton)

APN: 094-250-035 (404 N. Tipton)

APN: 094-180-006 (South East Corner Goshen & Burke)

APN: 094-180-007 (East side of Burke Street between Goshen Avenue & Center)

APN: 094-180-005 (South West Corner Goshen & Ben Maddox Way)

APN: 094-250-015 (535 N. Burke)

APN: Temp 4791 (South West Corner Oak & Tipton)

APN: 094-221-010 (210 S. Santa Fe)

APN: 093-201-020 (302 S. Conyer)

APN: 093-201-016 (306 S. Conyer)

APN: 093-201-015 (North East Corner of Mineral King & Conyer)

APN: 093-201-014 (Mineral King approx. 50' East of Conyer)

APN: 093-201-013 (Mineral King approx. 117' East of Conyer)

APN: 093-201-012 (800 W. Mineral King)

Under Negotiation: Price, terms and conditions for potential purchase or exchange

Negotiating Parties: Steve Salomon, Michael Olmos, Colleen Carlson, Imperial Group

5. Conference with Labor Negotiators (54957.6a)

Agency Designated Representatives: Eric Frost, Jim Harbottle, Janice Avila

Employee organization: Group A, E and unrepresented

6. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one potential case

7. Conference with Real Property Negotiators (G.C. §54956.8.)

Property: APN: 085-010-096 - Vacant land Parcel located on South side of Hillsdale Drive at Tommy Street

Under Negotiation: Price, terms, and conditions of potential purchase

Negotiating Parties: Steve Salomon, Michael Olmos, Mangano Homes, Inc.

REGULAR SESSION

7:00 p.m.

PLEDGE OF ALLEGIANCE

INVOCATION - Pastor Alden Laird, Visalia Evangelical Free Church

SPECIAL PRESENTATIONS/RECOGNITION

CITIZENS REQUESTS - This is the time for members of the public to comment on any matter within the jurisdiction of the Visalia City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item for discussion purposes. Comments related to Regular or Public Hearing Items listed on this agenda will be heard at the time the item is discussed or at the time the Public Hearing is opened for

comment. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight. In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (speaker timing lights mounted on the lectern will notify you with a flashing red light when your time has expired). Please begin your comments by stating and spelling your name and providing your address.

CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION

8. 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 26, 2007.
 - c) Approval of Resolutions relating to the regular municipal election to be held on Tuesday, November 6, 2007. **Resolution No. 2007-29** requesting and consenting to consolidation of elections and setting specifications of the election order; **Resolution No. 2007-30** requesting the Tulare County Board of Supervisors permit the County Registrar of Voters to render specific services to the City of Visalia.
 - d) Authorization for the City Manager to sign a contract with the Harlan Hutson Productions for \$10,000 to produce a specific cultural arts event in the Fall of 2007.
 - e) Action items from the 2006/07 Mid-year Financial Report presented at the Council Work Session on March 19, 2007.
 - f) Authorize staff to execute a State of California contract (Calnet II) for wireless services (Master Contract #1S-05-58-02) with Verizon Wireless. Authorize staff to utilize Verizon Wireless for mobile data services for those services outside of the state agreement.
 - g) Adopt the City's Oak Tree Mitigation Policy and Establish a Financial Assistance Program. **Resolution No, 2007-31 required.**
 - h) Award a contract for the Woodland Street – Street and Signal Improvements Project to A-C Electric Corporation in the amount of \$455,177.00; Project No. 1611-9769 and 1241-9751.
 - i) Second Reading of Ordinance No. 2007-05 relating to Towing, Storage, Poststorage Hearing, and Resolution establishing the Current Fee Schedule. **Resolution 2007-32** required.
 - j) Authorization to award the contract for the construction of the food vendor space located at the Transit Center to Gary Interrante Construction in the amount of \$93,291.48
 - k) Authorization to award the bid purchase a replacement 10-yard dump truck for Streets division to the Fresno Truck Center for \$109,921.

- l) Authorization for grant application submittal to the California Department of Housing and Community Development (HCD), by the passage of Proposition IC, the Housing and Emergency Shelter Trust Fund Act of 2006 for funding within the CalHOME Programs (First Time Homebuyer Mortgage Assistance) in the amount of \$600,000. **Resolution No. 2007-33 required.**

Authorization to file Notice of Completion on the following:

- m) Project No. 4511-00000-720000-0-9409 for the new operations and maintenance facility and bus wash located at 525 N. Cain Street.
- n) Rancho Santa Fe Estates Phase No. 2 , containing 70 lots located southeast of Santa Fe and Monte Vista Ave
- o) The Villas at Bella Sera, containing 150 single family lots, located at the Northeast corner of Akers Street and Goshen Avenue.
9. **Public Hearing** to consider reinstating the full 2001 pre-suspension building permit fees and increasing those fees by 16%, in accordance with the CPI over the past five year period (equating to a total increase of 37% over the current fees). **Resolution 2007-34 required.**

10. **Public Hearing:** *(continued from 3/19/07 at applicant's request)*

(Recommend motion to continue if Council chooses to approve the GPA, Change of Zone and overturn the appeal.)

- 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.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

Settled case: Colello v City of Visalia (TCSC No. 05-214324) for the amount of \$195,000.

Buyer	Seller	APN	Address	Closing Date	Reason for purchase
City of Visalia	McMillan Meadows	077-540-026 & 077-550-070	Lot C of Foxwood Estates # 5 and Remainder 2 parcel of Eagle Creek No. 1	1/30/07	Foxwood Park
City of Visalia	Eagle Meadows LLC	Portions of APN 098-050-063,065	6.6 ac at N/W corner Goshen and the future Virmargo St.	3/24/07	Park/Storm Basin Authorized by Council 1/8/07
City of Visalia	CalTrans	094-100-022 094-250-020	700 E. Race 701 E. Murray	3/30/07	Street improvements, housing, public parking, recreational uses

Upcoming Council Meetings

Monday, April 16, 2007 - City Hall Council Chambers

Tuesday, May 1, 2007, 6 p.m. - Joint City Council/VUSD, 5000 W. Cypress

Monday, May 7, 2007 - City Hall Council Chambers

Monday, May 21, 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: April 2, 2007

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording: Tulare County General Plan Update

Deadline for Action: None

Submitting Department: Community Development

Contact Name and Phone Number: Mike Olmos 713-4332

Department Recommendation: Review and discuss the Draft Tulare County General Plan Update – Goals and Policies Report (dated November 2006); authorize submittal of following comments on the draft document and any other comments identified by Council to the Tulare County Resources Management Agency:

1. The Draft Plan should encourage new major commercial and industrial growth to occur within existing UABs of cities in recognition of available resident populations, labor pools, infrastructure, housing, health facilities, vocational training and educational facilities and other quality of life services. Fiscal impacts to the County resulting from this strategy could be offset by an annexation tax sharing agreement.
2. The Draft Plan should be restructured to focus on a City Centered Growth Strategy as recommended in the letter from former Mayor Bob Link to the Board of Supervisors dated August 10, 2005. (The City Centered Growth concept is described on Page 14 of attached “Tulare County General Plan – Policy Alternatives)
3. In concert with a clear, adopted City Centered Growth Strategy, the Council should reiterate its previous offer to initiate discussions with the County Executive’s Office regarding possible tax sharing for future annexations.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 60

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

4. The Draft Plan should continue to promote development inside existing UABs in recognition of available development capacity, infrastructure and urban services.
5. The Draft Plan should contain policies directed at establishment of a comprehensive agricultural land mitigation program to offset impacts of ag land conversion to urban uses. This program should include strategies for partnering with cities in a comprehensive county-wide ag land mitigation program.
6. The Draft Plan should maintain the current policy of County referral of development proposals on unincorporated lands inside city UABs to affected cities for consideration of annexation.
7. Draft Plan policies should be modified to not allow development on unincorporated lands inside city Urban Area Boundaries (UABs) without the written consent of the affected city. This policy change would apply to major transportation corridors, including Highways 99 and 198 within Visalia's UAB .
8. To avoid potential land use conflicts, the Draft Plan should establish a suitable separation buffer between dairies, intensive ag industries and industrial uses on unincorporated lands from UABs of incorporated cities; and any other comments identified by Council.
9. The City should support the Draft Plan's discouragement of new towns, except upon detailed demonstration of need on a regional basis.
10. The Draft Plan should discourage development along major transportation corridors in Tulare County except where currently designated for such uses.
11. The City should support efforts to designate State Highway 198 as a State Scenic Highway and encourages limiting development outside of planned City and community UABs in a manner consistent with the designation.

Summary/background:

Tulare County has released a draft document entitled Tulare County General Plan – Goals and Policies Report (dated November 2006). This document is the first release of proposed goals and policies for the Tulare County General Plan Update. Tulare County Resources Management Agency (RMA) staff is currently accepting comments on the goals and policies contained in the draft document. A draft environmental impact report will soon be released for the General Plan Update, and public hearings will be scheduled before the Tulare County Planning Commission this spring. Hearings before the Tulare County Board of Supervisors will likely be scheduled this summer, and a final document is anticipated to be adopted at that time.

Tulare County used a combination of County RMA staff and a consulting team to prepare the draft plan. In addition, in the early stages of the process, a Technical Advisory Committee (TAC) was assembled and comprised of planning directors from the various cities in the County and representatives of stakeholder organizations. The County also held a series of community meetings to solicit public input.

The TAC met for a period of months in the early stages of the plan formulation process. Meetings of the TAC were eventually discontinued. The draft plan document now under review was completed during a series of work sessions with the Board of Supervisors. The City was represented on the TAC by Assistant City manager Mike Olmos. The City provided comments to the County on issues being discussed in the Draft Plan throughout the entire process.

While preliminary comments on the draft goals and policies can be submitted at this time, the City and other interested parties will have opportunities to provide comments during the mandatory public comment period for the draft EIR and during the public hearings conducted by the Tulare County Planning Commission and Board of Supervisors.

Population Projections

The draft plan will apply to a planning period to the year 2030. The current population of Tulare County is approximately 368,000 including both incorporated and unincorporated areas in the County. The draft plan projects a 2030 population of about 630,000 residents, which indicates a population increase of 262,000 persons during the planning period.

Overview of Major Policy Statements in Draft Document

The draft goals and policies document has numerous overall strategies to guide future development in the County. Several strategies that are of interest to the City are listed below:

1. Agriculture will continue to be the predominant land use and industry in the County and efforts will continue to be made to support the agricultural economy. In support of this strategy, the Rural Valley Lands Plan Criteria and Evaluation Matrix (point system) will be continued.
2. **The draft plan has a significantly greater emphasis on new residential, commercial and industrial development occurring on unincorporated lands in the County. The plan is structured to accommodate significant suburban growth in outlying unincorporated communities. This is a major policy shift on the part of the County**
3. Residential growth in unincorporated communities will be encouraged on the theory that such growth will attract infrastructure upgrades, industrial uses (job creation), shopping and other facilities that will raise the quality of life and

- sustainability. Policies have been included in the plan to encourage sustainable rural communities, infill development, and smart growth standards.
4. Community planning and growth opportunities will be extended to a wider range of unincorporated urbanized areas, including small rural subdivisions designated as “hamlets” (developed areas with populations over 100 persons and meeting certain criteria).
 5. The draft plan places emphasis on the provision of infrastructure to support development in unincorporated communities and hamlets. The Draft Plan states the County’s intent to reestablish a system of development impact fees and assessment districts to help finance new major development infrastructure and encourages new or expansion of existing special districts to fund and provide maintenance.
 6. Development within city Urban Area Boundaries (defined in the draft plan as 20 year growth boundaries) is encouraged in the plan. The draft plan contains a policy (PF 4.9 on page 2-10) that requires on land inside a City Urban Development Boundary but outside its City limits, the County shall maintain land use designations that are consistent with City designations. However, the plan allows the County to approve development within UABs of incorporated cities, subject to meeting the development standards of the affected cities (PF 4-10, page 2-10).
 7. The existing Tulare County Urban Boundaries Element contains referral and annexation policies for development proposals on unincorporated lands inside city Urban Development Areas. The Draft Plan incorporates the annexation policy (PF 1.2, page 2-4), although is it modified to clarify that the County may approve development proposals, subject to certain criteria, in both city UABs and UDBs.
 8. The Draft Plan places stronger emphasis on expanding opportunities for tourism, including agricultural tourism, and development of tourist activities and facilities along Kaweah, Kings and Tulare Rivers, Kaweah and Success Lakes, and foothill and mountain areas. To implement tourism objectives, the Draft Plan recommends evaluation of allocating transient occupancy tax returns to support tourism programs.
 9. The draft plan contains a set of policies directed at preserving agricultural lands. Chapter 4.1 (page 4-3) contains the bulk of the policy package. Among these include encouraging agricultural conservation easements, agricultural buffers, and right to farm noticing and Another policy (LU-3.5 on page 5-16) prohibits designation of any new areas for rural residential development and discourages creation of rural ranchettes (AG 1.12, page 4-4). Staff did not note any policies pertaining to mitigation programs for conversion of agricultural lands to urban uses.

10. The draft plan contains a new set of policies (Part II C-1, page 2-5; LU 1.9 and LU 1.12, page 5-12) that authorizes preparation of “Corridor Plans” to encourage the development of commercial and industrial uses on unincorporated lands outside adopted UABs, UDBs and HDBs. This policy appears to apply to Mooney Boulevard, State Highway 198, and Highway 99 along with other transportation arterials in the County. For major urban corridors within adopted UABs and UDBs (in Visalia, Highway 99, 198 and 63) the Draft Plan states “The County shall support the development and adoption of Regional Growth Corridor Plans that identify key areas along major transportation routes for development and support of uses such as: major industrial employers, regional retail, and highway commercial.”
11. The draft plan contains policies encouraging local efforts to obtain formal designation of portions of State Highway 198 as a State Scenic Highway (SL-2, page 7-3).
12. The draft plan contains several new policies regarding water and groundwater management (WR-1, page 11-3). These policies are directed at groundwater monitoring, water exports outside the County (the plan establishes a “no net loss” objective), and sets standards for transferring agricultural water to domestic use.
13. The Draft Plan discourages development of new towns (such as Yokohl Ranch), however it provides a process for considering new towns based on “justifiable circumstances” which are not described in the document (PF-7, page 2-12).

Policy Issues

The County’s draft plan contains several policy implications that should be considered by Council, as follows:

General Plan Consolidation: The current County General Plan is a conglomeration of various elements and regional and community plans that have been accumulated over almost 40 years. The General Plan update will help consolidate the County’s plans into a more effective and usable document. This is seen as a positive feature of the General Plan Update process.

Shift To Development Focus: The update also brings in new policies regarding growth that will significantly shift the County’s planning focus from an agricultural based strategy to one that emphasizes and encourages growth in certain unincorporated areas and along major transportation corridors, such as State Highways 99, 63, 65 and 198. While the draft plan does not discourage development in incorporated cities, it does encourage residential, commercial, and industrial development in certain unincorporated communities and hamlets, and potentially along highway corridors. The plan encourages consideration of major commercial facilities, shopping centers, big box retailers and industrial uses in these unincorporated areas.

Growth Inducement Outside of Cities: The growth inducing aspects of the County's draft plan has serious implications for Visalia and the County as a whole:

- The plan has potential to create regional sprawl by encouraging increased growth in outlying unincorporated communities and hamlets. These communities may lack the infrastructure and services necessary to serve increased population growth.
- While the County's efforts to induce residential, commercial and industrial growth in rural communities as a way to upgrade standard of living in these areas are commendable, care must be taken to avoid concentrating low income populations in these outlying areas. By encouraging growth in outlying areas, the Draft Plan may cause expansion of low income populations in rural communities rather than assimilating them into incorporated communities having a broad population mix. If growth in rural communities is encouraged, efforts should be made to provide local vocational training/educational facilities to help low income residents expand job skills.
- Increased growth in outlying unincorporated communities will increase traffic on state highways and on city and county roads providing access to jobs, services, shopping, health and educational facilities existing in the cities. The effects of regional sprawl will include increased road maintenance costs and increased vehicular air emissions. Some of this impact may be offset by expansion of the County's bus transit system to serve the expanded populations in these outlying communities.
- Although the draft plan contains policies for smart growth design and standards for new development, it may be difficult to achieve the effect desired by the County. For instance, growth in unincorporated communities may not be sufficient to pay for parks and trails to facilitate walkable neighborhoods. In addition, these communities are generally small and may not have sufficient demographics to attract necessary services and retail facilities to achieve meaningful sustainability.

