

Visalia City Council Agenda

For the regular meeting of: MONDAY, April 21, 2008

Location: CITY HALL COUNCIL CHAMBERS, 707 W. Acequia, Visalia

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

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.

4:00 p.m. **SWEARING IN CEREMONY**
Police Chief Bob Carden will swear in Police Officer William Hanson

WORK SESSION AND ACTION ITEMS (as described)
4:05 p.m.

Public Comment on Work Session and Closed Session Items -

- 4:05 p.m. 1. Presentation by Craig Sharton , CEO for Central Valley Business Incubator (CVBI), regarding CBVI services.
- 4:20 p.m. 2. Presentation of Visalia Smart Growth Principles prepared by Council-appointed task force.
- 4:40 p.m. 3. Update - East Central Visalia Framework Plan and recommendation on a concept for continued work.
- 5:00 p.m. 4. Presentation by Bill Delain, Region Manager for Southern California Edison, and discussion regarding revised alignment proposal and future steps for the San Joaquin Cross Valley Loop Transmission Project .

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)

5. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Section 54956.9)
Name of Case: Avila v. City of Visalia – (TCSC 07-225702)
6. Conference with Legal Counsel - Existing Litigation (Subdivision (a) of Section 54956.9)
Name of Case: Gomez-Thompson v. City of Visalia; (TCSC 07-222372)
7. *Item removed at the request of staff*
8. Conference with Legal Counsel - Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one potential case
9. Public Employee Employment - GC 54957
Title: Fire Chief

REGULAR SESSION

7:00 p.m.

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

SPECIAL PRESENTATIONS/RECOGNITION

- Proclamation declaring May 1, 2008, as Happy Hearts Day

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 street name and city.

CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION

10. Receive Planning Commission Action Agenda for the meeting of April 14, 2008. No action required.

11. CONSENT CALENDAR - Consent Calendar items are considered routine and will be enacted by a single vote of the Council with no discussion. For a Consent Calendar item to be discussed, or voted upon individually, it must be removed at the request of the Council.
 - a) Authorization to read ordinances by title only.
 - b) Adopt the annually updated Investment Policy and Delegating authority to invest funds for the City to the Administrative Services Director/Treasurer. **Resolution 2008-19 required.**
 - c) Request authorization to accept State CalGRIP grant monies in the amount of \$280,417.00 and authorize the City Manager to enter into a contract with Proteus, Inc. to implement the "Stepping Up for Visalia Youth" project.
 - d) Second Reading of Ordinance 2008-04 repealing Section 9.04.050 Chapter 9.04 of the Visalia Municipal Code Relating to Possession of Intoxicating Beverages and replacing it with Section 9.04.050 Intoxicating Beverages – Consumption on Public Streets, etc., and on Commercial Parking Lots and Adjacent Land unlawful. (2nd reading). **Ordinance 2008-04 required.**
 - e) Authorization to expand the Targeted Tax Area (TTA) boundaries north of Riggin Avenue in the industrial park and approval of site inclusions. **Resolution 2008-20 required.**
 - f) Request authorization to file a Notice of Completion for Four Creeks Estates II, Phase 1 Subdivision, containing 49 lots, located on Buena Vista Avenue between Burke Street and Ben Maddox Way.
 - g) Authorization to Record the Final Map for Oakwest No. 7 located at the northeast corner of Shirk Street and Hillsdale Avenue (59 lots), authorize the City Manager to sign the Subdivision and Reimbursement agreements and the Formation of Landscape and Lighting District No. 07-08, Oakwest No.7. **Resolutions 2008-21 and 2008-22 required.**
12. Initiation of amendment to the General Plan Circulation Element pertaining to the following:
 - 1) Conversion of Acequia Avenue from a one-way to two-way direction of travel;
 - 2) amendment of the Visalia Bikeway Plan to add Acequia Avenue from Conyer Street to Bridge Street as a Class II bike route.
13. Housing, Economic Development and Public Improvements completed, planned and proposed (2004-11)
14. **PUBLIC HEARING** - 2008-09 Action Plan for the use of the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant Funds (HOME) from the Federal Government through Department of Housing and Urban Development (HUD)

Convene jointly as the Visalia City Council and the Community Redevelopment Agency

15. PUBLIC HEARING (*motion to continue to May 5, 2008 at 7:00 p.m.*)

Authorize the City Manager to execute the following Affordable Housing Agreements:

- 1) Between the City of Visalia and Visalians Interested In Affordable Housing (VIAH)
- 2) Between the Visalia Redevelopment Agency & Kaweah Management Company;
- 3) Between the City of Visalia; Kaweah Management Company and VIAH

Property Location: located at the north corner of South Court Street and East Paradise Avenue. 1526 -1536 South Court Street, APN:097-261-022; 1544 S Court Street and 110 -148 East Paradise; APN's 097-261-037, 038, 039 and 040.

16. Financial analysis of Visalia's Four Redevelopment Project Areas

Adjourn as the joint Visalia City Council and Community Redevelopment Agency and remain seated as the Visalia City Council

17. Continued review of select FY 2008-09 & 2009-10 Capital Improvement budgets and future Capital Improvement Program (CIP) requests.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

Upcoming Council Meetings

- Monday, May 5, 2008, Work Session 4:00 p.m. Regular Session 7:00 p.m. – City Council Chambers, 707 W. Acequia
- Monday, May 12, 2008, Joint Meeting City Council and Visalia Unified School District – 6:00 p.m. - Convention Center, 303 E. Acequia
- Monday, May 19, 2008, Work Session 4:00 p.m. Regular Session 7:00 p.m. – City Council Chambers, 707 W. Acequia

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.

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

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- Brad Triebsch
Central Valley Food

We have an opportunity! But before we get to the specifics, we would like to inform you of the impactful work that CVBI has done over the last 12 months.

In 2007, CVBI opened two new facilities, one of which has garnered international attention. The WET Incubator, located on the Fresno State campus, has brought international civic and business leaders from Australia, Canada, China, Israel and Nigeria to Fresno. Further, our local and state elected officials, including Phil Larson, Susan Anderson, Nicole Parra, Jim Costa, Chuck Poochigian and George Radanovich have also toured the WET Incubator.

84% of incubator graduates remain in their communities

In 2008, we expect to launch three new companies that will each create up to 20 new, high-paying jobs for Central California. While these companies offer solutions to many of the world's pressing problems (see above for description of the amazing companies that are growing in our Valley), they also offer solutions to the Valley's pressing problems by helping create a stronger economy.

OUR ON-SITE MEMBERS

- Vine Global – software that helps online US retailers do business internationally
- Galaxy IT – a smart search engine application that will rival Google
- Band of Neighbors – a security system that synchronizes neighbors through cell phones
- WorldWater & Solar Technology – allows farmers to convert diesel pumps to solar power
- OXY PRO - allows vegetable oil to be used in diesel engines without mechanical conversion
- Golden State Enviro-Pure Water – recreates nature's distillation process for pure water
- PureSense – real time soil analysis to farmers that can lead to increased crop yields of 25%
- Full Circle Energy – allows municipalities to process waste with zero carbon emissions

During the past year, CVBI has worked with more than 100 small businesses and has helped 11 entrepreneurs secure nearly \$2 million in investments or venture capital. These current and future entrepreneurs come from all over the Valley, including Selma, Hanford and Madera. We currently house 9 companies at our 2 facilities and have a membership base of more than 60 small-businesses and start-up companies.

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Suite 163
Fresno, CA 93710
voice 559.292.9033
fax 559.294.6537

CLAUDE LAVAL
WET INCUBATOR
2911 E. Barstow Ave.
M/S OF 144
Fresno, CA 93740
voice 559.278.4540
fax 559.278.8401

www.cvbi.org

The economic challenge facing our community – chronic, double-digit unemployment - is regional in nature and requires collaboration between various government entities and private sector organizations. Our mission is guided by the understanding that companies with fewer than 20 workers create up to 80% of all new jobs. By helping launch successful startup businesses, we are investing in the long-term economic health of our region. By building a sustainable economy, we are helping to reduce unemployment. By creating more quality jobs, we are helping families move away from social programs and the poverty cycle and toward a self-sustaining life. **And, we help create jobs that create more money for the community.**

\$1 invested in
an incubator
=
\$30 in local tax
revenue

At CVBI, our success is measured by the positive effect we have on our local economy and community. Since our creation in 1986, we have worked with more than 3,400 entrepreneurs who have obtained nearly \$15 million in capital and created more than 2,000 direct, verifiable new jobs for Central Californians.

87% of incubator graduates are still in business after 5 years.

Since 2000, we have been working closely with the City of Clovis, who has invested \$20,000 annually in CVBI, recognizing the value that we add to their community. As a city focused on its local economic development, Clovis has instituted many programs and incentives for small business owners and would-be entrepreneurs. But these incentives have a stipulation: entrepreneurs must complete CVBI's Entrepreneur Training Process (ETP) I. In this 8-hour \$50 course, entrepreneurs evaluate the feasibility of their idea or growth plan. Many of these entrepreneurs will continue on to ETP II, a 48-hour \$250 business plan writing course. These extremely affordable high-impact courses help increase the entrepreneur's likelihood to succeed, and in turn, reinforce your economic development strategies.

Business incubation works and is becoming THE preferred economic development model for communities around the world. We help create quality jobs, which will help reverse the brain drain that plagues our area. We help companies launch so that they stay in our community. We help create

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more wealth for the community. In short, we give entrepreneurs the tools to be successful...but we all benefit.

We share our City of Clovis partnership with you to illustrate the type of partnership we'd like with you. With that outlined, we return to the start of this letter:

THE OPPORTUNITY

What we want

- ✓ An opportunity to present to you
- ✓ An investment in CVBI (you determine the value of this organization to your community)

What you get

- ✓ ETP I & ETP II scholarship for your best local start-up company (\$300 value)
- ✓ 1 Table for your best start-up at our annual CVSE (Central Valley Stock Exchange) event

In the coming week, we will be contacting your office to schedule a presentation time. If you are so excited and would like to contact us first, please call (559) 292-9033 or email Anna Borgeas at anna@cvbi.org. Thank you for your consideration. We look forward to partnering with you.

Sincerely,



Craig Scharton, CEO

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City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Presentation of draft Visalia Smart Growth Principles

Deadline for Action: N.A.

Submitting Department: Community Development

Contact Name and Phone Number: Fred Brusuelas 713-4364

Department Recommendation: Staff recommends the City Council comment on the draft Visalia Smart Growth Principles and direct staff to proceed with public review as described in the staff report.

Summary/background: The City Council, on February 24, 2007, directed staff to proceed with the preparation of Smart Growth Initiatives that may be incorporated into city ordinances and improvement standards. A Smart Growth Task Force was established comprising council members, planning commissioners and members of the public. Planning consultant, Bruce Race, was selected by the City Council to assist the task force with the preparation of the Visalia Smart Growth Principles. The Task Force members included: Ben Filiponi, Brian Rouche, Harvey May, Mike Knopf, Randy Groom, Vincent Salinas, Larry Segrue, Greg Collins, Amy Shuklian, and Greg Kirkpatrick.

Numerous Smart Growth Task Force meetings were conducted with the assistance of the consultant to craft the Visalia Smart Growth Principles document. The Task Force discussed numerous land use issues and prepared a set of principles that are suitable for future land use decision making. The principles as prepared could be incorporated into the city's General Plan update and regulatory documents such as the Zoning Ordinance, Subdivision Ordinance or Engineering Improvement Standards.

Contained in the Visalia Smart Growth Principles document are 10 objectives (Desired Outcomes) that convey what success looks like when the Principles are implemented (see page 2). There is also an identification of Citywide Growth Management Issues presented on page 3. In addition, there are three growth management Principles (page 4) and eight Design Principles (page 10) that address the issues of Land Use, Circulation, Infrastructure, Design, and Environment. The Smart Growth Principles document, on page 16, has a matrix that indicates how all the principles can be strategically incorporated with other city documents or initiatives.

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.) 40 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 majority of Smart Growth Task Force members support the Smart Growth Principles as a means to achieve a quality built environment for the city. Some Task Force members however, were concerned that the Smart Growth Principles may be too broad and open ended for practical use in the review and approval of development projects.

These concerns were discussed by the Task Force and there was consensus that regulatory language must be reviewed in further detail prior to incorporation of these principles into land use decision making documents. The Task Force was informed by staff that General Plan amendments and all regulatory documents (Zoning Ordinance, Subdivision Ordinance, Engineering Standards, etc.) must receive public review and final City County action. This public review process will allow the public and all concerned to voice their opinions on any proposed new language that implements the Visalia Smart Growth Principles.

Other Considerations: There may be other items the City Council may want to consider as a part of the Draft Visalia Smart Growth Principles. One such item is Growth Management Principle 3: *Revitalizing Visalia's Corridors*. Contained in the report are 17 identified corridors considered important to the orderly growth and image of the City. Potentially important, but not identified on the corridor list is Noble Avenue. In particular, there is a trend of residential land parcels being converted to office/medical office uses near the area of Kaweah Delta District Hospital. This corridor may deserve a level of discussion to determine if Noble Avenue should be considered for inclusion as an important economic development component.

Overall Recommendations: The overall recommendations of the Smart Growth task Force is to: (1) Use the principles as a basis for community discussion updating Visalia's General Plan; (2) Use the principles as a point of departure for issues, objectives and principles for community discussion; and (3) Outline a General plan community-based process that builds on popular Visalia 2020 General plan policies and adds quantitative (*where and how we grow*) and qualitative (*what our neighborhoods look like*) policies.

Recommended Public Review: Upon review and comment by the City Council the Visalia Smart Growth Principles document may proceed for public review. Staff recommends the City Council direct staff to use the Visalia Smart Growth Principles as a basis for initiating the General Plan Update. It is recommended that the Planning Commission conduct several Study Sessions and Public Workshops to draft Smart Growth policy language suitable for General Plan implementation. Upon completion of the draft policy language a joint meeting of the City Council and Planning Commission may be conducted for review and consideration.

Prior Council/Board Actions: The City Council on February 24, 2007 initiated the Smart Growth Policy preparation process. Attached herewith is the February 24th staff report with an overview of the Smart Growth discussion. Other action was also taken by directing staff to incorporate the Smart Growth Principles into the Zoning Ordinance, Subdivision Ordinance and Engineering Improvement Standards. This implementation will be accomplished after final action is taken by the City Council to accept the Smart Growth Principles. Staff has tentatively scheduled this ordinance amendment work to be completed by December 2008.

Presentation to City Council: The Visalia Smart Growth Principles presentation will be made by several members of the Smart Growth Task Force.

Committee/Commission Review and Actions: N/A

Alternatives: (1) Modify the Visalia Smart Growth Principles and return to City Council for additional review; or (2) Do not accept the Visalia Smart Growth Principles at this time.

Attachments: Visalia Smart Growth Principles (16 page document 3-15-08 Progress Draft 5)
City Council Staff Report February 24, 2007 – Smart Growth Initiative
City Council Study Session – Power Point Presentation

Recommended Motion (and Alternative Motions if expected): I move the City Council accept the draft Visalia Smart Growth Principles and direct staff to proceed with public review as described in the staff report.

Environmental Assessment Status

CEQA Review: N.A.

NEPA Review: N.A.

Copies of this report have been provided to:

Smart Growth Task Force:

Amy Shuklian
Ben Fliponi
Bill Huott
Brian Rouche
Bruce Race
Charles Norman
Greg Collins
Harvey May
Larry Segrue
Michael Lane
Mike Knopf
Paul Scheibel
Randy Groom
Steven Peck
Vincent Salinas

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 3

Agenda Item Wording: Update - East Central Visalia Framework Plan

Deadline for Action: N. A.

Submitting Department: Community Development

Contact Name and Phone Number: Fred Brusuelas 713-4364

Department Recommendation: Staff recommends the City Council accept Preliminary Concept Plan no. 2 as the basis for continued work on the East Central Visalia Framework Plan.

Summary/background: The City Council on December 19, 2005 directed staff to move forward with numerous tasks that would implement the various provisions of the East Downtown Strategic Plan. One such task was the preparation of a Framework Plan (141 acres) that would interface with the East Downtown project area along the north (*Murray Ave.*) and east (*Ben Maddox*) perimeter boundaries.

RACESTUDIO (Bruce Race) was selected by the City Council to perform the work associated with preparation of the Framework Plan. In June 2006 the contract was executed and work began. The scope of work comprised three steps of which two have been completed to date. Step one was to examine the area's existing conditions and opportunities for potential economic development and planning efforts. This step has been completed. See attached "Opportunity Site" map. Step two was to prepare alternative framework concept plans as a basis to craft a preferred concept plan. This step has also been completed. Attached herewith are two alternative preliminary concept plans for City Council review and comment. Step three has not been completed. This step will be prepared after City Council review and comments on the preliminary concept plans. It will include: (a) Summary Report, (b) Action Plan, and (c) Preferred Framework Concept Plan.

On August 14, 2007 a community workshop was conducted at the Visalia Convention Center to explore land use concepts and implementation issues for the East Central Visalia Framework Plan area. Over 30 attendees worked in teams to map land use concepts and address implementation issues. The Workshop resulted in six key features: (1) Extending the East Downtown Central Park; (2) Creating new neighborhoods; (3) Creating/improving business addresses; (4) Creating great streets; (5) Establish future Service Commercial areas; and (6) Cluster cultural and arts activities.

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 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.

Team summaries from the community workshop are attached herewith. The land use features and implementation challenges prepared by the workshop attendees were used as the foundation to prepare the two Preliminary Concept Plans.

Framework Taskforce: In addition to the community workshop and public outreach, there were several meetings with the Framework Plan Taskforce. The task force members included: Tricia Stever, Gregg Whitney, Bill Mauch, Cliff Dunbar, Adam Peck, Lesa Mann, Robert Mijares, and Ron Bueno. Numerous land use and economic issues were discussed and the concluding observations of the taskforce were: (a) Think long term; (b) Focus on commercial uses in the near term, along the street corridors with emphasis on quality physical development; (c) Consolidate Service Commercial uses into better designed and managed “business centers”; (d) Civic Center is an important catalyst- build parks and neighborhoods from East Downtown; and (e) Work with the Farm Bureau to support their long-term asset management objectives for stockyards.

Each of the two Preliminary Concept Plans, attached herewith, have a land use emphasis and list of “Key Features” with land use acreage. Preliminary Concept 1 has a *Residential Neighborhood Emphasis* and Preliminary Concept 2 has a *Service Commercial Emphasis*. The two alternative concept plans depict the land use differences on the drawings with “Key Features” and Land Use Acreages (*see attached maps*).

In summary: Preliminary Concept 1: Residential Neighborhood Emphasis has **37 acres** of total commercial uses and **89 acres** of total residential uses. In contrast, Preliminary Concept 2: East Service Commercial Center Emphasis has **72 acres** of total commercial uses and **61 acres** of total residential uses.

Recommended Preliminary Concept Plan 2: Staff recommends the City Council select Preliminary Concept Plan 2 as the basis for continued work on the framework plan. Concept Plan 2 has an emphasis on establishing a new Service Commercial area east of Ben Maddox Avenue that can accommodate a transition for service commercial businesses currently within the East Downtown Strategic Plan and provide other service commercial businesses that will serve the community in the long term. Additionally, revisions can easily be made to Concept Plan 2 that will accommodate further interests of the Farm Bureau and School District. In summary, Concept Plan 2 accomplishes a higher degree of long term economic development for the area.

Next Steps: Upon City Council acceptance of a preliminary concept plan, the next step in the process is consultation with the school district and farm bureau regarding their long range plans, concerns and issues. Their input will be considered for further refinement of the Framework Plan. The following action is step three of the consultant’s requirement to prepare and submit: (a) Summary Report, (b) Action Plan, and (c) Preferred Framework Concept Plan, for City Council review.

Presentation to City Council: Consultant, Bruce Race, will be making the presentation of the Preliminary Concept Plans. East Central Visalia Task Force members have been invited to attend.