City Centered Growth Strategy: Initial discussions with the Technical Advisory Committee included evaluation of a City Centered Growth Strategy. This strategy would establish a plan that would continue to focus primarily on maintaining the agricultural economy in the County and directing most new growth to existing cities which have infrastructure, urban services, and development systems in place the accommodate anticipated growth demands. **Calculations prepared by the County's consultants concluded that existing Urban Area Boundaries of the eight cities had sufficient lands available to accommodate the anticipated population growth during the 30 year planning period.** Attachment B is a document entitled "Tulare County General Plan – Policy Alternatives" which was provided to the TAC by the consulting team. This document includes a table on page 9 that analyzes residential development capacity within existing urban area boundaries. The table indicates that the current UABs of existing cities have capacity to accommodate an additional 826,500 persons. When combined with calculated capacities for current UABs of existing unincorporated communities, the available population capacity increases to over 950,000 persons.

Clearly, the existing city UABs, with plans, infrastructure and services available, are able to accommodate population growth (increase of 262,000 new residents County-wide) during the planning period to 2030.

On July 18, 2005, the City Council held a work session to review potential “Growth Alternative” scenarios that were being evaluated by County staff and consultant team and discussed with the Technical Advisory Committee. After reviewing potential alternatives and considering the UAB capacity described above, Council directed that a letter be sent to the Board of Supervisors indicating Visalia’s support for a Hybrid City-Centered Growth strategy that would allocate 90% of future population growth to the cities with such development to occur inside city limits. To mitigate the fiscal impacts to the County that a City-Centered strategy might create, the Council also recommended that discussions be initiated to consider a sales and property tax sharing agreement to apply to new annexations. A copy of the August 10, 2005 letter to the Board of Supervisors signed by then-Mayor Bob Link is attached. No response has been received to date on the proposals contained in the letter.

Staff believes the proposals contained in the August 10, 2005 letter are still appropriate. Staff recommends that Council direct staff to re-submit the letter to the Board of Supervisors as the recommended growth strategy for Tulare County.

Development on Unincorporated Lands Inside City UABs: The draft plan contains a policy (PF 4.9, page 2-10) that would require the County to update its plan to consider any changes in land use plans of the various cities in the County. However, the County General Plan Update also contains policies that will enable the County to approve development projects on unincorporated lands within city UABs, subject to a finding of consistency with General Plan “objectives” and the requirement that the project meet the development standards of the city in question.

This policy is troubling in several ways. First, it is clear that the County is seeking to improve its fiscal position by encouraging development on unincorporated lands, including lands in City UABs. However, this policy may place the City and County at odds regarding development proposals in UABs where developers “shop” the two entities for the best deal or the two agencies compete for desirable, high sales tax land uses. Also, because both the City and County can consider development proposals in City UABs, this policy has potential to cause sprawl due to piecemeal, uncoordinated development and thwart efforts to maintain planned, orderly growth inside City UABs.

City staff believes that the current policy of referring development proposals on unincorporated lands in City UABs needs to be maintained to that first preference is given to development occurring as well connected extensions of cities with application of full urban services. This has the benefits of minimizing sprawl, providing efficient land use and traffic circulation patterns and minimizing impacts on ag lands. Further, consistent with the August 10, 2005 letter from Council to the Board of Supervisors, fiscal issues should be dealt with through potential tax sharing agreements for newly annexed areas, and not drive land use decisions.

Consideration of New Towns: New towns create concerns regarding loss of ag lands, sprawl, water demands, environmental impacts and other issues. Based on the County staff/consultant team analysis on development capacity of existing UABs attached to this report, there is no demonstrated need to establish new communities in Tulare County. Therefore, it is appropriate to recommend that the County not consider new town proposals unless it found that the existing cities or unincorporated communities cannot fill identified needs and sufficient services and resources are available to support new towns without causing environmental damage or adversely impacting other existing communities and cities. In this respect, it seems that the proposed policy language should eliminate the general reference to “justifiable circumstances” and instead be expanded to include detailed criteria for consideration of new town proposals.

Agricultural Land Mitigation: Staff’s review of the document did not find policies for development of a program for mitigation of agricultural land conversion to urban uses. Given Tulare County’s global contribution to food production and bio-industries, it is advisable for the County Government to take a leadership role in ag land mitigation, particularly if the County continues down the path of encouraging urban development. Even more beneficial would be the establishment of a coordinated and comprehensive ag land mitigation program involving the County and its cities. This type of inter-governmental partnership would be an effective tool in offsetting the impacts of development County-wide and would create a level playing field for all cities and the County as we address impacts of development on agricultural resources.

Prior Council/Board Actions: NA

Committee/Commission Review and Actions: NA

Alternatives: Revise comments as appropriate.

- Attachments:**
- A. Letter from former Mayor Bob Link dated August 10, 2005
 - B. Tulare County General Plan Alternatives handout dated July 2005
 - C. Map of Tulare County General Plan areas

Recommended Motion (and Alternative Motions if expected):

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Youth Transportation System

Deadline for Action: N/A

Submitting Department: Police and Parks & Recreation
Departments

Contact Name and Phone Number: Bob Carden, Chief of
Police Ext. 4215; Vince Elizondo, Recreation Director, Ext. 4367

Department Recommendation:

The Visalia Police Department and the Parks & Recreation Services Department recommend that the City move forward with allocating funds from the Gang-Intervention Fund as follows:

- To establish a Youth Transportation System on a trial basis to address the needs of youth in our community by providing a reliable mode of transportation which will allow them to better utilize established youth services at Community Centers.
- Authorize staff to enter into a contractual agreement with MV Transit to provide bus transportation services for youth within the City of Visalia, to include the purchase of a "previously used" bus that meets transportation needs, as well as staffing to safely operate the bus.

Summary / Background:

As part of its 2006/2007 City Budget, the City Council allocated \$100,000 to be utilized for intervention efforts within the community in an on-going effort to modify, in a positive way, the impact that gangs are having on the youth of our community. As a result of this allocation of funds, the Police and Parks & Recreation Departments, in cooperation with the Visalia Unified School District, invited leaders and executives from various City and County Departments, as well as community leaders from other youth involved organizations, to come together in a consolidated effort to identify how the City could best utilize these funds. Members of the Gang-Intervention Task Force included:

For action by:

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

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): 15

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.

Jesus Gamboa, Mayor, City of Visalia
Stan Carrizosa, Superintendent, Visalia Unified School District
Bill Wittman, Sheriff, Tulare County Sheriff's Department
Phil Cline, Tulare County District Attorney
Janet Honadle, Officer, Tulare County Probation
Vince Elizondo, Director, Visalia Parks & Recreation Department
Bob Carden, Chief, Visalia Police Department
Jim Vidak, Superintendent, Tulare County Office of Education
Bob Grenier, Calvary Chapel / Reaching Youth
Bob Masterson, Reaching Youth
Phil Cox, Tulare County Board of Supervisors
Lucinda Awbrey, Visalia Unified School District
Jeannie Greenwood, Recreation Manager, Visalia Parks & Recreation Department
Monty Cox, Transit Manager, City of Visalia Transit
Galen Quenzer, Boys and Girls Club
Juan Guerrero, Wittman Center
Gary Williams, Youth Service Sergeant, Visalia Police Department

At the Committee's initial meeting, it was determined that the Committee's role would be to strengthen partnerships and educate each other on issues related to intervention efforts and to identify potential needs for those organizations actively involved with youth intervention efforts in the community. To better understand these efforts, various community organizations were invited to make presentations on their individual organization's "efforts and needs".

Organizations making presentations included:

Joe Torres, Streetwise Partners
Galen Quenzer, Boys and Girls Club
Eldonna Caudill, Tulare County Workforce Investment Board
Juan Guerrero, Wittman Center
Rudy Soleno, Charter Oak Alternatives
Shawn DeLarge, United Community Youth Center
Juan Mendoza, Manuel Hernandez Center
Rob Zieg, Visalia Police Department
Bob Masterson, Reaching Youth
Adam Valencia, Tulare County Office of Education
Rosemary Caso, YMCA
Randy Davis, Tulare County Health and Human Services

While this group is a subset of various organizations within Visalia, their presentations provided focus on a pressing need for youth in our community; that being transportation to get the youth to the recreation centers. These groups were united in their opinion that if transportation needs could be addressed, use of the centers and the services offered would increase. A sub-committee was formed to make recommendation to the main committee on ways to address this need. After several meetings, it was suggested that, if possible, a Youth Transportation Route be established that would provide reliable transportation on a consistent schedule. It was recommended that the City of Visalia Transit be utilized for this purpose.

Monty Cox, Manager of the Visalia City Transit, was contacted and consented to explore available options. He suggested that while community transit funds could not be used for this project, that it would be possible, using funds previously allocated by City Council, to form a contractual agreement with MV Transit to establish a Youth Transportation Route operated by their Department. Additionally, he advised that no buses currently exist that could be used for

this service, and an additional bus would need to be purchased to get the project underway. Mr. Cox provided a cost analysis, looking at the costs associated with providing the service on Saturday only, Weekdays and Saturday, as well as “after school” service during the school year. The report provided by Visalia Transit is attached to this report for review.

Consistency of service was identified by the Committee as being essential to the Youth Transportation Route having a chance of success. It was the committee’s recommendation that the route have a frequency of service not to exceed 30 minutes in duration. With that being the goal, Mr. Cox was able to provide the committee with a suggested route that would service a large portion of Visalia, with various Centers and schools being pick-up and drop-off points. It was suggested that for those youth living outside of walking distance of the loading points, that an accommodation be made on established City Transit Routes for them to ride to the nearest youth bus loading point. A copy of the “transit route” is attached to this report for review.

Finally, it was the opinion of the committee that part-time personnel be employed to serve as recreation coordinators aboard the bus...their primary responsibility being that they have a working knowledge of recreational opportunities within the community, and directing youth accordingly. Additionally, they would provide an added level of security for those youth riding the bus. The estimated cost for these part-time employees, if employed through the Visalia Recreation Department as Program Leader II’s, would be approximately \$20,870 annually, serving on a “year round” route. A copy of the estimated cost for this service provided by the Parks and Recreation Department is attached to this report.

During the presentation provided by the various youth services groups, it was brought to the attention of committee members that a good number of youth that utilize youth services in Visalia live outside the city limits and that a great need for transportation exists in these areas as well. Supervisor Phil Cox, who also serves as a member of the Committee, said he would approach the County Board of Supervisors to determine if funds exist to establish a County Youth Transportation System that would complement the system in Visalia.

Numerous alternatives for providing service were evaluated. These included “Saturday Only”, “Weekday Summer”, and “After School Weekday” schedules. The costs for these various options can be found in the attached schedules. Those organizations that made presentations felt strongly that the needs were greatest “after school” and on Saturday’s. We are estimating a total cost for one year’s bus service to be approximately \$108,000, which would include “Weekday Summer”, “Saturday”, and “After School Weekday” operation. All of these options or any combination of options could be utilized depending on an evaluation of “ridership” after the program is underway. A bus would need to be purchased prior to implementation. The estimated cost of a “previously used” bus is \$25,000.

Funds have been budgeted that could be used for this project, although the amount budgeted is not sufficient for one full years operation. It is staff’s suggestion that the program be operated through the remainder of this school year, this coming Summer and the first semester of the 2007/08 school year, at which time the “ridership” and subsequent impact to youth centers be evaluated to determine continuance. It is estimated that the program cost from May 1st through December 31, 2007 would be approximately \$73,093.91 plus purchase price of the bus. While it is anticipated that the service will start prior to the end of the school year, it is not anticipated that the service can be operational by May 1. However, the service will be implemented as close to that date as possible so for budgetary purposes, we have estimated the cost from that date. If the results are favorable, a request for additional funding could come forward prior to the end of the year to ensure the program can continue after January 1.

In conclusion, the Youth Intervention Task Force, comprised of leaders throughout the community, has worked diligently to provide a positive response to our community regarding gang problems and to find ways to proactively address youth needs and ensure that we as a community do those things necessary to provide our youth with opportunities for success. It was very apparent to members of the Committee that residents of Visalia and surrounding communities have actively engaged in providing recreation and intervention services to our youth. This Task Force will continue to meet to address other needs, some of which have been identified as:

- Enhancing the safety of our parks and youth centers
- Providing gang awareness education to parents within the community
- Identifying avenues for youth to obtain jobs within the community
- Addressing bilingual needs in service centers and public safety presentations
- Continue to share knowledge and develop partnerships between agencies that can only serve to strengthen our intervention efforts.
- Development of a tri-fold brochure describing available youth services.

The Intervention Task Force would like to compliment the Council on taking the initial step to provide special funding to be used exclusively for youth intervention projects in our community. It is recommended that these funds be utilized to establish a Youth Transportation Route in the City of Visalia.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: Bus Service Cost Analysis: City of Visalia Transit Department, Monty Cox
Bus Route: Parks & Recreation Department, Jeannie Greenwood
Personnel Costs: Parks & Recreation Department, Jeannie Greenwood

Recommended Motion (and Alternative Motions if expected):

I move that City Staff move forward to establish a Youth Transportation Route in the City of Visalia through a contractual agreement with the City of Visalia Transit Department, utilizing the funds set aside for youth intervention purposes in the 2006/2007 budget.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

Gang Task Force Bus Routes

Hourly Cost \$ 45

Visalia Route

School Year	Hours/day	Number of Days	Total Cost
Week Days	4.5	179	\$ 36,248
Saturdays	9	42	\$ 17,010
Total			\$ 53,258

Summer	Hours/day	Number of Days	Total Cost
Week Days	8	49	\$ 17,640
Saturdays	8	10	\$ 3,600
Total			\$ 21,240

Total Weekdays			\$ 53,888
Total Saturdays			\$ 20,610
Total Annual			\$ 74,498

Goshen/Ivanhoe Route

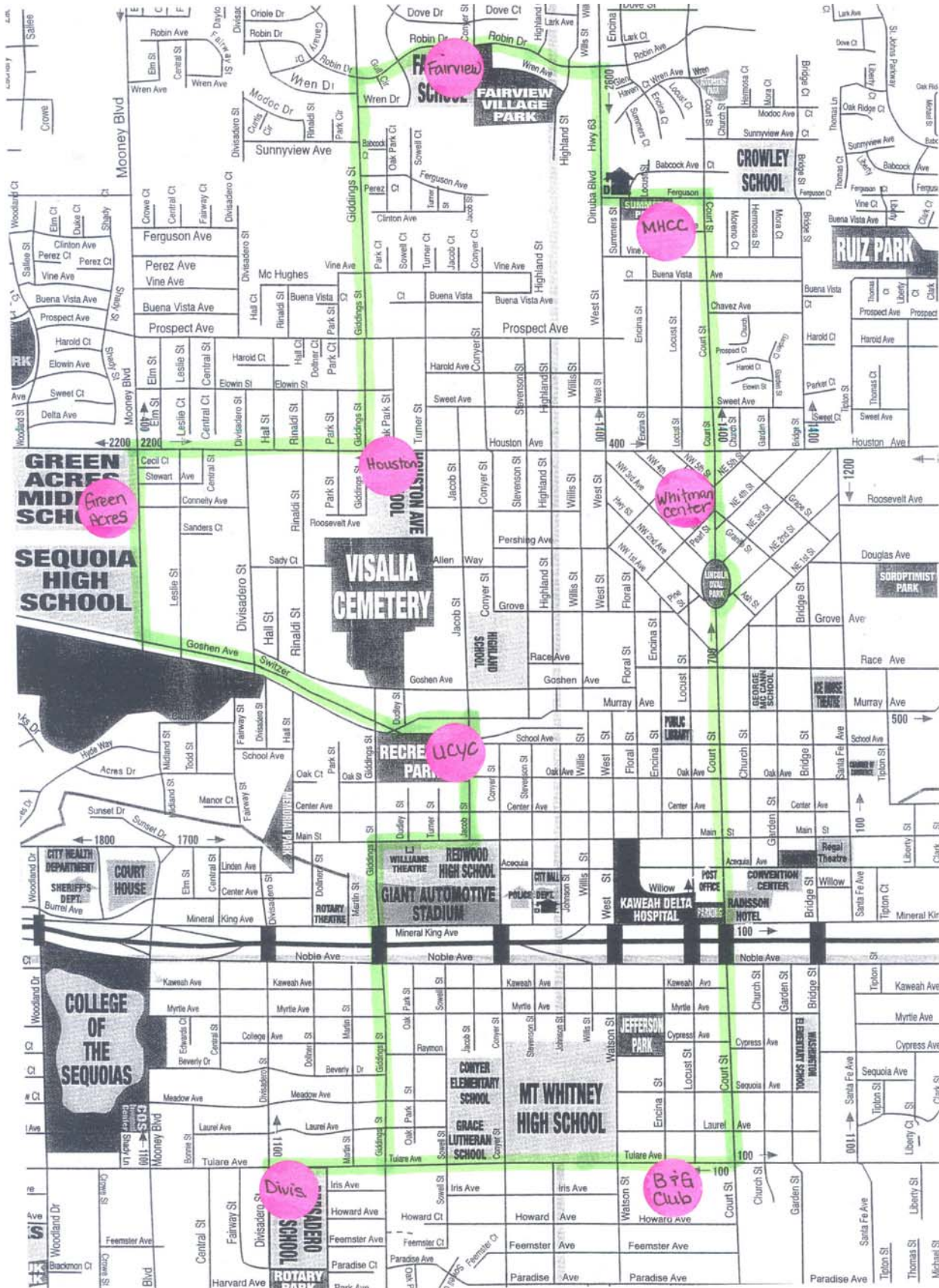
School Year	Hours/day	Number of Days	Total Cost
Week Days	5.5	179	\$ 44,303
Saturdays	10	42	\$ 18,900
Total			\$ 63,203