Prior Council/Board Actions: Council authorized a contract with RACESTUDIO on April 17, 2006 to prepare a Framework Plan for the area north and east of the East Downtown Strategic Plan area.

Committee/Commission Review and Actions: N. A.

Alternatives: Return the Preliminary Concept Plans for additional City Council discussion

Attachments: Opportunity Sites *Map*
Preliminary Concept 1: *Residential Neighborhood Emphasis*
Preliminary Concept 2: *East Service Commercial Center Emphasis*
Citizens Workshop Summary (*9 pages*)
City Council Update - Power Point Presentation

Recommended Motion (and Alternative Motions if expected): I move that City Council accept Preliminary Concept 2 as the basis for further work on the East Central Visalia Framework Plan.

Environmental Assessment Status

CEQA Review: N.A.

NEPA Review: N.A.

Copies of this report have been provided to:

Framework Plan Task Force Members

Tricia Stever
Gregg Whitney
Bill Mauch
Cliff Dunbar
Adam Peck
Lesa Mann
Robert Mijares
Ron Bueno

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 4

Agenda Item Wording: Presentation by Bill Delain, Region Manager for Southern California Edison, and discussion regarding revised alignment proposal and future steps for the San Joaquin Cross Valley Loop Transmission Project

Deadline for Action: NA

Submitting Department: Community Development

Contact Name and Phone Number: Leslie Caviglia 713-4317

Department Recommendation: Consider the presentation by Bill Delain of Southern California Edison (SCE) regarding status of the revised alignment proposal for the San Joaquin Cross Valley Transmission Project; request the following information to facilitate a detailed analysis of the alternatives:

1. Specific location of alternative routes in relation to parcel lines and existing land uses
2. Details on number and location of replacement poles for each alternative from Rector Substation to St. John's River.
3. Detailed comparative cost estimates for each alternate route.

Council should request this information be provided by SCE prior to SCE's submittal of an application to the CPUC. This will enable the Council and the community to make fully informed recommendations to the CPUC on this project.

Summary/background:

Southern California Edison is proceeding with efforts to construct a new 220 kilovolt (kV) electric transmission line to connect the existing Big Creek-Springville transmission line near Lemon Cove to the Rector Substation located on Road 148 between Walnut Avenue and Caldwell Avenue. SCE's proposed transmission line route (Route 1) would be constructed on approximately 108 tubular poles and 14 lattice steel towers ranging in height from 120 to 160 feet. The attached SCE Community Update (dated March 2008) provides details on this project and includes discussion on alternatives routes that are being considered. Both alternatives Routes 2 & 3 extend substantial distances north of Visalia.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 20

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

SCE has worked on this project for several years in an effort to expand power supplies to support our region. During this process, SCE has conducted considerable outreach to the public and communities. These efforts are to be commended.

SCE states that the transmission line project is needed to meet increasing demands for electric power in Tulare County and Kings County. The Rector Substation serves Visalia, Tulare, Hanford, Farmersville, Exeter, and other cities and unincorporated areas in both counties. SCE has determined that existing transmission lines delivering power to the Rector Substation are operating near or at capacity. The proposed transmission line project is intended to increase SCE's ability to deliver power to the Rector Substation to serve the region during high electrical demand periods.

Enclosed is a copy of SCE's March 2008 Community Update for the transmission loop project which shows the alignment of the preferred transmission line route. As currently proposed, the route would extend east from the existing SCE transmission line serving Rector Substation along an alignment approximately ¼ to ½ mile south of Highway 198, turning north at a point approximately ¼ mile east of Road 212, turning east generally along the alignment of Avenue 320, then weaving through Lemon Cove to the Big Creek-Springville transmission line. The point of easterly departure from the existing SCE easement is at approximately the Tulare Avenue alignment.

In November 2006, Council received an initial report on this project. At that time, the proposed route under consideration also paralleled State Highway 198, but the portion of the route between the SCE easement on the Road 148 alignment and a point approximately ½ mile east of Road 168 was located approximately ½ mile north of State Highway 198. The City Council subsequently authorized the City Manager to send a letter to SCE describing several concerns about the earlier route and recommending that Alternate Route 2 be utilized for the transmission system. A copy of the letter to SCE dated December 19, 2006 is attached.

Utilizing input received through local outreach efforts, SCE subsequently added a third alternative (Alternative 3 as shown in the Community Update, located near the unincorporated community of Orosi), in addition to revising the alignment for Route 1 (Proposed Route).

SCE intends to submit its application to the California Public Utilities Commission (CPUC) in May 2008 requesting authorization to build the loop transmission line. According to Mr. Delain, the application to CPUC will contain Alternative 1 (Proposed Route) and Alternate Routes 2 & 3 as described in the March 2008 Community Outreach. The CPUC will conduct community scoping sessions, prepare an environmental impact report and solicit public comments. A decision by CPUC is anticipated approximately 12-15 months after application submittal. Upon making a decision to issue a Certificate of Public Convenience and Necessity (thereby authorizing SCE to proceed with the project), the CPUC would also select the alignment among the three alternatives to be built. In other words, the CPUC has authority to select any of the three alternatives for implementation.

Replacement of Existing Towers Adjacent to City Limits

Each route includes replacement of existing 65' tall lattice towers with new tubular steel poles 120'-160' in height within the existing SCE easement along the Road 148 alignment to the point where the selected route turns east toward the Big Creek-Springville transmission line. Proposed Route 1 minimizes the length of replacement towers along the existing Road 148 easement, and avoids replacement of towers near the existing Highway 198 crossing. This will reduce the number of tall replacement towers along the existing Road 148 alignment easement.

Routes 2 and 3 will require that all existing 65' tall towers next to the City of Visalia be replaced by poles that will be 120'-160' tall. Currently there are approximately 27 pairs of 65' lattice towers from the Rector Station to the St. John's River. The existing towers will be replaced with taller poles. The new poles will support existing power lines and additional lines to provide expanded electrical power to the Rector Sub-station.

The existing pairs of towers are spaced approximately 600' apart. The replacement pairs will be spaced approximately 900' – 1000' apart.

Staff has concerns regarding the replacement of towers within the SCE easement next to the City limits and within the Urban Area Boundary. The replacement of pairs of 65' tall towers with pairs of 120'-160' tall poles, along with added power lines, will create significant visual impacts to citizens living next to or near the power line easement. Citizens may also have concerns regarding electromagnetic fields (EMFs) created by the expanded power lines. These concerns must be addressed by SCE and the CPUC during this process.

Staff Analysis

Revised Route 1 (the currently proposed route) has attempted to resolve issues cited by the City of Visalia in the December 19, 2006 letter regarding the original Route 1 alignment. These include:

- The currently proposed route avoids sensitive areas (Oaks Basin and the 100 acre City-owned future park site located north of SH 198 at Road 152) located north of State Highway 198.
- The currently proposed route eliminates one of three transmission line crossings on State Highway 198. This will alleviate some of the concern expressed in Council's earlier letter about impacts to the scenic view of the Sierra Nevada Mountains from transmission towers and lines at highway crossings.

The currently proposed Route 1 does not fully resolve issues of potential land use conflicts:

1. The area east of Visalia is intensively farmed on both sides of State Highway 198 with a mix of commercial and ag fronting portions of the highway. Most of the area is comprised of intensive walnut and stone fruit operations transitioning to citrus near the foothills. Land in the area is typically divided into agricultural parcels, many of which have dwellings. A major transmission line will potentially disrupt this agricultural area and impact the quality of life for the residents. However, due to the lack of detail on the alignments, the impacts to the corridor are difficult to determine.
2. Though a crossing along Highway 198 has been eliminated, the project will still adversely impact the scenic quality of the highway corridor to the Sequoia National Park and Forest. With tourism being strongly promoted in the region (including the Sequoia Shuttle), it is critical to maintain the quality of the scenic panorama. This proposed major transmission line project will run parallel to Highway 198 and likely be in view from the highway. In addition, the transmission lines will cross the highway at two locations, once on the Valley floor and once in the foothills of Lemon Cove.
3. Route 1, as currently proposed, will extend east from the existing SCE easement through the eastern edge of the City's Urban Area Boundary for a distance of about 1.25 miles. The corridor includes a ½ mile portion of the 165,000 Urban Development Boundary, currently designated as Urban Reserve. If implemented, the power line easement will create challenges in future planning for this area of the community.

The revised Route 1 alignment will also significantly impact the City of Farmersville. While the original alignment north of Highway 198 avoided Farmersville, the new alignment south of the highway will bisect their city. Farmersville City Council has taken a position opposing proposed Route 1 and favoring Route 3.

As with Route 1, the Route 2 alignment appears to have also generated concerns regarding land use conflicts. This alignment extends east from the Big Creek-Rector transmission system through a corridor between the City of Woodlake and the unincorporated Community of Elderwood. This area is substantially inhabited. Residents of the area have expressed concerns that the proposed loop transmission line would adversely affect the quality of their community.

In contrast to Routes 1 and 2, Alternate Route 3 does not appear to cross through or near any established community. This route extends east-northeast from the Big Creek-Rector transmission line at a point north of Avenue 384 through sparsely inhabited agricultural and foothill grazing areas to the Big Creek-Springville line.

Route 3 is the longest of the 3 routes (24 miles, compared to Route 1- 19 miles and Route 2 – 24 miles) and will require the greatest number of steel poles/ lattice towers (140 poles/ 57 towers compared to Route 1 – 108 poles/ 14 towers and Route 2 – 157 poles/ 9 towers.) Despite these differences, Route 3 may benefit from potentially lower land acquisition costs, reduced number of landowners, and possibly less landowner resistance due to fewer land use conflicts along the Route 3 alignment.

Prior Council/Board Actions: November 20, 2006 Council work session on original alignment alternatives.

Committee/Commission Review and Actions: NA

Alternatives:

1. Take no position.
2. Support currently proposed Route 1.

Attachments:

1. SCE March 2008 Community Outreach – San Joaquin Cross Valley Loop Transmission Project
2. December 19, 2006 letter from City Manager to Bill Delain, SCE Regional Manager
3. SCE PowerPoint presentation

Recommended Motion (and Alternative Motions if expected): Consider the SCE presentation and the concerns expressed by staff; request additional information as recommended for future Council review.

Environmental Assessment Status

CEQA Review: NA

NEPA Review: NA

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: NA

ACTION

PLANNING COMMISSION AGENDA

CHAIRPERSON:
Vincent Salinas



VICE CHAIRPERSON:
Lawrence Segrue

COMMISSIONERS PRESENT: Sam Logan, Vincent Salinas, Adam Peck, Larry Segrue, Terese Lane

MONDAY APRIL 14, 2008; 7:00 P.M., CITY HALL WEST, 707 WEST ACEQUIA, VISALIA CA

- 7:00 TO 7:00 1. THE PLEDGE OF ALLEGIANCE
- 7:00 TO 7:00 2. CITIZEN'S REQUESTS - The Commission requests that a 5-minute time limit be observed for requests. Please note that issues raised under Citizen's Requests are informational only and the Commission will not take action at this time.
- No one spoke
- 7:00 TO 7:00 3. CITY PLANNER AGENDA COMMENTS
- No comments
- 7:00 TO 7:01 4. CHANGES TO THE AGENDA
- No Changes
- 7:01 TO 7:01 5. CONSENT CALENDAR - All items under the consent calendar are to be considered routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of the Commission and made a part of the regular agenda.
- Consent Calendar was approved (Logan, Segrue) 5-0
- Time Extension for Tentative Parcel Map No. 2005-10
 - Time Extension for Rancho Santa Fe #3 (Monte Vista Estates) Tentative Subdivision Map No. 5515
 - Proposed Planning Division Fee Schedule, FY 2008/2010 Budget Summary, Accomplishments for FY 2006/208, and Goals for FY 2008/2010
- 7:01 TO 7:05 6. PUBLIC HEARING –Janet Jiggerian, presented by Paul Scheibel
- Approved as recommended (Logan, Peck) 5-0
- Open: 7:04
Close: 7:04
- Conditional Use Permit No. 2008-11: A request by Kornwasser Shopping Center properties, Inc. to allow a commercial play gym in a commercial center in the CC (Community Commercial) zone. The site is located in the Winco Shopping Center at the southeast corner of Caldwell Ave. and Chinowth St. (APN: 119-730-004)

7:05 TO 7:16

7. PUBLIC HEARING –Presented by Teresa Nickell

Approved as recommended (Segrue, Peck) 5-0

Conditional Use Permit No. 2008-12: A request by Kaweah Management Company to add nine units to an existing 11-unit multi-family residential complex as an affordable housing project on five parcels totaling 1.31 acres (57,356 sq .ft.) in the R-M-2 (Multi-family Residential, 3,000 sq. ft. of lot area per unit) and P-A (Professional/Administrative Office) zones. The site is located at the northeast corner of Paradise Ave. and Court St. (APNs: 097-261-022, -037, -038, -039, -040)

Open: 7:12
Close: 7:13

7:16 TO 8:55

8. PUBLIC HEARING –Presented by Brandon Smith (continued from 02/25/08)

Approved as recommended with the addition of the wording at the end of condition 2b (*) with the removal of condition #6 and clarification of the word traditional in condition #7 (Logan, Peck) 5-0

Conditional Use Permit No. 2007-39: A request by Westland Development, LLC, for a phased master- planned development of a mix of office, educational, and highway service businesses totaling 327,828 sq. ft. on 29.4 acres within the BRP (Business Research Park) zone, located on the east and west sides of Plaza Drive, north of Crowley Ave.(APNs 081-020-067 & 081-020-070).

Open: 7:50
Close: 8:43

(*) “Any increased right-of-way required to facilitate Condition No. 2b shall be taken by a reduction in the landscape setback, and shall not affect the developable property as depicted in the approved site plan.”

8:55 TO 9:05

9. DIRECTOR’S REPORT/PLANNING COMMISSION DISCUSSION:
Assistant Director, Fred Brusuelas informed Commissioners of:

- a. The outcome of the last City Council meeting regarding the Home Depot Appeal; the appeal was upheld 3-2 in favor of the Commission’s decision.
- b. At next Monday’s City Council meeting there will be a presentation at the Work Session on the Smart Growth Task Force and East Visalia Frame Work.
- c. Also, on April 17th there will be a presentation of the Future East Downtown Visalia Parks & Infrastructure Master Plan.

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

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

**HE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, APRIL 14, 2008
CITY HALL COUNCIL CHAMBERS, 707 WEST ACEQUIA**

9:05 To 9:05

Motion to Adjourn (Segrue, Peck) 5-0

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 21, 2008

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

Agenda Item Wording: Approve Resolution Number 2008-19 adopting the City of Visalia's annually updated Investment Policy and Delegating authority to invest funds for the City to the Administrative Services Director/Treasurer.

Deadline for Action: None

Submitting Department: Administration - Finance

Contact Name and Phone Number: Eric Frost 713-4474,
Jason Montgomery 713-4425

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

1. Approve the annually adopted Investment Policy.
2. Delegate authority of the investment program to the Administrative Services Director/Treasurer Eric Frost.

Investment Policy: The City Council is required by California Government Code to annually review and approve the City's Statement of Investment Policy. The policy is included as an attachment. There are no changes recommended to the policy at this time.

Investment Authority: City Council has the authority to invest the funds of the City; however, California Government Code authorizes the Council to delegate that authority to the Treasurer (Administrative Services Director or ASD) on an annual basis. Council's motion to delegate that authority for one year to the Treasurer will be valid until that authority is revoked or expires. A committee consisting of the ASD, a Finance Manager, and three Financial Analysts meets on a monthly basis to discuss the market, availability of funds for investment and appropriate investments for the portfolio to ensure a disciplined investment management approach.

Prior Council/Board Actions:

Approved and adopted the City of Visalia Investment Policy in May 2007. Authority for Administrative Services Director/Treasurer or his delegate to invest funds of the City approved in May 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.): 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.

Alternatives:

Attachments:

Attachment #1, City of Visalia Investment Policy

Recommended Motion (and Alternative Motions if expected): Approve resolution No. 2008-19 adopting the City of Visalia's annually updated Investment Policy and delegating authority to invest funds for the City to the Administrative Services Director/Treasurer Eric Frost.

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. 2008-19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF VISALIA
ADOPTING THE CITY INVESTMENT POLICY

WHEREAS, the Council of the City of Visalia has adopted the Statement of Investment Policy; and

WHEREAS, California Government Code section 53646 requires annual review and adoption of the Investment Policy; and

WHEREAS, the authority to manage the City's investment program is derived from the City's Charter; and

WHEREAS, California Government Code section 53607 requires the authority to invest the funds of the City to be delegated annually to the Director of Administrative Services/Treasurer,

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Visalia adopt the City of Visalia Statement of Investment Policy and delegate responsibility for the investment program to the Director of Administrative Services/Treasurer.

PASSED AND ADOPTED:

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

CITY OF VISALIA

Statement of Investment Policy

INTRODUCTION

The City of Visalia (The City) strives to maintain the level of investment of all funds as near 100% as possible through daily and projected cash flow determinations. Investments are made so maturities match or precede the cash needs of the City. The City will insure that principal invested is protected from loss while maintaining adequate cash availability and maximizing yield on invested funds.

The basic premise underlying the City's investment philosophy is to insure that money is always available when needed. A minimum amount of 6% of the adopted operating budget is maintained in immediately available investments, such as the State Treasurer's Local Agency Investment Fund or other cash equivalents. This may include commercial paper, banker's acceptances, or new repurchase agreements.

The City's portfolio will be limited to an average life of three years or less. When the market warrants purchase of longer maturities to capture a higher rate of return, purchases will be limited to United States Treasury Notes and Bonds, Federal Agencies, Medium Term Notes, and Mortgage Backed Securities.

The City will attempt to ladder the portfolio with staggered maturities so that a portion of the portfolio will mature each year. In addition, the economy and various markets are monitored carefully to assess the probable course of interest rates. In a market with low or increasing interest rates, the City will attempt to invest in securities with shorter maturities. This makes funds available for other investments when the interest rates are higher. When interest rates appear to be near a relative high rate, the City will attempt to purchase investments with medium to long-term maturities to lock in the higher rate of return. When interest rates are falling, the City will invest in securities with longer maturities to hold the higher rate for a longer period of time.

City will also take advantage of any new investment instrument that becomes eligible for municipal investment only after a detailed review of the investment, and its safety, liquidity and yield are completed.

1.0 Policy

It is the policy of the City to invest public funds in a manner which will provide the greatest security with the maximum investment return while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

It is intended that this Investment Policy cover all funds and investment activities under the direct authority of the City organization.

3.0 Prudence

As a charter city, the City operates its pooled cash investments under the prudent investor rule. Investments shall be made with the judgment and care, under the circumstances then prevailing which investors of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California, the charter of the City, and this investment policy. Investments will be made in a range of instruments to insure diversification of the City's portfolio and liquidity of assets in an emergency situation.

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. Future State of California legislative actions affecting this investment policy (adding further restrictions to the type and length of investments) shall not apply to those investments held prior to the enactment of said legislation unless specifically identified in the legislative action.

4.0 Objective

The primary objectives, in priority order, of the City of Visalia's investment activities shall be:

4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

- a. Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, will be minimized by:
 - Limiting investments to the types of securities listed in Section 8.0 of this Investment Policy
 - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section 7.0
 - Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- b. Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - Investing funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy as outlined in Section 13.0.

4.2 **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investments: The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

5.0 Delegation of Authority:

Authority to manage the City's investment program is derived from the City's Charter. On November 21, 1983 Council delegated responsibility (Resolution 83-96) for the investment program is to the Finance Director (Treasurer), who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Annually, Council will review and adopt by resolution the updated Investment Policy, in which Council will delegate responsibility for the investment program to the Treasurer.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Treasurer any material interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City, particularly with regard to the time of purchases and sales.