Summer	Hours/day	Number of Days	Total Cost
Week Days	9	49	\$ 19,845
Saturdays	9	10	\$ 4,050
Total			\$ 23,895

Total Weekdays			\$ 64,148
Total Saturdays			\$ 22,950
Total Annual			\$ 87,098

Assumptions

- 1 Visalia route is 30 minute loop
- 2 The schedule is the same for both routes
- 3 School weekday hours are 2:30-7
- 4 School saturday hours are 9-6
- 5 Summer weekday hours are 12-8
- 6 Summer saturday hours are 12-8
- 7 Ivanhoe Rt. is estimated at 40 minutes round trip
- 8 Goshen Rt. is estimated at 30 minutes round trip
- 9 One bus per route



**Gang Intervention Task Force
Transportation Sub-Committee
Hourly Staff Costs by route**

Route Description	Days of Operation	Hours of Operation	# of Days	Date Range (13 months)	Staff Cost
Year Round Route	Mon-Sat	varies	323	June 7, 2007 - June 30, 2008	\$ 20,870.00
Year Round Saturdays	Saturday	12:00 - 8:00 p.m.	56	June 9, 2007 - June 28, 2008	\$ 4,776.00
After School	Mon - Fri	2:30 - 7:00 p.m.	200	August 16, 2007 - June 4, 2008	\$ 10,259.00
School Year - Saturdays	Saturday	12:00 - 8:00 p.m.	42	August 18, 2007 - June 2, 2008	\$ 3,713.00
Summer Saturdays	Saturday	12:00 - 8:00 p.m.	10	June 9, 2007 - August 11, 2007	\$ 1,111.00
Summer Weekdays	Mon - Fri	12:00 - 8:00 p.m.	49	June 7, 2007 - August 15, 2007	\$ 4,073.00

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording: City Council approval of resolutions relating to the regular municipal election to be held on Tuesday, November 6, 2007. Approval of Resolution No. 2007-29 requesting and consenting to consolidation of elections and setting specifications of the election order; Approval of Resolution No. 2007-30 requesting the Tulare County Board of Supervisors permit the County Registrar of Voters to render specific services to the City of Visalia

Deadline for Action: June 2007

Submitting Department: Administration

Contact Name and Phone Number:
Donjia Huffmon and Leslie Caviglia 713-4512

Recommendation:

It is recommended that the Visalia City Council approve and adopt these resolutions to consolidate the regular municipal election to be held Tuesday, November 6, 2007 with other elections to be held in and administered by the County of Tulare on that date.

Summary:

For many years the City of Visalia has consolidated its municipal elections with other elections conducted by the County of Tulare. The Tulare County Office of the Registrar of Voters, under the direction of Kim Shannon, Election Supervisor, Ann Turner, Election Clerk III, Jim Price, Election Clerk II, Irene Zacarias, Election Clerk III, and Veronica Luna, Elections Clerk I, have done an efficient and effective job for the City of Visalia in previous elections. The consolidation of the City's election with other elections conducted in the County of Tulare has resulted in tremendous cost savings for Visalia. In recent years, the County of Tulare has implemented automated voting equipment and processes which have increased the timeliness and accuracy of the elections process.

Prior Council/Board Actions: Adoption of these resolutions and consolidation of the upcoming elections will be consistent with past practice of the Visalia City Council.

Committee/Commission Review and Actions: N/A

Alternatives: N/A

Attachments: See attached Resolution Nos. 2007-29 and 2007-30

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Recommended Motion (and Alternative Motions if expected):

Approve Resolution No. 2007-29 requesting and consenting to consolidation of elections and setting specifications of the election order; and Approve Resolution No. 2007-30 requesting the Tulare County Board of Supervisors permit the County Registrar of Voters to render specified services to the City of Visalia.

City Manager Recommendation:

Financial Impact

Funding Source:

Account Number: _____ (Call Finance for assistance)

Budget Recap:

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

Copies of this report have been provided to:

Environmental Assessment Status

CEQA Review:

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

NEPA Review:

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

Review and Approval - As needed:

Department Head Review (Signature):

Risk Management Review (Signature):

City Attorney Review (Signature):

Administrative Services Finance Review (Signature):

Others:

RESOLUTION NO. 2007-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA REQUESTING AND
CONSENTING TO CONSOLIDATION OF ELECTIONS; AND SETTING SPECIFICATIONS OF
THE ELECTION ORDER

WHEREAS, the City Council has ordered a Municipal Election to be held on Tuesday, November 6, 2007, to fill certain municipal offices; and

WHEREAS, other elections may be held in whole or in part of the territory of the City and it is to the advantage of the City to consolidate pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10242 provides that the governing body shall determine the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the County in full for the services performed upon presentation of a bill to the City by the County Elections Official; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens the governing body must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the election once in a newspaper of general circulation in the City;

NOW, THEREFORE, IT IS HEREBY ORDERED that an election be held in accordance with the following specifications:

1. The Election shall be held on Tuesday, the 6th day of November, 2007. The purpose of the election is to choose successors for the following offices:

Two seats for the:

Visalia City Council – Term of Office 11/2007 through 11/2011;

Visalia City Council – Term of Office 11/2007 through 11/2011;

Three seats for the:

Visalia Unified School Governing Board, Area 5; 12/2007 through 12/2011

Visalia Unified School Governing Board, Area 5; 12/2007 through 12/2011

Visalia Unified School Governing Board, Area 5; 12/2007 through 12/2011

2. This City Council hereby requests and consents to the consolidation of this Election with other elections which may be held in whole or in part of the territory of the City, as provided in Elections Code 10400.
3. The City hereby designates the hours the polls are to be kept open shall be from 7:00 a.m. to 8:00 p.m.
4. The City will reimburse the County for the actual cost incurred in conducting the Election upon receipt of a bill stating the amount due as determined by the Elections Official.
5. The City Council has determined that the candidate will pay for the Candidate's Statement. The Candidate's Statement will be limited to 200 words.

6. The City requests that the Registrar of Voters publish the Notice of Election in the Visalia Times-Delta which is a newspaper of general circulation that is regularly circulated in the City of Visalia.
7. The City directs that a certified copy of this Resolution be forwarded to the Registrar of Voters and the Board of Supervisors of Tulare County.

PASSED AND ADOPTED:

STEVEN M. SALOMON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF VISALIA)

I, Steven M. Salomon, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution No. 2007-__ passed and adopted by the Council of the City of Visalia at a regular meeting held on April __, 2007.

DATED:

STEVEN M. SALOMON, CITY CLERK

By Donjia Huffmon, Chief Deputy

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA REQUESTING THE TULARE COUNTY BOARD OF SUPERVISORS PERMIT THE COUNTY REGISTRAR OF VOTERS TO RENDER SPECIFIC SERVICES TO THE CITY OF VISALIA

WHEREAS, pursuant to the Elections Code, the governing body of any City may, by Resolution, request the Board of Supervisors of the County to permit the County Elections Official to render specified services to the City relating to the conduct of an election; and

WHEREAS, the City has ordered an election be held with the boundaries of the City on November 6, 2007;

NOW, THEREFORE, BE IT RESOLVED by the City Council:

The Board of Supervisors of Tulare County is hereby requested to permit the County Registrar of Voters to render services to the City of Visalia relating to the conduct of the November 6, 2007, Municipal Election as follows:

- a. Distribute and file nomination papers and candidate statements for City offices and Visalia Unified School Governing Board Offices.
- b. Make all required publications.
- c. Prepare, print and mail to the qualified electors of the City of Visalia sample ballots and voter pamphlets.
- d. Provide absent voter ballots for said Municipal Election for use by the qualified electors who may be entitled to absent voter ballots in the manner provided by law.
- e. Order consolidation of precincts, appoint precinct boards, designate polling places and instruct election officer concerning their duties.
- f. Conduct and canvass the returns of the election and certify the votes cast to the City.
- g. Receive and process absent voter applications.
- h. Prepare, print and deliver to the polling places supplies, including the official ballots and a receipt for said supplies.
- i. Recount votes, if requested, in accordance with State law.
- j. Conduct the above election duties in accordance with the Voting Right Act of 1975.
- k. Perform all other pertinent services required to perform for said election other than the requirements of the Fair Political Practices Commission; said Fair Political Practices Commission requirements to be performed by the City Clerk.

The City Clerk is hereby authorized and directed to transmit certified copies of this Resolution to the Board of Supervisors and to the County Registrar of Voters.

PASSED AND ADOPTED: STEVEN M. SALOMON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF VISALIA)

I, Steven M. Salomon, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution No. 2007-__ passed and adopted by the Council of the City of Visalia at a regular meeting held on April __, 2007.

DATED: STEVEN M. SALOMON, CITY CLERK

By Donjia Huffmon, Chief Deputy

City of Visalia Agenda Item Transmittal

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk):

Agenda Item Wording: Authorization for the City Manager to sign a contract with the Harlan Hutson Productions for \$10,000 to produce a specific cultural arts event in the fall of 2007.

Deadline for Action: N/A

Submitting Department: Administration

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

Department Recommendation:

It is recommended that the Council authorize the City Manager to sign a contract with Harlan Hutson Productions (HHP) for \$10,000 to produce a "Little Alley" theatre production in the fall of 2007.

Summary/background:

At the Council's annual planning retreat last year, the Council requested staff to look at how the City could offer additional support to the arts in the community.

During the 2006-2008 budget adoption, the Council approved a total of \$80,000 in the 2006/2007 budget for support for the arts, and \$50,000 in 2007/2008. The major expenditure in the 2006/2007 budget allocation is the development of a community plan for encouraging, supporting and promoting the arts throughout the community. The Council approved a contract with AMS at the March 19 meeting to develop that plan.

The Plan will be a comprehensive approach to supporting the arts throughout the community now and in the future. It will be developed with significant community input through a working group, community workshops, focus groups and interviews. While the process will be driven by the community, the consultant AMS has been asked to ensure that the plan builds 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 addition, many plans that have been developed for other communities also assess the impact that can be made on historic preservation, neighborhood revitalization, tourism, economic development and other more global type issues, and AMS has been asked to consider these issues as well as the plan evolves. The contract

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 3/26/07

Finance:
City Atty :

City Mgr

with AMS is being circulated for signatures. The firm is already working with staff to develop the community participation aspects of the process, and is expected to officially begin working on the plan later this month.

In the interim, and to ensure that the current art programs are continued while the comprehensive plan is developed, Council authorized staff to look at opportunities to enhance and/or expand current cultural events. As part of that endeavor, Council approved a contract with First Arts to conduct a minimum of 8 arts market days in the downtown, to organize a Dia de los Muertos event, and an arts and music festival, which will occur on Memorial Day weekend.

Another \$10,000 in budgeted funds was targeted for a major theatre production. Harlan Hutson of HHP has proposed promoting, organizing and raising the necessary funds to produce a "Little Alley" outdoor theatre production in Downtown Visalia that would run for at least three performances as part of a larger arts festival on or before Nov. 15, 2007. He plans to stage an appropriate play, something along the lines of West Side Story, in an Alley/parking lot in the downtown area. Such a location will be a unique setting for a popular, high energy production. His intent is to grow this unusually staged event into a multi-day musical/theatrical endeavor that could become a signature event for Visalia.

The contract would include specific performance requirements, including a provision that HHP raise significant matching funds through sponsorships and/or grants for the event. One half of the payment for the event would be made upon verification that at least one-half of the sponsorship/grants projected for the event has been raised/committed, and the remaining half would be paid upon verification that the event has completed the Special Events Committee process. While the event will not occur until Fall, 2007, it is anticipated that most, if not all, of the City's money will be committed in this fiscal year.

At Council's direction, staff will request the City Attorney to draft and the City Manager to sign a contract with Harlan Hutson Productions for \$10,000 to plan, organize, fund and execute this event.

Prior Council/Board Actions:

February, 2007 - Council asked staff to bring back recommendations for supporting the arts in Visalia

July, 2007 – Council approved a contract with First Arts for \$30,000 for specific event production

Committee/Commission Review and Actions:

N/A

Alternatives:

Attachments:

Recommended Motion (and Alternative Motions if expected):

I move that we authorize the City Attorney to draft and the City Manager to enter into a contract with Harlan Hutson Productions to produce a theatrical production in the fall of 2007 for a total sum of \$10,000.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

First Arts

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording: Action Items from the Mid-year Financial Report presented at the Council Work Session on March 19, 2007.

Deadline for Action: Items 1 - 8 For Consideration Now
Items 9 -16 To Be Considered Later

Submitting Department: Administrative Services

Contact Name and Phone Number: Eric Frost, x4474, Gus Aiello, x4423, Melody Murch, x4379, Tim Fosberg, x4565.

Department Recommendation: That the Council approve the items from the FY06/07 Mid-year Financial Report as recapped below. The first 8 items require prompt action. The remaining 8 items will be brought back to Council as the items progress.

Summary/background: City Council met on March 19, 2007 to review the FY06/07 Mid-year Financial Report. Council gave preliminary direction on Item #12 – RDA Debt Financing but also directed staff to return to Council for final authorization on the remaining items.

Attached is the FY06/07 Mid-year Financial Report. From that report, staff segregated 8 specific for Council's authorization tonight. The remaining 8 items will be individually brought back to Council as the items progress. The proposal to change the percentages for the Council designated priorities has been eliminated.

Recommended appropriations requiring prompt action

General Fund:

1. Fund a United Way \$3,000 request for First Call (a non-profit referral service)
2. Fund a Community Outreach Manager out of the City Manager's Office at an annual cost of \$92,000.
3. Accelerate Police Precinct equipment for \$100,000 from FY07/08 to FY06/07
4. 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

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.

5. Appropriate \$110,000 for medians maintenance for FY06-07 & \$200,000 for FY07-08
6. Appropriate \$92,000 for a new Programmer / Analyst in the GIS division
7. Appropriate \$5,000 for Miki City travel and housing

Vehicle Replacement Fund:

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

Action Items which will be brought back individually they progress

General Fund:

9. Fund \$4 million of the Oaks Stadium Capital Project from a debt issue in FY07/08
10. Develop documents necessary to issue a Pension Obligation Bond (POB)

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

Transit:

13. Develop a comprehensive plan for expending Measure R funds

Solid Waste:

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

Wastewater:

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

Airport:

16. Hire a new maintenance worker to perform ARFF responsibilities

Prior Council/Board Actions: FY06/07 Mid-year Financial Report, 3/19/07 Work Session

Committee/Commission Review and Actions: None

Alternatives: The Council could further review and consider any of these items.