7.0 Authorized Financial Dealers and Institutions:

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- Audited Financial Statements
- Proof of National Association of Security Dealers certification
- Completed broker/dealer questionnaire
- Certification of having read this investment policy
- Compliance with City of Visalia insurance requirements for professional services agreements for general, professional and automotive liability.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer. In addition, a current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City conducts investment transactions.

The City shall also be open to contracting investment management services for a portion of the portfolio. That portion shall be limited to longer term investments of two years or longer. Any investment management firm contracted shall meet criteria established by the Treasurer. All investments made under contract will be purchased in the City's name and in accordance with the guidelines established by the City's investment policy.

8.0 Authorized and Suitable Investments

The City is empowered by statute to invest in the following types of securities:

A. Securities of the U.S. Government

Securities of the U.S. Government include U.S. Treasury bills, notes and bonds.

U.S. Treasury Bills - are issued by the U.S. Treasury and are available in maturities out to one year. They are non-interest bearing and sold on a discount basis. The face amount is paid at maturity.

Treasury Notes - are issued by the U.S. Treasury with maturities from two to ten years. They are issued in coupon form and many issues are also available in registered form. Interest is payable at six month intervals until maturity.

Treasury Bonds - are issued by the U.S. Treasury with maturities of ten years to thirty years. The City may purchase the interest and/or principal of a U.S. Treasury Bond. A principal only instrument is commonly called a "stripped" or "zero" coupon. Stripped coupons are sold at a discount basis. The face amount is paid at maturity.

B. Securities of U.S. Government Agencies

The capital of U.S. government agencies was initially financed by the United States Treasury. As the agencies have grown and operated profitably over the years, the Treasury's investment has been replaced in a large measure by private capital. At the present time, obligations of only a few agencies are backed by the full faith and credit of the U.S. Government. The obligations of all the federal agencies described in the following sections are not guaranteed by the U.S. Government with the exception of Government National Mortgage Association, but are considered to be investments of the highest quality.

Federal National Mortgage Association - (Fannie Mae) Is a quasi- public corporation created by an act of Congress to assist the home mortgage market by purchasing mortgages insured by the Federal Housing Administration and the Farmers Home Administration, as well as those guaranteed by the Veterans Administration. FNMA issues Notes and Bonds. Notes are issued with maturities of less than one year with interest paid at maturity. Bonds are issued for 15 and 30 year maturities with interest paid semi-annually. Interest is computed on a 30/360 day basis. There is a strong secondary market in these securities. A secondary market means these instruments are actively traded; they are bought and sold daily.

Government National Mortgage Association - (Ginnie Mae) is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development. A certificate collateralized by FHA/VA residential mortgages represents a share in a pool of FHA or VA mortgages. Ginnie Mae's are registered securities. Principal and interest are paid monthly and sent directly from the issuer of the pool, usually a mortgage banker, to the City. Original maturities range

from 12 to 30 years with a 7 to 12 year assumed average life. (Assumed average life is due to prepayments of mortgages).

Federal Home Loan Banks - provide credit to member lending institutions such as savings and loan associations, cooperative banks, insurance companies and savings banks. The agency offers bonds in the public market with maturities of one year to ten years. These bonds are usually offered on a quarterly basis depending on the current demands of the housing industry. Interest is paid semi-annually on a 30/360 day basis.

Federal Farm Credit Banks - are debt instruments issued to meet the financial needs of farmers and the national agricultural industry. Discount notes are issued monthly with 6 and 9 month maturities. Discount notes pay interest at maturity. Longer term debentures (2-5 years) are also issued. Debentures pay interest semi-annually on a 30/360 day basis. These issues enjoy an established secondary market.

Small Business Administration Loans - (SBA) The Small Business Administration is an independent agency of the United States government which furnishes financial and management assistance to small businesses. The SBA guarantees the principal portion of the loans it approves. The City purchases the guaranteed portion of these loans. Maturity can be for 1 year to 30 years. These loans can be either set at a fixed rate or variable rate which is usually tied to the prime rate. Principal and interest are paid monthly on a 30/360 day basis.

Federal Home Loan Mortgage Corporation - (Freddie Macs) A publicly held government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended. Freddie Mac's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the secondary market for home mortgages by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. Maturity can be for 1 year to 30 years. These loans can be either set at a fixed rate or variable rate.

Other U.S. government securities available to the City for investment purposes include: Student Loan Marketing Association (SLMA or Sallie Mae), Aid for International Development (AID), and debentures of Tennessee Valley Authority (TVA). However, these instruments are not offered on a regular basis and do not offer the same liquidity as the before mentioned instruments.

C. Time Deposits and Certificates of Deposit

Time Deposits are placed with commercial banks, savings association, or state or federal credit unions. A time deposit is a receipt for funds deposited in a financial institution for a specified period of time at a specified rate of interest. Generally, the time is 3 months to 2 years. Denominations can be any agreed upon amount and interest is normally calculated using actual number of days on a 360-day year and paid monthly. Deposits of \$100,000 (commonly referred to as Jumbo C.D.'s) per institution are insured by the Federal Deposit Insurance Corporation (FDIC) and Certificates of Deposit can be supported by either 110% U.S. Government agency notes or 150% mortgages currently held by the bank or savings and loan. An institution must meet the following criteria to be considered by the City:

- The institution must maintain a net worth to asset ratio of at least 3% and a positive earnings record.
- The institution must make available a current FDIC call report or FHLB report. A call report presents the solvency of the institution to the agency with oversight responsibility of that institution.

D. Negotiable Certificates of Deposit

Negotiable Certificates of Deposit are a form of Certificate of Deposit which have been an important money market instrument since 1961 when commercial banks began issuing them and a secondary market developed to provide liquidity. Since these certificates of deposit can be traded in the secondary market, they are negotiable instruments, hence their name negotiable certificate of deposit. They are supported only by the strength of the institution from which they are purchased. Interest is paid semi-annually computed on a 30/360 day basis. Maturities range from 3 months to 2 years. Negotiable Certificates of Deposit are generally issued in blocks of \$1 million, \$5 million, \$10 million, etc.

The City will restrict its investments in Negotiable Certificates of Deposit to the 100 largest United States banks according to asset size. The profitability of the financial institution as well as its financial stability is also taken into account prior to placing the investment.

E. Banker's Acceptance Notes

A banker's acceptance (B.A.) is a unique credit instrument used to finance both domestic and international transactions. As a money market instrument, it is an attractive short-term investment. When a bank "accepts" such a time draft, it becomes, in effect, a predated certified check payable to the bearer at some future, specified date. Little risk is involved because the commercial bank assumes primary liability once the draft is accepted. Banker's acceptances are frequently in odd amounts. Maturities normally range from 30 up to 180 days. Banker's acceptances are sold at a discount. This means the face amount is received at maturity. The City will purchase Banker's acceptances from only the 100 largest United States banks according to asset size. The profitability of the financial institution as well as its financial stability is also taken into account prior to placing the investment.

F. Commercial Paper

Commercial paper is the trade name applied to unsecured promissory notes issued by finance and industrial companies to raise funds on a short term basis. Commercial paper can be purchased on an interest bearing or discount basis. Interest bearing instruments pay interest semi-annually. Discounted instruments pay interest at maturity. The City will invest in commercial paper only if the paper attains the highest ranking or attains the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). Maturities range from 30 to 180 days with interest computed on a 30/360 day basis.

G. Medium Term Notes

In recent years, this financing mechanism has grown, providing capital to the private sector, and diminishing the Negotiable Certificate of Deposit market. The trend towards medium term notes is related to buyer and seller flexibility and convenience. The notes are issued on any given date and maturing on a negotiated date. They generally range from 2 to 5 years in maturity. This market provides an excellent alternative to Negotiable C.D.'s. The City will only purchase Medium Term Notes with credit ratings of A or better by a nationally recognized rating agency; and with maturities of 5 years or less. Their interest is calculated on a 30/360 day basis like Agency bonds. Interest is paid semi-annually.

H. **Local Agency Investment Fund demand deposit**

The Local Agency Investment Fund (LAIF) was established by the State to enable treasurers to place funds in a pool for investment. The LAIF has been particularly beneficial to those jurisdictions with small portfolios. Each agency is limited to an investment of \$40.0 million per account. The City uses this fund for short term liquidity, investment, and yield when rates are declining. Funds are available on demand and interest is paid quarterly. Presently, the City maintains two LAIF accounts.

I. **Repurchase Agreement**

Closely associated with the functioning of the Federal funds market is the negotiation of repurchase agreements or repo's. Banks may buy temporarily idle funds from a customer by selling U.S. Government or other securities with the contractual agreement to repurchase the same security on a future date determined by negotiation. For the use of funds, the customer receives an interest payment from the bank; the interest rate reflects both the prevailing demand for Federal funds and the maturity of the repo. Repurchase Agreements are usually executed for \$100,000 or more. The City will require physical delivery of the securities backing the repo to its safekeeping agent. The institution from which the City purchases a repo must transfer on an ongoing basis sufficient securities to compensate for changing market conditions and to insure that the market value of securities is valued at 102 percent or greater of the funds borrowed against those securities. Generally, maturities range from 1 to 90 days with interest paid at maturity, and may not exceed one year. A Master Repurchase Agreement is required.

J. **Reverse Repurchase Agreements**

Reverse Repurchase Agreements, on the other hand simply reverses the above process of purchasing repurchase agreements. The City, in effect, sells a particular security to a firm for a stated period of time, not to exceed 92 days. Interest is paid at maturity. The City pays the firm interest on the cash it receives while receiving the interest on original security. The City will in turn purchase a short term security at a higher rate of interest. Reverse repurchase agreements may also be used to alleviate a temporary cash shortage. The City of Visalia will never utilize the reverse repurchase agreement in order to meet its cash needs. Reinvestment of reverse repurchases will be in securities of shorter or equal maturities to a reverse repurchase agreement. Reverse repurchase agreements cannot exceed 20% of the investment portfolio.

K. **Money Market Mutual Funds**

Money Market Mutual Funds are shares issued by diversified management companies who invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) of Government Code Section 53630 and comply with the investment restrictions of Article 2 (commencing with Section 53630 of the California Government Code). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized rating services, or (2) have an investment adviser registered with the Securities and Exchange Commission with not less than five year's experience investing in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) of Government Code section 53630, and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 20 percent of the investment portfolio.