Attachments: Mid-year Financial Report – 3/19/07 Agenda Item

Recommended Motion (and Alternative Motions if expected): That City Council approve the first 8 Action Items as recommended.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

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 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.

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.

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 ¼ 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 ¼ 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>FY 05-06 Actual</u>	<u>As Amended Budget</u>	<u>Projections</u>	<u>Variance Fav(Unfav)</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
REVENUES / SOURCES	\$ 66,365	\$ 70,460	\$ 76,472	\$ 77,719	\$ 1,247
EXPENDITURES / USES					
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 Gropetti 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)

<u>RDA Areas</u>	<u>Balance Sheet</u>			<u>Debt Issue Sunset</u>
	<u>Fund Balance 06/30/2006</u>	<u>Outstanding Debt and Oblig.</u>	<u>Remaining Fund Balance</u>	
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>

Comment: Supported by the General Fund

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

<u>OPERATIONS</u>	<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)
 <u>OTHER / NON-OPERATING</u>		
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
 <u>CASH AVAILABLE FOR CAPITAL ASSETS</u>		
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.

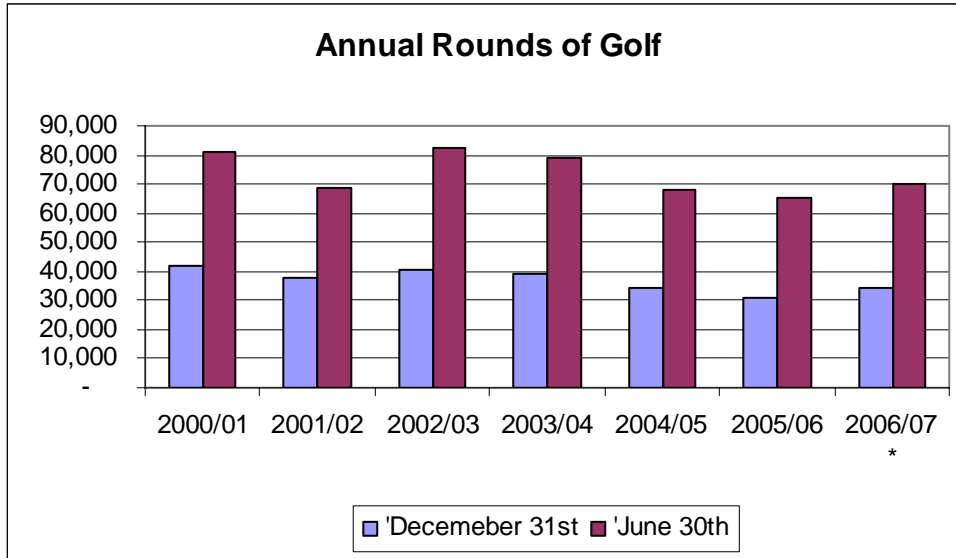
The Valley Oaks Golf course has been managed by CourseCo Golf since February of 2000. Prior to the management contract, the fund accumulated significant debt due to a 9-hole expansion and some operating losses. Since CourseCo Golf took over the course, they have generated an operating income and reduced 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

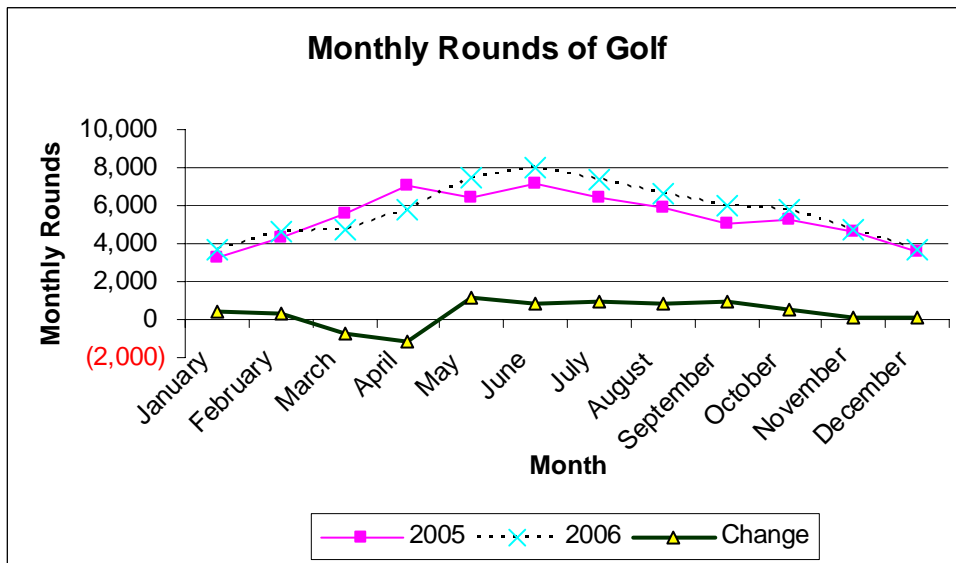


Table XI
Valley Oaks Golf

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	\$ 673,138	\$ 535,000
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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	\$ 262,558	\$ 0
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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	0	\$ 0
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- 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

OPERATIONS

REVENUES

	<u>Budget</u>	<u>Projected</u>
Operating Revenues	\$ <u>1,769,492</u>	\$ <u>1,945,000</u>

EXPENSES:

Personnel	(376,088)	(379,000)
Operations & Maintenance	(1,152,400)	(1,225,000)
Allocated Costs	(186,572)	(192,000)
	<u>(1,715,060)</u>	<u>(1,796,000)</u>

OPERATING	\$ <u>54,432</u>	\$ <u>149,000</u>
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OTHER / NON-OPERATING

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>
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CASH AVAILABLE FOR CAPITAL ASSETS

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.	(6,949,000)	(4,168,000)

ENDING CAPITAL ASSET CASH	\$ <u>(676,971)</u>	\$ <u>(124,000)</u>
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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

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

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

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>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

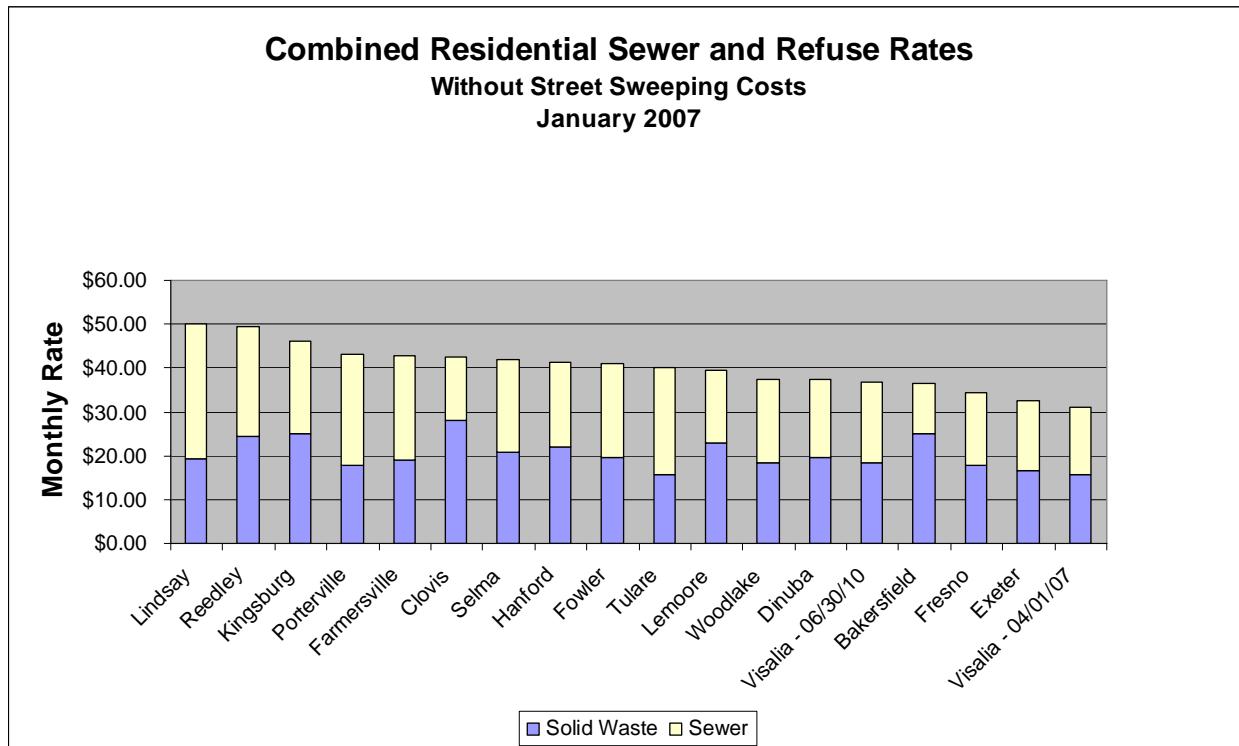
Recommended Action:

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 XIIX, 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.

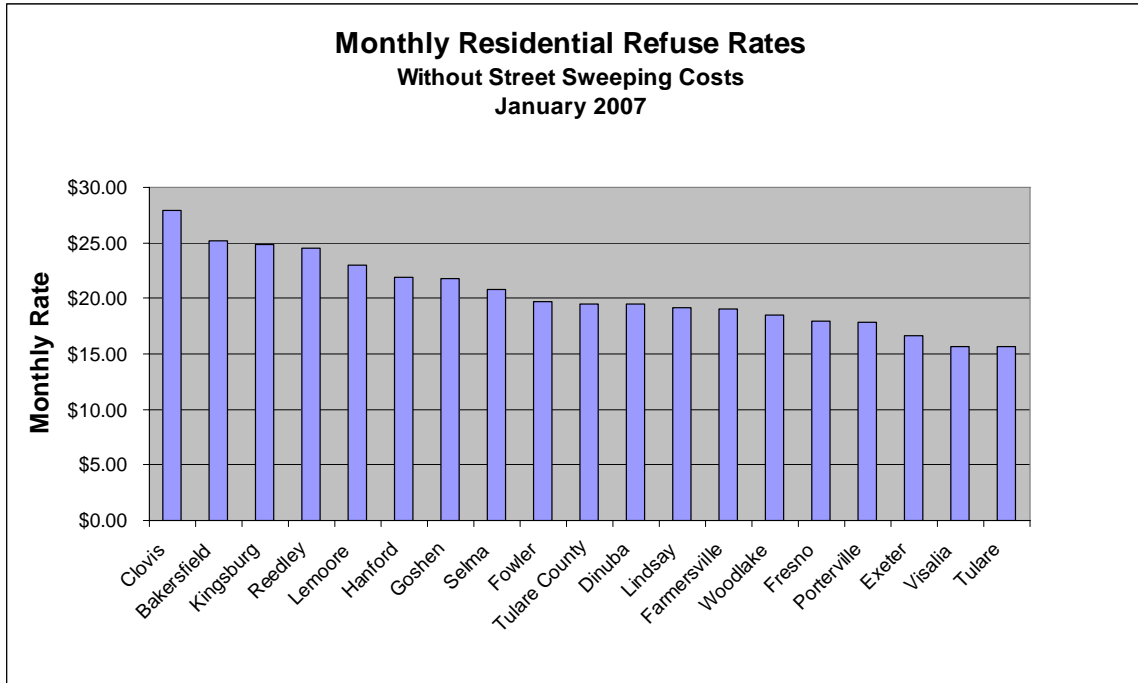
The last refuse rate increases occurred in July 2005 and July 2006 in which the residential rate was increased by \$0.35 each year for CNG capital conversion costs. These increases were the first two years of a four-year rate increase program of annual increases of 2.5%. Other than this four-year increase 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.

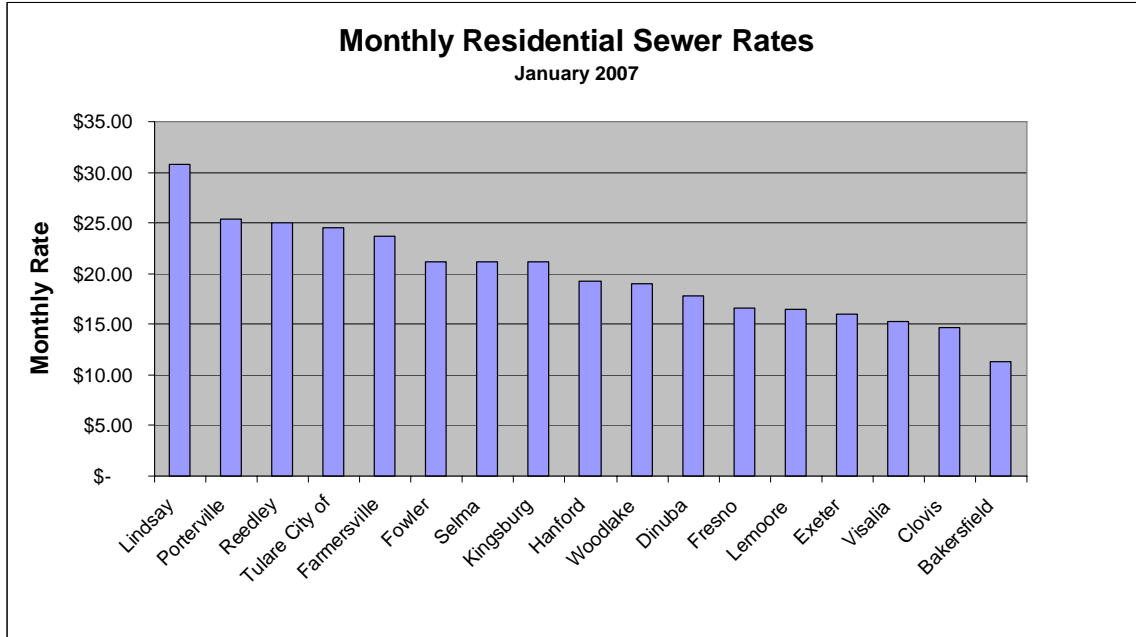
Of additional interest is that Wastewater owns over 850 acres south of the plant on Avenue 280, which was at one time the largest contiguous single-variety walnut orchard in the Valley. In 2005, the City removed 250 acres of the least productive acreage and leased it out for fodder crops. The remaining 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

Attachment #1 - Page 2 of 2

**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)
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

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**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

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

Cal Water / City of Visalia Utility Billing Stuffer

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 to 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.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording:

Authorize staff to execute a State of California contract (Calnet II) for wireless services (Master Contract #1S-05-58-02) with Verizon Wireless. Authorize staff to utilize Verizon Wireless for mobile data services for those services outside of the state agreement.

Deadline for Action: N/A

Submitting Department: Administrative Services, Information Services

Contact Name and Phone Number:

Michael Allen x4515

Department Recommendation:

Authorize staff to execute a State of California contract (Calnet II) for wireless services (Master Contract #1S-05-58-02) with Verizon Wireless. Authorize staff to utilize Verizon Wireless for mobile data services for those services outside of the state agreement.

Summary/background:

The City of Visalia utilizes and desires wireless data service for several essential functions – Police and Fire mobile computers (MDTs), code enforcement, system control of sanitary and storm sewer lift stations (SCADA), and building and public works inspections. Currently, about 80 Police MDTs use a wireless service – around 25 with an EDGE (AT&T's cellular data) service, and the remainder a private radio frequency. All other functions like Fire, Code Enforcement, Building Inspections, etc., desire this wireless capability but the current private radio frequency is beyond its capacity. The existing EDGE service, while functional, is fairly limited in speed (similar to a dial-up modem) and suffers from severe latency (time delay).

As part of the Public Safety Technology Master Plan accepted by Council on June 12, 2006, and an update on that plan given November 6, 2006, staff was given direction to pursue a wireless communications system replacement for Public Safety use. Therefore, Information Services, with testing assistance from Police, sought information from vendors to replace and enhance our wireless data services.

The City of Visalia has several requirements in a wireless data service:

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 5

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

- **Mobility** – the ability to function on-the-move, even in a high-speed pursuit
- **Coverage** – complete coverage of the City of Visalia and surrounding border areas
- **Cost Effectiveness** – as a leased service, the overall cost is vitally important
- **Throughput** – the overall speed and capacity of the service
- **Latency** – the time-delay (or lack thereof) in all communication services

Several technologies are available that can meet these needs. All have acronyms that are truly unimportant (EVDO, WiMax, HSDPA, etc.), but the varying technologies offer similar overall performance and pricing. Information Services solicited information from the only vendors meeting these requirements and received the following:

- **Cingular/AT&T** – the current provider of our EDGE service. The replacement service for EDGE is HSDPA and it promises higher throughput and less latency. However, AT&T has no idea when that HSDPA service might be available in the Visalia area.
- **Sprint/Nextel** – currently provides some low-speed services in the area. High-speed EVDO service is not expected until at least Summer of 2007.
- **Clearwire** – this WiMax service (not cellular data like the other vendors) is utilized by the city for fixed location services. This works well for high-speed in a fixed location, but mobile units have not been provided to test. Mobile services are supposed to be coming, but no timetable has been given yet. Some areas of the city do not have coverage yet.
- **Verizon Wireless** – like Sprint/Nextel, up until December 2006 could only offer low-speed services. Near the end of December, Verizon implemented their highest-speed EVDO service that covers all of Visalia (some versions of this service blanket most of the state). Information Services obtained a laptop EVDO card at that time to test the speed, latency, and coverage capabilities. Testing revealed very high speeds, low latency, and excellent coverage of the City of Visalia.

Leased, high-speed mobile wireless communications from numerous vendors promises to be available within Visalia soon, but only one vendor, Verizon, offers a solution to our immediate problems today. The existing EDGE (AT&T) service runs about \$55 per user per month. The proposed EVDO (Verizon) service runs about that same \$55 per user per month under Verizon’s normal pricing. In addition to the per user per month charge, a fixed-cost lease line is necessary to tie the wireless communications back to the City’s network in a secure mode (under the state contract pricing). The existing 256K-capacity EDGE (AT&T) fixed line runs a little over \$600 per month, whereas the proposed 1.54M-capacity EVDO (Verizon) fixed line, with six times the capacity, runs \$680 per month. This capacity increase in the fixed line is due to the sheer number of devices proposed to be supported by the wireless services. The expected usage by function is:

Supported Function	Existing Use	Proposed Use	Proposed Monthly Cost
Police MDTs	25	80	\$4,400
Police FTO (school sites)	0	9	\$ 495
Fire MDTs	0	12	\$ 660

Code Enforcement	0	2	\$ 110
Building Inspections	0	12	\$ 660
PW Inspections	0	5	\$ 275
Lift Stations	0	55	\$3,025
Fixed Line Cost	NA	NA	\$ 680
TOTAL	25	184	\$10,305

In addition to these per user per month charges is a one-time charge for the wireless card (\$55 per device). Police and Fire, as part of the Public Safety Technology Master Plan, and the lift station project have these costs included in their budget projections and appropriations for fiscal years 06/07 and 07/08. Other divisions have budgeted for their wireless usage as well. The lift station project is not anticipated to start for some time, but the rest of the functions need these services now. While the Verizon Wireless services run month-to-month and can be terminated at any time, the number of devices and overall configuration really means this is longer-term commitment.

Information Services recommends the signing of the State of California Master Contract agreement with Verizon Wireless and the implementation of these services. Verizon Wireless is the only vendor capable of providing these services at this time.

Prior Council/Board Actions:

June 12, 2006 – Presentation of the Public Safety Technology Master Plan at Council Worksession.

November 6, 2006 – Council Worksession update on the Public Safety Technology Master Plan and approval to issue a limited request for proposal for a consultant to assist in evaluating the computer aided dispatch systems. Authorized staff to move forward with the wireless infrastructure replacement for Public Safety.

Committee/Commission Review and Actions:

Alternatives:

One alternative is to wait for Sprint/Nextel's roll-out of EVDO services within Visalia. Pricing and system performance should be similar.

Attachments:

Recommended Motion (and Alternative Motions if expected):

Authorize staff to execute a State of California contract (Calnet II) for wireless services (Master Contract #1S-05-58-02) with Verizon Wireless. Authorize staff to utilize Verizon Wireless for mobile data services for those services outside of the state agreement.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording: Adoption of Resolution 2007-31 Adopting the City's Oak Tree Mitigation Policy and Establishing A Financial Assistance Program.

Deadline for Action: N/A

Submitting Department: Parks & Recreation Department

Contact Name and Phone Number: Vincent Elizondo, 713-4367

Department Recommendation:

City staff recommends that the City Council approve Resolution 2007- 31 adopting the City's Oak Tree Mitigation Policy, and approve the plan to establish policies and criteria for a residential tree pruning assistance program.

Background Information:

On February 20, the City Council approved the second reading of the amended Oak Tree Ordinance along with approving the Oak Tree Mitigation Policy.

A concern was expressed about the specific criteria used related to residential homeowners who requested financial assistance from the City related to pruning Oak Trees.

City staff is requesting that the City Council adopt Resolution No 2007- 31 which adopts the Oak Tree Mitigation Policy which cites Visalia Municipal Code section 12.24.100 as the policy that enables residential property owners to receive financial assistance from the City to prune Oak trees.

The Oak Tree Mitigation Policy now includes a section in III. B-2 Oak Tree Mitigation Fund which references Exhibit A in the document establishing criteria for assistance related to the residential Oak tree pruning program effective March 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.): 15

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Prior Council Actions:

Approval of the second reading of the City's amended Oak Tree Ordinance on February 20, 2007.

Approval of the first reading of the City's amended Oak Tree Ordinance on January 15, 2007.

The City Council last revised the City's Oak Tree Ordinance in 1995.

Committee/Commission Review and Actions:

Attachments: Attachment 1: Resolution No. 2007-31 Adopting the Oak Tree Mitigation Policy

Attachment 2: Amended Oak Tree Mitigation Policy

Recommended Motion (and Alternative Motions if expected):

City staff recommends that the City Council approve Resolution 2007- 31 adopting the City's Oak Tree Mitigation Policy, and approve the plan to establish policies and criteria for a residential tree pruning assistance program.

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*)

RESOLUTION NO. 2007-31

RESOLUTION OF THE CITY OF VISALIA
ADOPTING OAK TREE MITIGATION POLICY

WHEREAS, Visalia Municipal Code sections 12.24.037 and 12.24.110 authorize and direct the City Manager to develop an Oak Tree Mitigation Policy establishing mitigation requirements and uses to which mitigation funds shall be put; and

WHEREAS, Visalia Municipal Code section 12.24.100 provides that the city manager may provide financial assistance for the pruning of Valley Oak trees if the property owner does not have the financial resources to pay for such services; and

WHEREAS, criteria for determining financial need in relation to assistance for the pruning of Valley Oak Trees have been compiled by the City Manager; and

WHEREAS, the City Manager has developed a policy, entitled Oak Tree Mitigation Policy, March 1, 2007, attached hereto as Attachment 1 ("the Policy") establishing mitigation requirements, mitigation fund use policy and financial assistance criteria;

WHEREAS, adoption of the Policy will further the goals of Chapter 24 of Title 12 of the Visalia Municipal Code (the Oak Tree Preservation Ordinance).

Now therefore, be it resolved by the City Council of the City of Visalia as follows:

1. The Oak Tree Mitigation Policy, March 1, 2007, attached hereto as Attachment 1, is hereby adopted by resolution of the City Council;
2. The City Manager is directed to implement the Oak Tree Mitigation Policy in furtherance of the Oak Tree Preservation Ordinance.

PASSED AND ADOPTED: _____, 2007

This Resolution shall take effect immediately upon its being passed and adopted by the City Council of the City of Visalia on _____ by the following vote:

Ayes:

Noes:

Absent:

ATTEST:

Mayor

City Clerk

State of California, County of Tulare, City of Visalia

I, _____, Clerk of the City of Visalia, certify the foregoing is the full and true Resolution No. _____ passed and adopted by the City Council of the City of Visalia at a meeting held on _____.

Dated: _____

, City Clerk

City of Visalia

Oak Tree Mitigation Policy

March 1, 2007

I. Authority and Adoption

This Oak Tree Mitigation Policy has been developed pursuant to Visalia Municipal Code sections 12.24.037, 12.24.100 and 12.24.110. This Policy shall be approved by resolution of the City Council and shall become effective immediately upon such approval. A copy of the resolution approving this policy shall be attached hereto.

II. Mitigation

It is the policy of the City of Visalia that property owners who are granted a permit to remove an oak tree be required to mitigate for the loss of the oak tree by paying a mitigation fee, or by performing in-kind mitigation, or by a combination of payment of mitigation fee and in-kind mitigation, according to the following formulas:

- A. Mitigation Fee: The mitigation fee to be paid shall be determined by the following formula
- \$120 multiplied times DBH
DBH = diameter, in inches, at breast height of the tree to be removed.
- B. In Kind Mitigation: The property owner may elect to satisfy some or all of the mitigation requirement by planting new oak trees on his or her property or on public property with the approval of the urban forestry division of the City. If in-kind mitigation is elected, the property owner must plant one new oak tree for every inch of DBH of the existing tree. It is anticipated that for larger trees it will not be feasible to satisfy all of the mitigation requirement through in-kind mitigation on the subject property because the property will not reasonably sustain the number of oak trees required. The City Manager, or designee, shall determine the amount of in-kind mitigation that is appropriate in any particular case. Each tree allowed to be planted as in-kind mitigation will reduce the mitigation fee that is payable by \$120 per tree. Where a property owner elects to satisfy some or all of the mitigation requirement through in-kind mitigation, the property owner shall do so with the understanding that the property owner will be responsible for protecting the health of the replacement trees (including the obligation to provide irrigation), that purposeful damaging or neglect of the replacement trees will be subject to prosecution pursuant to the Visalia Municipal Code, and that any pruning or removal of the trees must be accomplished in compliance with the Visalia Municipal Code.

Note: The mitigation fee formula provided above is intended to represent the reasonable estimate of the cost to replace the tree with new trees on the basis of one new tree per inch of the existing tree's diameter.

Example: Property Owner A proposes to remove an oak tree with a DBH of 20 inches in order to accommodate a garage reconstruction. Citing the particular location of the tree, and the lack of any reasonable alternative to removal, the City Manager has determined that the tree may be removed. The owner proposes to mitigate by

planting three replacement trees on the property and paying \$2,040 in mitigation fees (\$120 x 20 = \$2,400, less \$360 (or \$120 x 3) to recognize the in-kind mitigation). The mitigation proposal is acceptable because the property can reasonably accommodate three replacement oak trees. The fee is appropriate because the three replacement trees have the result of reducing the mitigation fee by the equivalent of \$120 per in-kind tree.

Mitigation is shall not be required for trees that are approved for removal pursuant to section Subsections (A) or (C) of Visalia Municipal Code section 12.24.035 (removal warranted because of the health of the tree or because removal furthers urban forestry or land management practices).

II. Oak Tree Maintenance Fund

- A. This policy shall apply to the Oak Tree Maintenance Fund created by operation of ordinance, Visalia Municipal Code section 12.24.110.
- B. Funds from the Oak Tree Maintenance Fund shall be expended only for the purposes enumerated below:
 1. In support of planting oak trees on public and private property within the City of Visalia. Such expenditures may include the cost of purchasing and planting trees, and preparing the land for planting, including the cost of installing irrigation improvements.
 2. In support of the care and preservation of existing oak trees on public property, and on private property but only where the private property owner has demonstrated an inability to pay for such care and preservation, as provided for by Visalia Municipal Code section 12.24.100. Eligibility for and amount of financial assistance provided pursuant to this provision shall be determined by reference to the Criteria for Assistance – Residential Tree Pruning Program, attached hereto as Exhibit A and incorporated herein by reference. A property owner seeking to use such funds shall submit appropriate financial documentation for review and determination by the City Administrative Services Director or designee.
 3. To offset the expense to a private property owner in making improvements on private property that are necessary to create a reasonable alternative to removing an existing oak tree. It is intended that expenditures under this category only be made where, if not for the use of funds from the Oak Tree Mitigation Fund, there would be no reasonable alternative to removing the tree. It is not intended to be used where normal repairs to improvements to private property, though necessitated by the existence of an oak tree, constitute an ordinary and reasonable burden on the property owner.

Example 1: Property Owner A has an oak tree that is lifting the foundation of a garage. Requiring the property owner to reconstruct the garage at his cost is not reasonable, and therefore a removal permit may be granted; however, with the contribution of \$500 from the Oak Tree Maintenance Fund, the property owner agrees to reconstruct a portion of the garage and thereby save the tree. Because it would create a

reasonable alternative to removing the tree, an expenditure from the Oak Tree Maintenance Fund is appropriate.

- C. The Parks and Recreation Director shall prepare an annual report accounting for the balance in the Oak Tree Mitigation Fund and summarizing the use to which such fund was put during the preceding year.

Exhibit A

CRITERIA FOR ASSISTANCE

RESIDENTIAL TREE PRUNING PROGRAM

March 2007

FAMILY SIZE	60% OF MEDIAN ANNUAL INCOME*	80% OF MEDIAN ANNUAL INCOME*
1	\$ 21,300.00	\$ 28,400.00
2	\$ 24,300.00	\$ 32,400.00
3	\$ 27,600.00	\$ 36,800.00
4	\$ 30,600.00	\$ 40,800.00
5	\$ 33,000.00	\$ 44,000.00
6	\$ 35,400.00	\$ 47,200.00
7	\$ 37,800.00	\$ 50,400.00
8	\$ 40,200.00	\$ 53,600.00

*NOTE: TAXABLE ANNUAL INCOME AFTER DEDUCTIONS

The above table is based on July 2006 HUD Income Limits Visalia – Tulare – Porterville Metropolitan Statistical Area, and shall be updated from time to time to reflect the current HUD income limits for that area.

THE FOLLOWING BREAKDOWN WILL BE USED TO DETERMINE THE AMOUNT OF ASSISTANCE FOR OAK TREE PRUNING ASSISTANCE

60% OF MEDIAN
80% OF MEDIAN

CITY WILL COVER 100% OF COST
CITY WILL COVER 75% OF COST

City of Visalia Agenda Item Transmittal

Meeting Date: April 2, 2007

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

Agenda Item Wording: Award a contract for the Woodland Street – Street and Signal Improvements Project to A-C Electric Corporation in the amount of \$455,177.00; Project No. 1611-9769 and 1241-9751.

Deadline for Action: April 22, 2007 (30 days after bid opening)

Submitting Department: Public Works Department – Traffic Safety Division

Contact Name and Phone Number:

Eric Bons, 713-4350

Department Recommendation:

Staff recommends that the City Council award a contract to A-C Electric Corporation, of Visalia, Ca., in the amount of \$455,177.00 for the Woodland Street – Street and Signal Improvements Project; Project No. 1611-9769 and 1241-9751.

Discussion:

The Project includes the installation of a traffic signal at the intersection of Woodland Street and Burrel Avenue and the modification of the existing traffic signal at the intersection of Woodland Street and Mineral King Avenue. A new traffic signal will be installed at the intersection of Woodland Street and Main Street. Roadway improvements will also be constructed to re-open Woodland Street to Mineral King Avenue to provide for better traffic circulation for the County Civic Center, College of the Sequoias, and the neighborhoods in this area.

On March 22, 2007 Engineering Staff opened three (3) bids submitted for the Woodland Street – Street and Signal Improvements Project. The results of the bid opening are as follows:

1.	A-C Electric Corporation	Visalia	\$ 455,177.00
2.	R.J. Berry Jr., Inc.	Selma	\$ 480,085.00
3.	Lee's Paving, Inc.	Visalia	\$ 481,764.00

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)

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

The Engineer's Estimate for the construction contract is \$477,000.00. Based on the bid results the estimated budget amount for the project is \$590,000 and includes the construction cost of the project plus construction management, inspections, surveying and testing.