9.0 Other Investment Pools:

A thorough investigation of investment pools, as authorized by statute, shall be conducted prior to the City's investment. The City uses the Local Agency Investment Fund (LAIF) that was established by the State to enable treasurers to place funds in a pool for investments. Any pool shall provide the following:

- A description of eligible investment securities, and a written statement of investment policy and objectives (i.e. are reserves, retained earnings, etc. utilized by the pool and is the pool eligible for bond proceeds and/or will it accept such proceeds)
- A description of interest calculations and distribution methods, and how gains and losses are treated
- A description of how the securities are safeguarded (including the settlement processes), and how often securities are priced and the program audited
- A description of who may invest in the program
- A description of how deposits and withdrawals will be made, how often they are allowed and any minimum or maximum limitations
- A reporting schedule for receiving statements and portfolio activity
- A fee schedule and method of assessment

10.0 Collateralization:

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. Deposits of \$100,000 (commonly referred to as Jumbo C.D.'s) per institution are insured by the FDIC and Certificates of Deposit can be supported by either 110% U.S. Government agency notes or 150% mortgages currently held by the bank or savings and loan.

11.0 Safekeeping and Custody:

Securities purchased with invested funds that are in a negotiable, bearer, registered, or nonregistered format, shall require delivery of all the securities to the City, including those purchased for the City by financial advisors, consultants, or managers using the City's funds, by book entry, physical delivery, or by third party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book-entry delivery.

To insure the safety and internal accounting controls necessary to establish a stable and accurate investment system, the City uses an investment confirmation document. This document is prepared by Treasury and approved by accounting personnel. Copies are also distributed to the City accounting department, Treasury investment file, and the institutions with which the order to transfer funds was placed (safekeeping). This transaction control document, or "Confirmation" form, contains information regarding the type of investment; amount invested; interest rate; purchase and maturity dates; and any delivery instructions. This confirmation is matched to the Broker's Confirmation and held in the Treasury's file until the security is sold or matures.

12.0 Diversification:

The City operates its investment pool with many State and self-imposed constraints. It does not buy stocks and it does not speculate. Currently Government Code Section 53600 (et seq) restricts the City portfolio to:

- o 30% in Negotiable Certificates of Deposit
- o 25% in Commercial Paper
- o 20% in Money Market Mutual Funds
- o 40% in Bankers Acceptance Notes
- o 30% in Medium Term Notes
- o 20% in Repurchase Agreements

These restrictions primarily apply to short-term investments and are interpreted to apply at the time of investment. If, as the portfolio mix changes over time, a particular segment exceeds these restrictions the prudent investor rule shall apply.

The City will be selective in purchasing long-term negotiable certificates of deposit and medium term notes, placing such an investment only with a large stable institution.

13.0 Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City will operate a portfolio with an average life of three years or less. This is to insure liquidity and the ability to move with changing markets and interest rates.

No investments shall be made in investments with maturities greater than five (5) years without specific Council approval not less than ninety days prior to the investment. Exception: Mortgage Backed Securities, such as Federal National Mortgage Association (Fannie Mae) and Government National Mortgage Association (Ginnie Mae) which have maturities greater than five (5) years, and not to exceed 30 years may be purchased. While the final maturity on these investments is greater than five (5) years, the return of principal and interest is received on a monthly basis (as mortgages are being paid, refinanced, and pre-paid), therefore minimizing the investment risk. At no point, will investments with maturities greater than five (5) years exceed 20% of the portfolio value.

14.0 Internal Control

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15.0 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

15.1 Market Yield (Benchmark): The City's investment strategy is passive. Passive investment portfolio management generally indicates that the Treasurer will purchase an instrument and hold it through maturity, and then reinvest the monies. Although the City's investment strategy is passive, this will not restrict the Treasurer from evaluating when swaps are appropriate or if the sale of an instrument is prudent prior to final maturity. Given this strategy, a series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar weighted average maturity as the portfolio.

16.0 Reporting

Quarterly, the Treasurer will issue a report for Council's review of the City's current investment portfolio, detailing securities purchase and maturity date, face and market value, credit quality, and any reverse activities.

Periodically, the long-term investments will be reviewed in order to determine if it is advantageous to sell those securities and purchase others. The review will consider current market conditions and various spread relationships among security types. Additionally, a statement will be issued indicating the findings of the analysis. The monitoring of the conditions set forth in this policy statement is the responsibility of the Treasurer.

17.0 Investment Policy Adoption

The City's investment policy shall be adopted by resolution. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by them.

Exhibit A

City of Visalia - Summary of Eligible Investments

Type of Issue	Original Maturities	Interest Payments	U.S. Govt. Guaranteed?
U.S. Treasury Bills	91 day and 182 day Bills auctioned each Monday for settlement on Thursday. 52 week bills auctioned every fourth Thursday for settlement on the following Thursday.	Issued at a discount from par. Paid at maturity. Discount is based on the actual number of days on a 360 day basis. Paid at maturity.	Yes
U.S. Treasury Notes	2 to 10 years.	Paid semi-annual based on the actual days in the month and half-year.	Yes
U.S. Treasury Bonds	10 to 30 years.	Paid semi-annual based on the actual days in the month and half-year.	Yes
Strips or Zeros	10 to 30 years.	Issued at a discount from par. Paid at maturity on a 30/360 day basis.	Yes
FNMA(Federal National Mortgage Association)	Discount notes are issued with maturities less than one year. 15 year and 30 year mortgage-backed securities with a 7 and 15 year assumed average life.	Issued at a discount from par. Paid at maturity on a 30/360 day basis. Principal and interest paid semi-annually on a 30/360 day basis.	No No
GNMA(Gov't National Mortgage Association)	Various maturities from 12 to 30 years with an assumed average life of 7 to 12 years.	Principal and interest paid monthly on a 30/360 day basis.	Yes
FHLB(Fed Home Loan Bank)	Bonds of maturities from 1 to 10 years.	Paid semi-annually on 30/360 day basis.	No

Exhibit A

City of Visalia - Summary of Eligible Investments

Type of Issue	Original Maturities	Interest Payments	U.S. Govt. Guaranteed?
FFCB(Fed Farm Credit Bank)	6 and 9 month offered monthly.	Paid at maturity on a 30/360 day basis.	No
	Debentures are issued with 2 to 5 years maturities.	Paid semi-annually on a 30/360 day basis.	No
SBA(Small Bus. Administration)	Loans to Small Businesses. The principal portion of the loan is guaranteed by the SBA. 1 to 30 years.	Principal and interest paid monthly. On a 30/360 day basis. Can be a fixed or variable rate which is usually tied to prime rate.	No
FHLMC(Fed. Home Loan Mortgage Corporation)	30 year final with 12 year assumed average life.	Principal and interest paid monthly on a 30/360 day basis.	No
CD(Certificate of Deposit)	3 months to 5 years.	Paid monthly on a actual/360 day basis.	No
NCD(Negotiable Certificates of Deposit)	3 months to 2 years. Some issues have quarterly floating rates.	Paid semi-annually. Floaters pay quarterly.	No
BA Notes(Banker's Acceptance Notes)	30 to 180 days.	Issued at a discount from par. Paid at maturity.	No
Commercial Paper	Unsecured promissory note issued by finance and industrial companies to raise short term capital. Generally 30 to 180 days.	Can be interest bearing or a discounted note. If interest bearing, paid semi-annually. If discounted, paid at maturity.	No
MTN(Medium Term Notes)	2 to 5 years. Extended maturity commercial paper.	Paid semi-annually on a 30/360 day basis.	No
LAIF(Local Agency Investment Fund) State Pool	Funds are available on demand. Investments are restricted by Gov't. Code, same as the City's.	Paid quarterly.	No

Exhibit A

City of Visalia - Summary of Eligible Investments

Type of Issue	Original Maturities	Interest Payments	U.S. Govt. Guaranteed?
Repurchase Agreements	Negotiated. A short term investment transaction with a contractual agreement to repurchase the same securities at a future date. In essence, the City loans the Bank money for a specified time collateralized by marketable securities. Terms are from 1 to 90 days.	Paid at maturity.	No
Reverse Repurchase Agreements	Negotiated. This transaction is the mirror image of the repurchase agreement. Instead of the City loaning the Bank money, the Bank loans the City funds. The City then "repurchases" securities with matched maturities to the end of the contract. Terms are from 1 to 90 days.	Paid at maturity.	No
Money Market Mutual Funds	Funds are available on demand. Shares issued by a diversified management company.	Paid Monthly	No
Other Investment Pools	Funds are available on demand.	Paid quarterly	No

GLOSSARY

AGENCIES: Federal agency securities

ASKED: The price at which securities are offered.

ARBITRAGE: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

BANKERS ACCEPTANCE (BA): A draft of bill or exchange by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Visalia. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market and a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: the central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, DC, 12 regional banks and about 5,700 commercial banks that are members of the system.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): The standard established by the National Council on Governmental Accounting which establishes the *minimum* requirements for a fair presentation of financial data in external financial reports. GAAP also assures a degree of comparability in financial

reporting among different governments.
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND: The Local Agency Investment Fund (LAIF) was established by the State to enable treasurers to place funds in a pool for investments. The LAIF has been particularly beneficial to those jurisdictions with small portfolios. Each account is limited to an investment of \$40.0 million.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use Repos extensively to finance their positions. Exception: When the Fed is said to be doing Repos, it is lending money, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and corporations which have imbedded options (e.g. call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, and one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 21, 2008

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

Agenda Item Wording: Request Council authorization for the City of Visalia to accept State of California Office of Emergency Services CalGRIP grant monies awarded to the City of Visalia in the amount of \$280,417.00, and to enter into a contract with Proteus, Inc. to implement the grant project, "Stepping Up For Visalia's Youth."