The cost for the design and construction of the traffic signal as well as the related street improvements at the intersection of Woodland Street and Mineral King Avenue/Burrel Avenue will be shared equally between the City of Visalia and the County of Tulare. The details of the agreement were outlined in City Resolution No. 2005-56 which was approved by City Council on April 18, 2005. The County's portion of the cost sharing is not to exceed \$250,000. Based on the bid results, the County's portion of the cost sharing should not exceed \$250,000 because the cost for the traffic signal at Woodland Street and Main Street is to be paid for by the City with no cost sharing with the County.

Alternatives: Reject bids and re-bid project

Attachments: Location Map,
Summary of bid results

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected): Staff recommends that the City Council award a contract to A-C Electric Corporation of Visalia, California, in the amount of \$455,177.00 for the Woodland Street – Street and Signal Improvements Project; Project No. 1611-9769 and 1241-9751.

<i>Financial Impact</i>			
Funding Source:			
<u>Account Number:</u>			
1611-72000-0-0-9769-2005 (1611 State Transportation Fund)		\$ 415,000	
(Woodland & Burrel and Woodland & Mineral King traffic signal)			
1241-72000-0-0-9751-2005 (1241 Transportation Impact Fund)		\$ 175,000	
(Main St & Woodland traffic signal)			

		\$ 590,000	
Budget Recap:			
Total Estimated cost:	\$ 590,000	New Revenue:	\$ 250,000 *
Amount Budgeted:	\$ 590,000	Lost Revenue:	\$ 0
New funding required:	\$ 0	New Personnel:	\$ 0
Council Policy Change:	Yes_____	No	✓_____
* County reimbursement amount			

Copies of this report have been provided to:

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 to Execute contracts once contractor has completed requirements

Environmental Assessment Status

CEQA Review:

Required? Yes No

Review and Action: Prior:

Required: Cat-Exempt - This project is considered routine maintenance of an existing facility.

NEPA Review:

Required? Yes No

Review and Action: Prior:

Required:



Location Map

BID RESULTS

Woodland Street -Street and Signal Improvements

Mineral King Avenue To Main Street

Project No. 1241-00000-72000-0-9751-2007
& 1611-00000-720000-0-9769-2007

Item No.	Description	Quantity	Unit	Engineer's Cost Estimate		R.J. Berry Jr., Inc.		Lee's Paving, Inc.		A-C Electric Company	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Clear and Grub	1	Lump Sum	\$8,000.00	\$8,000.00	\$29,000.00	\$29,000.00	\$42,244.00	\$42,244.00	\$14,000.00	\$14,000.00
2	Traffic Control	1	Lump Sum	\$9,000.00	\$9,000.00	\$10,000.00	\$10,000.00	\$17,000.00	\$17,000.00	\$9,500.00	\$9,500.00
3	6" Curb and Gutter	370	Linear Feet	\$12.00	\$4,440.00	\$28.00	\$10,360.00	\$35.00	\$12,960.00	\$38.00	\$14,060.00
4	Handicap Ramps	750	Square Foot	\$5.00	\$3,750.00	\$12.00	\$9,000.00	\$15.00	\$11,250.00	\$10.00	\$7,500.00
5	Sidewalk	1660	Square Foot	\$4.00	\$6,640.00	\$5.00	\$8,300.00	\$5.00	\$8,300.00	\$5.50	\$9,190.00
6	Adjust Manholes and Vaults	1	Lump Sum	\$600.00	\$600.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$5,000.00	\$5,000.00
7	Roadway Excavation	560	Cubic Yard	\$16.00	\$8,960.00	\$75.00	\$42,000.00	\$50.00	\$28,000.00	\$48.00	\$26,880.00
8	Aggregate Base, Class II	804	Tons	\$25.00	\$20,100.00	\$40.00	\$32,160.00	\$40.00	\$32,160.00	\$51.00	\$41,004.00
9	Asphalt Concrete	287	Tons	\$65.00	\$18,655.00	\$95.00	\$27,265.00	\$100.00	\$28,700.00	\$139.00	\$39,893.00
10	Signing and Striping	1	Lump Sum	\$8,000.00	\$8,000.00	\$5,000.00	\$5,000.00	\$4,500.00	\$4,500.00	\$5,200.00	\$5,200.00
11	Traffic Signal Interconnect Conduit	1	Lump Sum	\$14,000.00	\$14,000.00	\$31,000.00	\$31,000.00	\$29,000.00	\$29,000.00	\$27,600.00	\$27,600.00
12	Traffic Signal Modifications (Woodland and Mineral King and Burrell)	1	Lump Sum	\$200,000.00	\$200,000.00	\$165,000.00	\$165,000.00	\$160,000.00	\$160,000.00	\$152,000.00	\$152,000.00
13	Traffic Signal Installation (Woodland and Main)	1	Lump Sum	\$175,000.00	\$175,000.00	\$110,000.00	\$110,000.00	\$105,000.00	\$105,000.00	\$99,750.00	\$99,750.00
				Subtotal:	\$477,145.00	Total:	\$480,085.00	Total:	\$491,764.00	Total:	\$455,177.00
					\$477,000.00						

Summary of Bid Results

City of Visalia Agenda Item Transmittal

Meeting Date: April 2, 2007

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

Agenda Item Wording: 2nd Reading and adoption of Ordinance No. 2007-05: Towing, Storage, Poststorage Hearing, and Resolution Establishing the Current Fee Schedule

Deadline for Action:

Submitting Department: Police Department / City Attorney

Contact Name and Phone Number:

Lt. Steve Puder - 713-4215 or Alex Peltzer - 636-0200

Department Recommendation / Summary: The Visalia Police Department & City Attorney's Office recommend introduction of the attached ordinance making additions to the Municipal Code. The Ordinance will need to be returned to the Council for a second and final adoption. Adoption of the attached ordinance does not require a public hearing.

The California Vehicle Code, as well as the City's own charter and Municipal Code, provide authority for the City of Visalia to impose administrative fees for the removal, impound, storage, or release of properly impounded vehicles, provided a City regulation, ordinance, or resolution establishes such a procedure. Presently, no such procedure exists, the proposed Ordinance confers such a procedure.

In addition, it is not clear that the City's current laws authorize it to require payment of fees from a vehicle's registered or legal owner(s) before the City releases a properly impounded vehicle to such owner(s). The proposed Ordinance also addresses this issue and furnishes the City authority to require payment before a properly impounded vehicle is released.

At the second reading of the proposed Ordinance, staff will present for Council approval a resolution establishing the current Fee Schedule, pursuant to Visalia Municipal Code Section 8.60.010.

The Visalia Police Department currently has a hearing procedure in place to evaluate the validity of a stored or impounded vehicle. Any relevant evidence may be submitted and reviewed by the hearing officer to determine if the vehicle in question was lawfully stored or impounded, in accordance with Visalia Police Department policies and procedures. There is no charge for recovered stolen vehicles. In addition, the Visalia Police Department has procedures now in place to allow for the authorization to release a vehicle during evening and weekend hours.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

In the initial reading council did not have Page 2, but is now being provided as a full report for the 2nd reading of the proposed Ordinance.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: Ordinance No. 2007- 05
Resolution establishing the current fee schedule.

Recommended Motion (and Alternative Motions if expected):

I move that Visalia City Council adopt Ordinance No. 2007 - 05 and resolution establishing the current fee schedule.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

ORDINANCE NUMBER 2007 -- 05

ADDING SECTIONS 10.04.040 and 10.04.050 TO CHAPTER 10.04 OF THE VISALIA MUNICIPAL CODE RELATING TO FEES FOR IMPOUNDED VEHICLES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: Consistent with its control over municipal affairs and the powers vested in the City of Visalia through the California Constitution, and as additionally authorized by the California Vehicle Code, the City of Visalia is authorized to adopt procedures detailing the release of properly impounded or stored vehicles and for the imposition of a charge equal to its administrative costs relating to the removal, impound, storage, and release of such vehicles. Therefore, the City Council of the City of Visalia recommends the following addition to the Municipal Code.

Section 2: Sections 10.04.040 and 10.04.050 are added to the Visalia Municipal Code to read as follows:

10.04.040 Authority to impose fees for removal, impound, storage, and release of properly impounded vehicles.

A. An administrative fee to recover the city's administrative costs for removal, impound, storage, and release of a properly impounded vehicle, whether pursuant to the Visalia Municipal Code or pursuant to the California Vehicle Code, shall be imposed upon the registered or legal owner of the subject vehicle.

B. Pursuant to Section 8.60.010 of chapter 8.60, the administrative fees charged for the removal, impound, storage, and release of properly impounded vehicles shall be established from time to time.

10.04.050 Procedures for vehicle disposition; collection of fees.

A. All fees relating to the removal, impound, storage, and release of a vehicle shall be paid by the vehicle's registered owner prior to the disposition of a properly impounded vehicle, subject to the exception provided in Section 10.04.050(B).

B. Once a registered or legal owner has requested a hearing to challenge the validity of the impoundment, he or she may pay the fees then due and the vehicle shall be released. Paying the fees prior to the hearing shall not be deemed a waiver of the registered or legal owner's rights under the hearing. If it is determined at the hearing the vehicle was not properly impounded, the fees shall be reimbursed to the registered or legal owner. If it is determined at the hearing the vehicle was properly impounded, the registered or legal owner shall also be responsible for payment of fees associated with conducting the hearing.

Section 3: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstances, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not effect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Visalia hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact

that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 4: Construction. The City Council intends this Ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent.

Section 5: Effective Date. This Ordinance shall take effect thirty days after its adoption.

Section 6: Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

PASSED AND ADOPTED:

Jesus Gamboa, Mayor

ATTEST:

Steven M. Salomon, City Clerk

APPROVED AS TO FORM
BY CITY ATTORNEY:

Alex M. Peltzer, City Attorney

RESOLUTION No. 2007-____

Establishing a Towed Vehicle Release Administrative Fee Schedule

WHEREAS, the City of Visalia has adopted Ordinance 2007-05 regulating procedures for recovering fees related to towing and storage of vehicles, and conducting poststorage hearings for such vehicles and such Ordinance authorizes the establishment of a fee for the recovery of the actual administrative cost to the City of Visalia associated with the towing and storage of vehicles; and

WHEREAS, the City of Visalia has prepared the administrative fee justification attached hereto as Exhibit "B."

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Visalia that the City Council hereby adopts the Fee Schedule attached hereto as Exhibit "A;" and

BE IT FURTHER RESOLVED that the City Council hereby finds and determines that the fees established by this resolution reflect the cost of services for which the fees are established and provide no additional revenue to the City of Visalia beyond cost recovery; and

BE IT FURTHER RESOLVED that the fee adopted herein shall go into effect upon the effective date of Ordinance 2007-05.

PASSED AND ADOPTED by the City Council of the City of Visalia this 19th day of March, 2007, by the following vote on roll call:

AYES COUNCILMEMBERS:
NOES COUNCILMEMBERS:
ABSENT COUNCILMEMBERS:

Jesus Gamboa
Mayor of the City

ATTEST:

Donjia Huffmon
City Clerk of the City of Visalia

APPROVED AS TO FORM:

Alex M. Peltzer
City Attorney

EXHIBIT "A"

Towed Vehicle Release Administrative Fee Schedule

SERVICE FEE	AMOUNT
Towed Vehicle Release Administrative Fee	\$115.00

EXHIBIT "B"

Towed Vehicle Release Administrative Fee Justification

Position	Hourly Rate by Full Cost Accounting	
Police Officer	\$	106.60
Sr. Records Spec. cost per hour	\$	53.15
Systems Analyst cost per hour	\$	59.06
Dispatcher cost per hour	\$	57.58
Sergeant	\$	115.65
Stored Vehicle Release Fee	\$	111.00
		FY 05/06
1/2 Officer	\$	53.30
Records Entry Time (15 min)	\$	13.29
Dispatch CLETS entry (5min)	\$	4.80
Sergeant's Report Review (5 min)	\$	9.64
Sergeant's Release Time (5 min)	\$	9.64
Records Release Time (15 min)	\$	13.29
Sergeant TCAG Report (15min)2	\$	6.94
	\$	<u>110.89</u>

2The TCAG Report takes about 3 hours to prepare. This time is divided by the average 50 vehicles quarterly that are towed relative to this report.

180 minutes
50 reports
3.6 minutes/report

\$111 for 05/06 was determined on full-cost accounting basis
for 06/07 the city formula of adding the CPI was used - CPI = 3.7%

$$\begin{array}{r}
 \$ \quad 111.00 \\
 \times \quad \quad 1.037 \\
 \hline
 \quad \quad 115.107
 \end{array}
 = \quad \mathbf{\$115.00} \quad \text{FY 06/07}$$

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording: Authorization to award the contract for the construction of the food vendor space located at the Transit Center to Gary Interrante Construction in the amount of \$93,291.48.

Deadline for Action: April 2, 2007

Submitting Department: Administration Department – Transit Division

Contact Name and Phone Number: Monty Cox, X4591

Department Recommendation

That the City Council authorize the Transit Division to award the food vendor construction contract in the amount of \$93,291.48 to Gary Interrante Construction.

Summary/Background

Staff conducted a competitive bid process to construct the food vendor space located at the Transit Center. The city received four proposals from qualified firms; Gary Interrante Construction, SCC Enterprises, FMD Construction, and All Valley Construction.

Gary Interrante Construction bid came in at \$93,291.48, SCC Enterprises bid was for \$134,722.59, FMD Construction bid was for \$133,570, and All Valley Construction bid was for \$98,153. After reviewing the four proposals, purchasing staff conducted a reference check process and reviewed similar projects completed by Gary Interrante Construction. Positive responses were provided by the references which include Tulare County Office of Ed, Housing Authority of Tulare County, and the U.S. Postal Service. Staff recommends the selection of Gary Interrante Construction to construct the food vendor space for a cost of \$93,291.48.

Construction of this project is expected to take two to three months and includes all permanently build-in fixtures appropriate to run a restaurant this size such as counter tops, a hand wash sink, a food prep area, ice maker, cabinet space, a rollup counter door to secure the area, and a stove with an exhaust hood. The food vendor, Chilito's Express, will be providing all portable fixtures including a hot food table, refrigerator, microwave, a refrigerated prep table and freezer. They will also have access to space in the driver's break room to store disposables and other food items.

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.

Chilito's Express, who currently has an existing restaurant in Tulare, Chilito's Mexican Restaurant, will be leasing the 165.3 square feet space to operate a food and beverage concession located in the plaza area of the Transit Center. The lease agreement has a three (3) year term with three (3) one-year extensions for a total of six (6) years subject to negotiation of mutually agreeable terms.

Currently, the City has a federal grant through the Federal Transit Administration (FTA) to assist with the tenant improvements on this project.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives: The City could elect to award the contract to one of the other proposers.

Attachments: None.

Recommended Motion (and Alternative Motions if expected):
I move that the City Council authorize the Transit Division to award the construction of the food vendor space located at the Transit Center in the amount of \$93,291.48 to Gary Interrante Construction.

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)*

Financial Impact

Funding Source:

Account Number:

Account Number: 4511-00000-720000-0-9399 (Transit Center)

Budget Recap:

Total Estimated cost: \$0

New Revenue: \$ 0

Amount Budgeted: \$ 0

* Lost Revenue: \$

New funding required:\$

New Personnel: \$

Council Policy Change: Yes____ No X

City of Visalia Agenda Item Transmittal

Meeting Date: April 2, 2007

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

Agenda Item Wording: Authorization to award the bid to purchase a replacement 10-yard dump truck for Streets division to the Fresno truck Center for \$109,921.

Deadline for Action: April 2, 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 10-yard dump truck from the Fresno Truck Center. The total cost to purchase the new dump truck is \$109,921. The item was originally budgeted in 2005-06 and was rolled over to 2006-07. It is fully funded in this fiscal year's CIP budget.

Discussion:

The new Sterling dump truck will replace a 1989 Ford dump truck. Fleet services has evaluated the 1989 dump truck and recommended it for replacement in this fiscal year. The old dump truck will be retired from service once the new truck is delivered and operational.