Deadline for Action: April 21, 2008

Submitting Department: Police

Contact Name and Phone Number:
Chief of Police Bob Carden, 713-4215
Lt. Jason Salazar, 713-4102

Department Recommendation: It is recommended that the Council authorize the City of Visalia to accept State of California Office of Emergency Services CalGRIP grant monies, awarded to the City of Visalia on behalf of the Multi-Agency Gang Intervention Task Force, in the amount of \$280,417.00; and to enter into a contract with Proteus, Inc. as the implementing agency for the grant project, "Stepping Up For Visalia's Youth."

Summary/background: The State of California Office of Emergency Services is releasing funding in the form of grants under the CalGRIP (California Gang Reduction, Intervention, & Prevention) Program. These funds are intended to assist California cities in their efforts to address community gang issues through proactive measures by one of, or a combination of, strategies to include; suppression, intervention, and/ or prevention.

The City of Visalia applied for CalGRIP funding on behalf of the Multi-Agency Gang Intervention Task Force in the Fall of 2007. The grant project, "Stepping Up For Visalia's Youth," will bring (5) additional Neighborhood Youth Counselors to youth centers operating in the jurisdiction of the Visalia Unified School District boundaries. This will result in a total of (7) Neighborhood Youth Counselors who will work closely with at-risk youth to intervene and prevent their participation with gangs and to reduce gang violence. This is a 20-month project that will operate from April 2008 through December 2009. The City of Visalia applied for CalGRIP monies in the amount of \$350,521.00 and was funded through the grant at 80%, or

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 *4/9/08*
(Initials & date required)

Finance *4/9/08*
City Atty *37*
(Initials & date required or N/A)

City Mgr *[Signature]*
(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.

\$280,417.00. The applicants for this grant must provide a dollar-for-dollar match (cash or in-kind) of the funds requested. The match amounts for the grant will be contributed primarily through in-kind contributions by the City of Visalia, Proteus, Visalia Unified School District, and Boys & Girls clubs of Tulare County.

Required matching funds of cash or in-kind will be drawn from pro-rated salary costs associated to the amount of time that the Visalia Police Department Gang Suppression Unit and Youth Services Officers will contribute to working at various levels with the Neighborhood Youth Counselor model. The pro-rated salary amounts from these two sources, over the two year project term, amount to \$252,944.25 in cash to go towards the cash or in-kind requirement of matching grant funds.

The Department will be able to quantify these pro-rated salary commitments through weekly contacts with Neighborhood Youth Counselors by members of the Gang Suppression Unit and Youth Services Officers. This will come in the form of visits and patrol checks at the various community youth centers, YSO school contacts, and through our cooperative efforts with the Tulare County Probation Department.

In addition to these funds, the Visalia Unified School District is contributing matching funds along with Proteus that will meet the matching funds requirement for the \$500,000.00 grant reward. Matching funds to be contributed by the Visalia Unified School District & Proteus, Inc. will also come in the form of pro-rated salary amounts of District & Proteus employees who will be committing time to the NYC Model Program. These two entities will contribute a significantly greater amount of actual time working with the NYC Program as a result of the nature of their services. The NYC's will be operated under Proteus who will also contribute in-kind matching funds such as office space and other logistical needs.

The City of Visalia, as primary applicant, will serve as chair of the grant advisory council represented by members of the Gang Intervention Task Force. The funding for this program, as received from this grant, will go to Proteus, Inc who will hire, implement, and operate the NYC Program at the discretion of the grant advisory council and the Gang Intervention Task Force.

The Department requests that Council authorize the Department to accept the awarded grant monies. The Department also requests that Council authorize the City to enter into contract with Proteus, Inc. to implement the grant project and sub-contracts with Task Force partners in the grant project.

Prior Council/Board Actions: Authorization to apply for State CalGRIP grant monies, in partnership with members of the Gang Intervention Task Force and Proteus, was provided by Council on November 19, 2007.

Committee/Commission Review and Actions: N/A

Alternatives: City of Visalia not deny CalGRIP Grant funds.

Attachments: N/A

Recommended Motion (and Alternative Motions if expected): I move that the City of Visalia, as grant recipient, accept State CalGRIP grant monies in the amount of \$280,417.00 and enter into contract with Proteus, Inc. to implement the "Stepping Up For Visalia's Youth" grant project.

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:



MEMORANDUM

CONFIDENTIAL: ATTORNEY WORK PRODUCT

DANIEL M. DOOLEY
RETIRED FROM THE PRACTICE OF LAW

LEONARD C. HERR

ALEX M. PELTZER

KENNETH J. RICHARDSON

KRISTINA BAKER PEDERSEN

MATTHEW F. BAHR

RON STATLER

RACHELE BERGLUND BAILEY

JAMES D. KOONTZ

To: Visalia City Council

From: Alex Peltzer, City Attorney

Date: April 16, 2008

Re: Second reading and adoption of Ordinance to address public consumption of alcohol

Summary:

The Visalia Police Department has asked that the City Attorney prepare an ordinance to address an issue with the current Visalia Municipal Code section which attempts to prohibit possession of alcoholic beverages on private property that is open to the public, such as shopping center parking lots. This memo, and the attached ordinance, were considered by the Council at the April 7, 2008, council meeting and approved for introduction. No questions were raised by the Council or by the public, and no revisions were requested at the time of introduction. The ordinance is therefore being presented again for a second reading and final adoption.

Recommended Motion:

I move that the City Council adopt Ordinance No. 2008-__.

Background:

The Police Department has an interest in preventing alcohol-related problems that arise on privately owned parking lots in commercial developments, and in similar settings, particularly where these parking lots are near public facilities, such as the Lincoln Oval Park. To date, the Department has issued citations for those found with open alcoholic beverages on such premises, citing for violation of the current VMC section 9.04.050. That section purports to prohibit possession of open alcoholic beverage containers on private parking lots, among other places.

We have reviewed this section and found that it is unenforceable because a provision of the California Constitution prohibits cities from regulating the possession (as opposed to consumption) of alcoholic beverages, with certain limited exceptions. This view has been confirmed by a series of

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court cases arising over the past 15 to 20 years. Review of these cases makes clear that section 9.04.050 is unconstitutional and therefore unenforceable.

In light of this, and in light of a need to be able to address the underlying problem, the Department has asked us to identify a constitutional means of addressing this problem.

In response, we have drafted the attached ordinance, which focuses on the consumption of alcoholic beverages in public places and on certain private property. There are no current ordinance sections that relate to consumption as opposed to possession. As noted previously, the California Constitution does not prevent local regulation of consumption of alcohol.

The attached ordinance is modeled on one from the City of Sacramento, and appears to be drafted specifically to avoid the constitutional problems faced by ordinances such as Visalia's, as identified by the recent court cases.

Conclusion:

We recommend this ordinance for second reading and adoption.

ORDINANCE NUMBER 2008 -- _____

REPEALING SECTION 9.04.050 CHAPTER 9.04 OF THE VISALIA MUNICIPAL CODE RELATING TO CONSUMPTION OF INTOXICATING BEVERAGES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: Section 9.04.050 of the Visalia Municipal Code is hereby repealed and replaced with the following new section 9.04.050 to read as follows:

9.04.050 Intoxicating beverages—Consumption on public streets, etc., and on commercial parking lots and adjacent land unlawful.

A. It is unlawful for any person to consume beer, wine, or any intoxicating liquor on any street, sidewalk, alley, highway or public court except where expressly permitted pursuant to the terms of a permit issued by the city for temporary use and occupancy of such public property.

B. It is unlawful for any person to consume beer, wine, or any intoxicating liquor:

1. Upon any property used, or intended to be used as an accessory use, for the parking of motor vehicles by the patrons of any commercial establishment authorized by the state of California to sell alcoholic beverages; or

2. Upon any unimproved property which adjoins such commercial establishment not used for the parking of motor vehicles, which is owned, operated or possessed by the owner, lessee or agent of such commercial establishment; or

3. Upon private property open to the public, including but not limited to parking lots and shopping centers except where expressly permitted pursuant to the terms of a license issued by the ABC; or

4. Upon a private drive, stairway, doorway or other private property open to public view without the express permission of the owner, the owner's agent or the person lawfully in possession of the private property.

C. It is an infraction for any person who has in his or her possession any bottle, can or other receptacle containing any alcoholic beverage which has been opened, or a seal broken, or the contents of which have been partially removed, to enter, be, or remain on the premises of, including the parking lot immediately adjacent to, any

retail package off-sale alcoholic beverage licensee licensed pursuant to Division 9 (commencing with Section 23000) of the Business and Professions Code, or on any public sidewalk immediately adjacent to the licensed premises, if the premises and parking lot contain clearly visible notices to the patrons of the licensee and parking lot and to persons on the public sidewalk as follows:

Unlawful to enter, be or remain on these premises, adjacent parking lot or adjacent public sidewalk with an open alcoholic beverage container. CPC 647e(a); Visalia Municipal Code Section 9.04.050(C)

D. This section shall not prohibit the consumption, at sidewalk tables adjacent to the premises, of alcoholic beverages purchased on the premises by the customer of a bona fide eating place, as the term is defined in California Business and Professions Code Section 23038, if the bona fide eating place has obtained a revocable encroachment permit from the city authorizing the placement of sidewalk tables and a license from the Department of Alcoholic Beverage Control which permits the sidewalk consumption.

E. Nothing in this section shall be construed to make criminal any act or acts which are permitted or prohibited by any law of the state of California.

Section 2: 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 3: 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 4: Effective Date. This Ordinance shall take effect thirty days after its adoption.

Section 5: 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

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

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

Agenda Item Wording: Authorization to expand the Targeted Tax Area (TTA) boundaries and approval of site inclusions.

Deadline for Action: April 21, 2008

Submitting Department:
Housing & Economic Development Department

Contact Name and Phone Number:
Ricardo Noguera, Housing & Economic Development Director-
559-713-4190
Nancy Renovato, Administrative Analyst 559-713-4462

Department Recommendation: Staff recommends that City Council approve the expansion of the Targeted Tax Area Boundary and authorize the members of the Tulare County Business Incentive Zone (BIZ) JPA to prepare and complete the application for boundary expansions of the Targeted Tax Area (TTA) in the City of Visalia.