There were two bids received from the Request for Bids advertised on February 23, 2007; Fresno Truck Center was the low bid at \$109,921. Gibb International also submitted a bid for \$114,179. Fresno Truck Center met all the bid specifications and requirements with the low bid so are recommended to receive the bid award.

This truck was budgeted at \$154,000 and came in under budget by about \$44,000. The primary reason for the reduced cost is the new truck was originally budgeted for CNG fuel but staff was unable to find a CNG dump truck that would meet the minimum torque requirements. Streets division needs 1,500 ft. lbs of torque in order to safely haul material and tow heavy equipment, and the best CNG alternative fuel engine would only displace 900 ft. lbs. The new truck is a diesel truck that displaces 1,500 ft. lbs of torque and meets all Air Pollution Control standards.

Prior Council/Board Actions: 05-06 CIP budget approval to purchase a 10-yard dump truck.

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)

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

Committee/Commission Review and Actions:

Alternatives:

Attachments:

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected):

Financial Impact

Funding Source:

Account Number:

Budget Recap:

Total Estimated cost:	\$ 109,921	New Revenue:	\$
Amount Budgeted:	\$ 154,000	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: April 02, 2007

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

Agenda Item Wording: Resolution to authorize a grant application submittal to the California Department of Housing and Community Development (HCD), by the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006 for funding within the CalHOME Programs (First Time Homebuyer Mortgage Assistance) in the amount of \$600,000.

Deadline for Action: April 16, 2007

Submitting Department: Community Development

Contact Name and Phone Number: Tim Burns (4172), Rhonda Haynes (4460), Tracy Robertshaw (4187)

Department Recommendation: That the City Council approve Resolution 2007-_____ authorizing submittal of a CalHome Grant Application, and authorize the "Applicant Certification and Commitment of Responsibility".

Summary/background:

The California Department of Housing and Community Development (HCD) announced that it is accepting applications under the Calhome Program Notice of Funding Available for approximately \$50 million dollars. These funds are provided by the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. The funding is available to local public agencies or nonprofit corporations and grants may not exceed six hundred thousand dollars (\$600,000) for all eligible activities/programs.

The City of Visalia staff has prepared an HCD CalHome Program grant application in the amount of \$600,000 for the First Time Homebuyers Program and is requested City Council to authorize its submittal to HCD.

Under the grant program requirements, to encourage leveraging of other funds and to serve the highest possible number of eligible households no more than **\$40,000** of CalHome funds may be used per unit (the \$40,000 includes any activity delivery costs).

CalHome First-Time Homebuyer Mortgage Assistance

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)

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

The grant funds, if approved, will provide low interest rate, deferred, 30 year loans to first-time homebuyers for mortgage assistance for permanent financing of a unit ready for occupancy, up to approximately \$35,000 plus non-recurring loan closing costs. The maximum authorized allocation per unit is \$40,000. CalHome will be reimbursing the City, in the form of a grant for homebuyer education and loan-processing activity delivery fees.

A limitation with the CalHome Funds, are that the CalHome funds may not be used in conjunction with Calhfa 1st mortgage funding, therefore the 1st mortgage must be an FHA or Conventional mortgage only.

The City is allowed to make CalHome loans bearing simple interest up to three percent per annum, and may allow forgiveness of all or a portion of the accrued interest as part of the City's program design. HCD has indicated that the loan principal shall not be forgiven. Staff is recommending that the interest rate of the Calhome loan be set at three percent per annum (3%) and that the interest accrued be recaptured, in full, allowing for recycling of the funds for future loans. The CalHome loan is repayable upon the sale or transfer of the property, when the property ceases to be owner-occupied, or upon the CalHome Program loan maturity date and the loans are not assumable. The recaptured principal and interest will be placed in the "reuse account" as required by HCD

Effect upon the HOME funded First Time Homebuyers Program:

During the 2006-2007 Program Year, additional HOME funds were allocated to the City's existing First Time Homebuyers Program, making \$1.7 million dollars available to first time homebuyers for gap financing. At the time of the fund allocation, staff conducted a First Time Homebuyers Program Certification workshop for Realtors, Lenders and Title Companies. The outcome of educating local Realtors resulted in a better understanding of the City's program and ultimately expenditure of the \$1.7 million dollars over a three month period, allowing 23 families to realize the dream of homeownership. Many calls have been received by C-Set and City Staff in regards to additional funding or homeownership program participation opportunities. Staff has indicated to the interested parties, that the next available funding will be between July and September of 2007 with the next round of HOME funding.

With the heightened interest in affordable homeownership opportunities, additional funding sources, such as the CalHOME program grant funds, would allow additional families the opportunity of homeownership upon the expenditure of the City's' existing HOME funded First Time Homebuyers Program funding.

Application thresholds:

The City's experience and success with the existing HOME Funded First Time Homebuyers Program, experienced loan underwriter and servicing agency, AmeriNational Community Services and existing loan portfolio reflects capability and community need. In recent discussions with HCD staff it was noted that HCD received 92 applications during the 2005 NOFA and awarded 46 applicants. Staff is confident that it meets the application thresholds and looks forward to receiving an award

Timeframes for Use of CalHome Funds:

If the grant funds are awarded, the City will enter into a Standard Agreement with HCD for a term of 36 months from the date of the award letter. Failure to expend at least 95% of the Calhome funds would result in the remaining funds being returned to the State and/or a penalty point reduction on future funding. Staff is confident that the funds will be expended within the 36 month period.

Ongoing CalHome Funding requirements:

If awarded, a number of requirements associated with the Calhome funds would require some additional staff time for the following:

- City must enter into a Standard Agreement with HCD
- City must develop a loan servicing plan and underwriting guidelines. The City will utilize its current loan servicing contractor, AmeriNational Community Services, Inc. and mirror the City's First Time Homebuyers Program guidelines as they will reflect Calhome regulations and requirements.
- City must inspect each property at the time of application. The City currently conducts home inspections for all of its housing programs.
- City must ensure that homebuyer education approved by HCD is provided to the participants of the program.
- City must set up a "reuse account". The account captures the principal and interest of the loans that are paid off. The funds go into the account to be recycled and used again within the Calhome FTHB program as gap financing, allowing more families to realize the dream of homeownership.
- City must enter into a 20 year monitoring plan with HCD.

Prior Council/Board Actions: The City Council has previously authorized the submittal of grant applications to implement local Housing Programs.

Committee/Commission Review and Actions: None.

Alternatives: None

Attachments: City Council Resolution no. 2007- 33.

Recommended Motion (and Alternative Motions if expected): I move to approve Resolution no. 2007-33 authorizing the submittal of a HCD CalHome Program grant application.

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)*

*Resolution due with Grant Application to HCD before April 17, 2007
Applicant Certification and Commitment of Responsibility form due with Resolution
Must be signed and notarized.*

Copies of this report have been provided to:

RESOLUTION NO. 2007-33

**RESOLUTION OF THE VISALIA CITY COUNCIL
AUTHORIZING APPLICATION FOR HCD CALHOME PROGRAM GRANT**

THE GOVERNING BOARD
OF
THE CITY OF VISALIA

HEREBY AUTHORIZES THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS:

- A. CITY OF VISALIA, a [political subdivision of the State of California], wishes to apply for and receive an allocation of funds through the CalHome Program; and
- B. The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 59650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD on August 15, 2003; and
- C. The CITY OF VISALIA "Applicant" wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$600,000.

IT IS NOW THEREFORE RESOLVED THAT:

1. The CITY OF VISALIA shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on February 13, 2007, which will request a funding allocation for the following activities:
First Time Homebuyer Program Loans: Low interest rate, deferred, 30 year loans to first-time homebuyers for mortgage assistance for permanent financing of a unit ready for occupancy up to \$40,000 per loan (\$600,000).
located in the County of Tulare, City of Visalia, citywide
2. If the application for funding is approved, the CITY OF VISALIA hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.
3. The CITY OF VISALIA authorizes Steven M. Salomon, City Manager of the City of Visalia to execute in the name of the CITY OF VISALIA, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

PASSED AND ADOPTED THIS 2nd Day of April, 2007, by the following vote:

AYES: _____ NAYS: _____ ABSTAIN: _____ ABSENT: _____

The undersigned _____(title of officer) of the _____ (name of Applicant) there before named does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

_____ Signature _____ Date

4. The Resolution must be the original or a certified copy of the original.

CITY OF VISALIA
APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:

As the official designated by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the City of Visalia assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project;
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant **does not** have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs.
- D. There are **no** pending lawsuits that would impact the implementation of this program or project.
- E. It will comply with all statutes and regulations governing the CalHome Program.
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with Section 7718 of the CalHome Program Regulations.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution)

*Signature: _____ Title: _____

Type Name: Steven M. Salomon, City Manager Date: _____

*Must be signed by authorized signatory per the resolution.

The undersigned **Donja Huffman, Deputy City Clerk**, of the Applicant here before named does hereby attest and certify that the forgoing is a true and full copy of a resolution of the *City Council* adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

Signature: _____ Date: _____

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk):

Agenda Item Wording: Request authorization to file a Notice of Completion for project No. 4511-00000-720000-0-9409, the new operations & maintenance facility and bus wash located at 525 N Cain Street.

Deadline for Action: April 2, 2007

Submitting Department: Administration Department – Transit Division

Contact Name and Phone Number: Monty Cox, X4591

Department Recommendation

It is recommended that Council authorize staff to file a Notice of Completion for project No. 4511-00000-720000-0-9409 for the new operations & maintenance facility and bus wash located at 525 N Cain Street.

Summary

The bus operations & maintenance facility was completed on March 2, 2007. The City's contractor, MV Transportation has moved in. All the work has been completed on this project by the general contractor, Lewis C. Nelson and Sons, and their subcontractors, at a final cost of \$5,808,499. The contract amount for this job was \$5,659,000 with an overall budget of \$7.6 million. Change orders for the construction project totaled \$149,499 (2.6%).

Discussion:

The Visalia bus operations & maintenance facility, under the direction of the Transit Division, was designed by Teter Consultants and was built by L.C. Nelsen Construction. Harris Associates provided construction management services. The City acquired 6.1 acres of land on which to build the transit facility; however, this phase only required 4.9 acres. The remaining land is for future growth and will be used by the City corporation yard until it is time for the expansion. The facility is designed to handle up to 66 buses now and will be able to support 100 buses with the expanded land.

The new bus operations facility includes office space for the City's bus contractor to perform the dispatch, driver training, and other office functions, five maintenance bays and other rooms for

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.

storage of parts and other equipment, a bus wash, fueling island and parking for up to 66 buses and under 100 employees. The new facility is tentatively scheduled for a grand opening on April 12 at 9:30. It was funded by four grants from the Federal Transit Administration (FTA), some of which came through congressional earmarks, and matching funds from the Transportation Development Act (TDA). Total contracted and other expenses for this project to date include:

L.C.Nelson construction contract:	\$5,808,499
Teter design contract:	\$ 428,630
Harris Construction Management:	\$ 304,394
Land Purchase:	\$ 506,018
NS Corp - Bus Wash:	\$ 153,338
Quality Plumbing – Bus Wash	\$ 41,510
BSK structural inspections	\$ 50,000
Furniture & Equipment	\$ 235,600
Misc. (staff, monitoring, fencing etc.)	<u>\$ 120,906</u>
Total	\$7,648,895

As indicated above, there was approximately \$149,499 (2.6%) in contract change orders for this project. This level of change orders is within the reasonable expectation for a project of this size and complexity. The project was completed within available funds and was completed within a reasonable schedule given the extensive coordination required between this project, the CNG station and the operations contractor.

Several changes to the original drawings were made during the construction. These changes can be characterized into four categories: (a) Owner requested (b) Contractor Changes (c) Field Conditions and (d) Architect changes. Staff will be working with the construction management firm, Harris & Associates, to determine the amount of the change orders due to design changes that were above the cost the City would have paid if the work had been included in the competitively bid contract work. We have received credits from the contractor for changes associated with contractor changes. Teter will credit the City for architect associated changes as appropriate. A list of all the change orders is noted below. In some instances, several items were included in a single change order and therefore there maybe multiple reasons for a single change order. The change orders on this project were as follows:

Approved Change Orders:

- | | |
|---|------------|
| 1) Electrical utility code changes and removal of pipe discovered during excavation (c,d) | \$15,388 |
| 2) Additional building reinforcement to meet code (d) | \$ 7,378 |
| 3) Addition of SCE transformer pad to meet SCE specifications (d) | \$ 6,986 |
| 4) PVC replacement of steel conduit to comply with design requirements (b) | (\$ 1,874) |
| 5) Additional work requested of contractor due to field conditions (a) | \$10,584 |
| 6) Replace plywood, add bollards, tees, hose bibs & electrical circuits primarily to meet code requirements (a,d) | \$16,393 |
| 7) Irrigation changes, add flashing & cord reel circuit to meet code requirements (b,d) | |
| | \$13,288 |
| 8) Add waste oil alarm, pass through window, electric to hand wash, | |

downspout, fire sprinkler, air motor, gate controls to meet code and address unanticipated needs recognized as the project progressed (a,d) \$35,069

9) Credit from the contractor due to architect reviews required to resolve Issues related to the design of the metal building, add methane detection sensors, GFCI outlet, air supply, egress lighting, maintenance ladders, roof hatch, reel bracing, wash sump to meet code requirements (b,d) \$46,287

Total Changes \$149,499

A summary by change request type is as follows:

(a)	Owner Requested	\$ 38,006
(b)	Contractor Changes	\$ 6,385
(c)	Field Conditions	\$ 388
(d)	Architect Changes	<u>\$104,720</u>
		\$149,499

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives: None

Attachments: None

Recommended Motion (and Alternative Motions if expected):

I move to authorize staff to file a Notice of Completion for Project No. 4511-00000-720000-0-9409, the new Operations & Maintenance facility and bus wash located at 525 N Cain Street.

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

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

Agenda Item Wording: Request authorization to file a Notice of Completion for Rancho Santa Fe Estates Phase No. 2, containing 70 lots, located southeast of Santa Fe and Monte Vista Ave.

Deadline for Action: April 2, 2007

Submitting Department: Public Works Department

Contact Name and Phone Number:

Andrew Benelli	713-4340
David Bruce	713-4188

Department Recommendation:

The recommendation is that City Council give authorization to file a Notice of Completion as all the necessary improvements for this subdivision have been completed and are ready for acceptance by the City of Visalia. The subdivision was developed by McMillin Rancho Santa Fe Estates, a Delaware LLC has submitted a maintenance bond in the amount of \$56,668.15 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

Summary/background:

Prior Council/Board Actions: Final Map recording was approved at Council meeting of November 7, 2005.

Committee/Commission Review and Actions: The tentative subdivision map for Rancho Santa Fe subdivision was approved by Planning Commission on November 24, 2003.

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)

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):

I hereby authorize filing a Notice of Completion for Rancho Santa Fe Estates Phase no. 2.

Environmental Assessment Status

CEQA Review: Environmental finding completed for tentative subdivision map.

NEPA Review:

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

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk): 80

Agenda Item Wording: Request authorization to file a Notice of Completion for The Villas at Bella Sera, containing 150 single family lots, located at the Northeast corner of Akers Street and Goshen Avenue.

Deadline for Action: None

Submitting Department: Public Works Department

Contact Name and Phone Number:

Andrew Benelli – 713-4340
Patrick Barszcz – 713-4241

Department Recommendation:

The recommendation is that City Council give authorization to file a Notice of Completion as all the necessary improvements for this subdivision have been completed and are ready for acceptance by the City of Visalia. The subdivision was developed by Centex Homes. No maintenance bond is required as there are no public improvements as per the Subdivision Improvement Agreement.

Summary/background:

Prior Council/Board Actions: Final Map recording was approved at Council meeting of June 20, 2005.

Committee/Commission Review and Actions: The tentative subdivision map for The Villas @ Bella Sera was approved by Planning Commission on June 28, 2004.

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)

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):

I hereby authorize filing a Notice of Completion for The Villas @ Bella Sera.

Environmental Assessment Status

CEQA Review: Environmental finding completed for tentative subdivision map.

NEPA Review:

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

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk):

Agenda Item Wording: PUBLIC HEARING to consider reinstating the full 2001 pre-suspension building permit fees and increasing those fees by 16%, in accordance with the CPI over the past five year period (equating to a total increase of approximately 37% over the current fees). Resolution No. 2007-XX

Deadline for Action: April 2, 2007

Submitting Department: Community Development – Building Safety Division / Finance

Contact Name and Phone Number: Gus Aiello, 713-4423
Dennis Lehman, 713-4495

Department Recommendation: Staff recommends:

1. Reinstating the full 2001 pre-suspension permit fees.
2. Increasing the reinstated permit fees by 16% (CPI increases over the past 5 years which were not applied to the fees).
3. Acknowledge the elimination of four existing vacant positions.

Summary/background:

The building safety division operates on a fee for service basis, meaning the cost of the operation should be offset by revenues for the services it provides. Currently the fund is in a deficit situation. Staff recommends reinstating permit fees to their pre-suspended 2001 levels and increasing those fees by 16%, which is the total CPI the fees were not subject to over the past 5 years. In addition, staff recommends eliminating 4 staff vacancies.

History

Visalia has experienced record growth over the past 3 to 4 years. During this period, the building safety division has been providing services to the development community with the same number of staff, while trying to manage costs and maintain service levels. Because the building safety division relies on fees from developers, the fee directly impacts service levels and the ability of the staff to maintain the incoming workload. Currently, the building safety fund has a deficit, and fees need to be raised to maintain the current level of service. The fund is intended to carry a balance of three to four months of operating costs, which in 2004 was

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):_15__

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.

\$550,000 to \$800,000. Staff recommends increasing the current fees by 37%, which is estimated to result in a balance of approximately \$205k by the end of fiscal year 2007/08, which equates to less than one months operating costs.

Fee Actions

Council authorized a 25% temporary suspension of building permit fees on January 20, 2004 and again on August 2, 2004, resulting in a combined 45% total fee reduction. This action was taken in order to reduce the Building Safety Fund to between \$550,000 and \$800,000. The fund had reached a level of \$1.8 million in fiscal year 2003/04, prompting the fee suspensions.

As the fund's balance began to decline, staff remained efficient and responded by not filling allocated positions in order to maintain the fund balance as much as possible. However, because the building safety fund was decreasing and estimated to be in a deficit situation at the end of fiscal year 2006-07, Council held a public hearing on October 2, 2006 and approved an item to reinstate the building permit fees to 85% of the pre-fee reduction rates.

From the time this estimate was done in October 2006, permit activity has slowed in the single family dwelling category. The October fee scenario assumed 1,494 single family dwelling permits during 2006-07. The latest projection is 1,064, a decrease of 430 permits equating to approximately \$550k in permit revenues. Using the latest projection, the building safety fund is estimated to have a deficit balance of approximately \$139k by the end of fiscal year 2006-07.

In order to correct the deficit situation and begin to replenish the fund, staff recommends reinstating the year 2001 pre-suspension permit fee plus 16%, a 37% increase over the current reduced fee, resulting in a fee of \$1,503 per 2,000 square foot production single family dwelling. Table I – Permit Fee History displays the activity on the single family dwelling permit fee as approved by Council as well as the proposed rate increase, which would be effective in June, 2007.

Table I

Permit Fee History

	Custom Home	Production Home
May 2001	\$ 2,340	\$ 1,313
January 2004 (25% Suspension)	1,760	998
August 2004 (25% Suspension)	1,340	743
December 2006 (85% Fee Reinstatement)	1,980	1,093
Proposed June 2007	\$ 2,720	\$ 1,503

Current Status

Table II - Current Building Metrics, details critical data over a 4 fiscal year period, which is intended to provide a snapshot of the current status of the building safety fund and activity.

Table II

Current Building Metrics

	2003-04	2004-05	2005-06	Estimated 2006-07
Ending Fund Balance	\$1,833,582	\$ 1,238,880	\$ 673,777	\$ (213,000)
SFD Permits	1,091	1,233	1,524	1,064
Commercial Permits	94	62	66	81
Total Sq. Ft.	3,651,178	3,518,817	6,595,880	3,561,671

* Assumes no fee increase

From Table II above, it is apparent that there has been a slowdown in single family dwelling permits, from 1,524 in 2005-06 to an estimated 1,064 in 2006-07. This trend has directly impacted cash balance of the building safety fund, which has consistently declined since 2003-04, in spite of a rate increase which was effective December 2, 2006. Currently, the fund has a deficit balance of approximately \$100k and is estimated to be negative \$213k at the end of fiscal year 2006-07.

Decision Point

Council has a decision to make. The building safety fund is intended to carry an agrees upon balance of approximately 3 to 6 months of expenses in order to process outstanding permits, which in 2004 was \$550k to \$800k. The balance is impacted directly by activity in the development market and must make adjustments with changes in the market. Currently the fund is running a deficit balance. Council has options to alleviate the deficit and replenish the fund as detailed below.

Options

Table III – Summary of Options, presents a concise look at the potential impacts on fee increases, fund balance, staffing level and impacts to service (specifically the number of inspections rolled over per day). **It should be noted that the building safety staff conducts approximately 130 inspections per day, on average.**

Table III

Summary of Options

	Rate Increase	June 30, 2008 Estimated Fund Balance	Positions Eliminated	Position Classification	Roll-Over Impact	Plan Check % Over Target
Option 1	37%	205,000	4	2 contract, 2 hourly	Remains the same; 6 per day	39%
Option 2	37%	446,000	7	5 contract, 2 hourly	Increases to 28 per day	51%
Option 3	18%	80,000	10	8 contract, 2 hourly	Increases to 50 per day	67%
Option 4	0%	39,000	16	6 FTE, 8 contract, 2 hourly	Increases to 100 per day	90%

Option #1 (Recommended)

Increase the fees 37% (2001 pre-suspension fee plus 16% CPI), while reducing expenses – this option would result in an estimated deficit balance of \$139k in fiscal year 2006/07 and an estimated balance of \$205k at the end of fiscal year 2007/08. The forecast assumes 1,064 and

900 single family dwelling permits for fiscal year 2006/07 and 2007/08, respectively. This option eliminates 4 vacant allocated positions, reducing staff from 25 to 21. Table IV – Fund Balance with 37% Fee Increase, details the financial implications of choosing this option.

Table IV

Est.Fund Balance with 37% Fee Increase
& Decrease of 4 Positions

	<u>06/07</u>	<u>07/08</u>
Beginning Balance	673,777	(139,234)
Revenue	2,494,677	3,818,904
Expense	3,307,688	3,474,416
Ending Balance	<u>(139,234)</u>	<u>205,254</u>

Option #2

Increase the fees 37% (2001 pre-suspension fee plus 16% CPI), while reducing expenses further - this option carries the same assumptions as option #1, but also decreases staffing and support by an additional 3 positions, for a total of 7 eliminated positions, resulting in an estimated fund balance of \$446k at the end of fiscal year 07/08. Table V – 37% Fee Increase & Decrease Staff Support, details this option, which is not recommended by staff.

Table V

37% Fee Increase & Decrease Staff Support
By a Total of 7 Positions

	<u>06/07</u>	<u>07/08</u>
Beginning Balance	673,777	(139,234)
Revenue	2,494,677	3,818,904
Expense	3,307,688	3,233,635
Ending Balance	<u>(139,234)</u>	<u>446,035</u>

Assumes 1,064 and 900 single family dwelling permits in 2006/07 and 2007/08, respectively
Eliminates a total of 7 positions

Option #3

Reinstate the 2001 permit fees by approximately 18% while reducing expenses even further – choosing this option carries the same assumptions as option #2, but reduces staff further by an additional 3 positions, for a total of 10 eliminated positions.

Table VI – Fund Balance with Reinstatement of 2001 Fees, shows the fund balance with the reduction of ten positions, which include 4 contract inspectors and 2 contracted plan check positions. Assuming the current number of inspections rolled-over each day is 6 (actual roll-overs from February), this option could potentially increase that to 50, assuming each inspector completed 13 inspections per day. The plan review process would also be impacted. Currently, the process is late 30% to 40% of the time. This option could potentially increase that to 67%. Staff does not recommend this option.

Table VI

Fund Balance with Reinstatement of 2001 Fees
& Elimination of 10 Positions

	<u>06/07</u>	<u>07/08</u>
Beginning Balance	673,777	(177,093)
Revenue	2,456,818	3,306,094
Expense	3,307,688	3,048,491
Ending Balance	<u>(177,093)</u>	<u>80,510</u>

Assumes 1,064 and 900 single family dwelling permits in 2006/07 and 2007/08, respectively
Eliminates a total of 10 positions

Option #4

Zero increase to permit fees while eliminating contracted positions and 6 full time inspector/plan check positions – choosing this option eliminates the same 6 contract positions as in option #3, and also eliminates 6 additional full time inspector and/or plan check positions, for an overall total of 16 eliminated positions:

Table VII– Fund Balance with Zero Fee Increase, displays the fund balance with zero fee increase and the elimination of 16 inspector and plan check positions. Staff does not recommend this option.

Table VII

Fund Balance with Zero Fee Increase
& Elimination of 6 Contract and 6 FTE

	<u>06/07</u>	<u>07/08</u>
Beginning Balance	673,777	(212,960)
Revenue	2,420,951	2,820,274
Expense	3,067,688	2,568,491
Ending Balance	<u>27,040</u>	<u>38,823</u>

Assumes 1,064 and 900 single family dwelling permits in 2006/07 and 2007/08, respectively
Eliminates a total of 16 positions

Summary

Due to the increase in development activity over the past two to three years, the building safety division's expenses increased in order to process the increased workload. Although the permit activity for single family dwellings has slowed, there has been an increase in the amount of commercial activity, requiring a higher level of expertise as commercial inspections tend to be more sophisticated.

Staff recommends a decrease in staffing. Currently, the building safety division staff has 25 allocated positions, 19 which are filled and 6 remain vacant. Staff recommends filling one full time vacancy with a plan checker in order to provide a higher quality service and speed up the plan check process to approach the targets of 20 days for residential and 30 days for commercial plan checks. Currently, the plan check process is late 30% to 40% of the time.

Staff also recommends converting two filled contract positions to full time employees. This should assure staff that career opportunities exist in the building safety division. Recently, two contract employees left Visalia for permanent positions in nearby cities. Converting the two contract inspector positions will add stability to the staff.

Conclusion

The building safety division is fully funded by fees for the services it provides. The fee should be sufficient to support a quality level of service to customers and should be adjusted as the development market adjusts. In 2004, Council authorized two 25% fee suspensions because the fund had increased to approximately \$1.8 million. The market has changed and along with that, Council authorized a fee increase to 85% of the original fee, effective in December 2006. Since then, building activity has slowed dramatically and the fund has continued to decrease and is now in a deficit situation. Based upon all the above information, staff recommends reinstating the year 2001 fee and increasing that fee by 16%, the amount of CPI the fees were not subject to over the past 5 years. Staff also recommends not filling 4 vacant allocated positions. If approved by Council, the increase is estimated to bring the fund into a positive balance of approximately \$205k, less than one months expense and still below the agreed upon levels of \$550k to \$800k.

Monthly updates on the fund status will continue to be provided to the Home Builders Industry as is current practice. When the building safety fund approaches \$800k, a meeting will be requested to determine necessary actions in order to maintain the fund within the \$550k to \$800k range.

Prior Council/Board Actions: January 20, 2004 – 25% permit fee suspension
August 2, 2004 – 25% permit fee suspension
October 2, 2006 – 85% reinstatement of per-suspension fee

Committee/Commission Review and Actions:

Alternatives: Increase current fees by a different percentage
Do not increase permit fees

Attachments: Resolution No. 2007- xx to revise the Building Permit Fee Schedule
Exhibit A – Single Family Permit History Graph
Exhibit B – Total Permit Valuation History Graph
Exhibit C – Building Permit Data History

Recommended Motion (and Alternative Motions if expected):
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- | |
|--|
| <ol style="list-style-type: none">1. Reinstatement the full year 2001 pre-suspension permit fees.2. Increase the reinstated permit fees by 16%.3. Acknowledge the elimination of four existing vacant positions. |
|--|

Environmental Assessment Status

CEQA Review:

NEPA Review:

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

Copies of this report have been provided to:

RESOLUTION NO. 2007-__

RESOLUTION OF THE VISALIA CITY COUNCIL
OF THE CITY OF VISALIA ADOPTING REVISED BUILDING PERMIT FEES

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

WHEREAS, the City Council of the City of Visalia adopted Resolution 2001-16 to establish a revised Building Permit Fee Schedule; and

WHEREAS, the City Council of the City of Visalia on January 21, 2004 temporary suspended 25% of the Building Permit Fee; and again on August 9, 2004 temporary suspended an additional 25% of the Building Fee; and

WHEREAS, the City Council of the City of Visalia on December 2, 2006 reinstated 85% of the pre-fee reduction rate; and

WHEREAS, the building permit fees will be reinstated to the full 2001 pre-suspension rate; and those rates will increase 16% in accordance with the CIP over the past five years; and

WHEREAS, notice pursuant to Government Code Section 5.1.20 has been given; and

WHEREAS, the City Council of the City of Visalia did conduct a public hearing on the proposed Building Permit Fee Schedule on April 2, 2007.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Visalia adopts the Building Permit Fee Schedule as given in Exhibit "A". The revised fee schedule shall be effective sixty calendar days after the approval of this resolution, June 2, 2007.

PASSED AND ADOPTED: STEVEN M. SALOMON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF VISALIA)

I, Steven M. Salomon, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution 2006- passed and adopted by the Council of the City of Visalia at a regular meeting held on .

Dated: STEVEN M. SALOMON, CITY CLERK

By, Chief Deputy
CLERK'S CERTIFICATION TO COUNTY AUDITOR

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 2, 2007

Agenda Item Number (Assigned by City Clerk): 10

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) **Resolution 2007-25 Continued from March 19, 2007**

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 Continued from March 19, 2007**

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) **Resolution 2007-26 Continued from March 19, 2007**

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. Continued from March 19, 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.

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, scheduled and noticed for a public hearing for March 19, 2007. The continuance to the meeting of April 2, 2007, at the applicant's request holds the decision on the CUP appeal in abeyance to this date, with no adverse effect on the applicant's procedural rights or on the City's compliance with the Zoning Ordinance procedures regarding Appeals.

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 range of alternatives is as provided in the March 19, 2007, City Council staff report. As with the recommendation, no new evidence or other information has been received that affects the alternatives and their analyses.

Summary: These items were continued at the applicant's request on March 19, 2007. The request was made due to there only being a three-member quorum seated for the item on that date. A copy of the request for continuance is provided as Attachment A of this memo.

Revised Conceptual Site Plan:

The applicant has provided a revised conceptual site plan which is included as Attachment B. This does not constitute an amended Conditional Use Permit (CUP) application, as declared by the applicant in the attached correspondence (Attachment C). Rather, the applicant is intending to show the potential connectivity of their site with

a project to the south, along with a private drive outletting to Chinowth Street. This would address some of the concerns with the project that were noted at the Planning Commission hearing, and discussed in the Planning Commission and City Council staff reports that were previously provided.

Attachments:

- Applicant’s Request for Continuance
- Revised Conceptual Site Plan
- Applicant’s Additional Correspondence
- Revised Resolution denying General Plan Amendment (GPA 2006-11) and Change of Zone (CofZ 2006-10)
- Revised Resolution denying the Appeal of CUP 2006-62
- Staff Report Packet from March 19, 2007

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

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

Copies of this report have been provided to:

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 continued said hearing at the applicant's request on that date to the scheduled City Council meeting on April 2, 2007; and

WHEREAS, the City Council of the City of Visalia held a public hearing before said Council on April 2, 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.

RESOLUTION NO. 2007- 26

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

WHEREAS, 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 continued said hearing at the applicant's request on that date to the scheduled City Council meeting on April 2, 2007; and

WHEREAS, the City Council of the City of Visalia held a public hearing before said Council on April 2, 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.