City staff is also proposing inclusion of five parcels into the Phase II expansion as shown below.

City or County	APN	Property Information	Zoning	Acres
City of Visalia	077-120-008	Vargas; Vercelos Properties, northwest corner of American & Ave 320	Heavy Industrial	156
City of Visalia	077-120-010	Vargas; Vercelos Properties, northeast corner of Ave 320 & Kelsey	Heavy Industrial	155
City of Visalia	077-120-014	Vargas; Vercelos Properties, southeast corner of Riggin & Kelsey	Heavy Industrial	154

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.

*The following two parcels are not within the city limits but are being included in the BIZ expansion as part of an unincorporated area within the City Urban Boundary / Sphere. The County will take this matter up and consider this expansion along with other cities and unincorporated areas within Tulare County.

County of Tulare	077-120-012	Doe Russell Property, southwest corner of American & Ave. 312	Heavy Industrial	98
County of Tulare	077-120-013	Doe Russell Property, southeast corner of Plaza & Road 80	Heavy Industrial	56

Summary/Background: The Targeted Tax Area is a countywide zone. At the time of designation in November 1998, the area included approximately 7,500 acres of industrially zoned land and approximately 761,800 square feet of industrial space. The TTA encompasses the cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, Woodlake and unincorporated areas of the County. The Tulare County Targeted Tax Area has been a very successful program and has resulted in the creation of numerous jobs in Tulare County.

The TTA is managed by Lori Dunagan of the Tulare County Economic Development Corporation (TCEDC). A Joint Powers Agreement was signed by the County and the cities, outlining the financial and administrative commitments of each party; including the Workforce Investment Board (WIB). This coalition is known as the Tulare County Business Incentive Zone (BIZ) and represents all the incentives offered to both new and existing companies.

Assembly Bill 2398 passed on September 30, 2004, by Assembly Member Bill Maze, provides the opportunity to expand the current TTA boundaries. The bill allows for the expansion of the Targeted Tax Areas of no more than 15% of the original geographic area per jurisdiction.

Procedure: The Tulare County BIZ Council has created a procedure for submittal of expansion requests to the State Housing and Community Development Agency. The expansion request will be presented to HCD as a complete Tulare County package. The expansions have been proposed to be presented in three phases, which will allow each jurisdiction to accommodate growth over time until the expiration of the TTA in 2012. The City of Visalia chose not to participate in the first phase. The second phase will be submitted to HCD at the end of April.

Prior Council/Board Actions: None

Committee/Commission Review and Actions: None

Alternatives: None

Attachments:

Resolution
Exhibit A
Site map

Recommended Motion (and Alternative Motions if expected):

I move that the City Council approve the expansion of the Targeted Tax Area Boundary and authorize the members of the Tulare County Business Incentive Zone (BIZ) JPA to prepare and complete the application for boundary expansions of the Targeted Tax Area (TTA) in the City of Visalia through the adoption of Resolution 2008-20.

Environmental Assessment Status

CEQA Review: N/A

NEPA Review: N/A

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

Copies of this report have been provided to:

RESOLUTION 2008-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA AMENDING THE TARGETED TAX AREA (TTA) FOR SPECIFIC LANDS CONTAINED WITHIN THE VISALIA SPHERE OF INFLUENCE

WHEREAS, at a regular meeting of the City Council of the City of Visalia (the City Council) duly called and held on April 21, 2008, at _____, it was moved by Council Member _____, and seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, the County of Tulare (the County), on behalf of the County's eight incorporated cities and specific unincorporated communities, prepared and submitted an application for designation as a Targeted Tax Area (the TTA) to the California Trade and Commerce Agency (the Agency); and

WHEREAS, a TTA is a state-designated geographic area within which new and existing businesses can claim certain tax credits and other benefits; and

WHEREAS, the TTA includes the County's eight incorporated cities and the unincorporated communities of Cutler/Orosi, Earlimart, Goshen, Pixley and Traver; and

WHEREAS, Tulare County and its eight incorporated cities have been awarded TTA designation by the Agency; and

WHEREAS, the City of Visalia wishes to amend the boundary line of TTA as it relates to the Visalia area (see Exhibit A); and

WHEREAS, the subject territory to be added to the TTA includes three parcels known as the Vargas; Vercelos properties; parcel 077-120-008 located on the northwest corner of American & Avenue 320 (156 acres), parcel 077-120-010 northeast corner of Avenue 320 & Kelsey (155 acres), parcel 077-120-04 at the southeast corner of Riffin & Kelsey (154 acres).

WHEREAS, the subject territory to be added to the TTA includes two parcels know as the Doe Russell properties; parcel 077-120-012 located on the southwest corner of American & Avenue 312 (98 Acres), parcel 077-120-013 located at the southeast corner of Plaza & Road 80 (56 Acres). *These two parcels are not within the city limits of Visalia but are being included in the BIZ expansion as part of an unincorporated area within the City Urban Boundary / Sphere.

WHEREAS, the City Council finds that the addition of the subject territory, containing the aforementioned properties, to the TTA will have less than a significant impact on the environment.

NOW, THEREFORE, BE IT RESOLVED, by the Visalia City Council that the TTA boundary line in the City of VISALIA is hereby amended to include the subject territory described in Exhibit A.

PASSED AND ADOPTED: _____

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

I, _____, City Clerk of the City of Visalia, certified the foregoing is the full and true Resolution No. 2008-_____, passed and adopted by the Council of the City of Visalia at a regular meeting held on _____.

DATED:
_____, CITY CLERK

Exhibit A

City or County	APN	Property Information	Zoning	Acres
City of Visalia	077-120-008	Vargas; Vercelos Properties, northwest corner of American & Ave 320	Heavy Industrial	156
City of Visalia	077-120-010	Vargas; Vercelos Properties, northeast corner of Ave 320 & Kelsey	Heavy Industrial	155
City of Visalia	077-120-014	Vargas; Vercelos Properties, southeast corner of Rigglin & Kelsey	Heavy Industrial	154

*The following two parcels are not within the city limits but are being included in the BIZ expansion as part of an unincorporated area within the City Urban Boundary / Sphere.

County of Tulare	077-120-012	Doe Russell Property, southwest corner of American & Ave. 312	Heavy Industrial	98
County of Tulare	077-120-013	Doe Russell Property, southeast corner of Plaza & Road 80	Heavy Industrial	56

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 21, 2008

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

Agenda Item Wording: Request authorization to file a Notice of Completion for Four Creeks Estates II, Phase 1 Subdivision, containing 49 lots, located on Buena Vista Avenue between Burke Street and Ben Maddox Way.

Deadline for Action: April 21, 2008

Submitting Department: Public Works Department

Contact Name and Phone Number:

Andrew Benelli – 713-4340
Ed Juarez – 713-4446

Department Recommendation:

City staff recommends that City Council give authorization to file a Notice of Completion for the Four Creeks Estates II, Phase 1 Subdivision. 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 Mellogold Development Inc. Mellogold Development Inc. has submitted a maintenance bond in the amount of \$42,117.04 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 December 18, 2006.

Committee/Commission Review and Actions: The tentative subdivision map for Four Creeks Estates II, Phase 1 was approved by Planning Commission on April 26, 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 Four Creeks Estates II, Phase 1 Subdivision.

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 21, 2008

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

Agenda Item Wording: Authorize the Recordation of the Final Map for Oakwest No. 7 located at the northeast corner of Shirk Street and Hillsdale Avenue (59 lots), authorize the City Manager to sign the Subdivision and Reimbursement agreements and the Formation of Landscape and Lighting District No. 07-08, Oakwest No. 7 (Resolution Nos. 08-21 and 08-22 required).

APN: 085-010-093

Deadline for Action: May 5, 2008

Submitting Department: Public Works, Engineering

Contact Name and Phone Number:

Andrew Benelli 713-4340
Greg Dais 713-4164

Department Recommendation and Summary:

Final Map

Staff recommends that City Council approve the recordation of the final map for Oakwest No. 7 containing 59 single family lots and to authorize the City Manager to execute the subdivision agreement. All bonds, cash payments, subdivision agreement, reimbursement agreement and final map are in the possession of the City as follows: 1) An executed subdivision agreement; 2) Faithful Performance Bond in the amount of \$1,617,657.32 and Labor and Material Bond in the amount of \$808,828.66; 3) cash payment of \$281,809.57 distributed to various accounts; 4) executed reimbursement agreement and 5) Final Map.

The Faithful Performance Bond covers the cost of constructing the public improvements noted in the subdivision agreement and the Labor and Material Bond covers the salaries and benefits as well as the materials supplied to install the required public improvements. As required by the Subdivision Ordinance, the Faithful Performance Bond covers 100% of the cost of the public improvements. The Labor and Material Bond is valued at 50% of the Faithful Performance Bond. A Maintenance Bond valued at 10% of the cost of the public improvements will be required prior to recording the Notice of Completion. The Maintenance Bond is held for one year after the recording and acts as a warranty for the public improvements installed per the subdivision agreement. The cash payment covers Development Impact Fees such as storm water acquisition, waterways, sewer front foot fees and any outstanding plan check and

For action by:

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

For placement on which agenda:

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

Est. Time (Min.): 1

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

inspection fees. The plan check and inspection fees are estimated at the beginning of the final map process and are not confirmed until the subdivision agreement is finalized. Differences are due in cash at the time of City Council approval of the final map.

Reimbursement agreement

According to Resolution No. 2004-117 adopted by City Council on October 18, 2004 the City will reimburse the Developer for street improvements made to Arterial or Collector streets. This development is constructing street improvements along Shirk Street (Arterial) and Hillsdale Avenue (Collector). The City will be reimbursing approximately \$709,903.23 to the developer (Lennar Fresno, Inc., a California Corporation) by giving a fee credit for Transportation Impact Fees. The developer will be paying approximately \$375,693.71 in Transportation Impact Fees. After the credit of \$375,693.71 the City will owe the developer \$334,209.52 in Transportation Impact Fees. The reimbursement agreement was approved by the reimbursement committee on April 10, 2008. Staff recommends that City Council authorize the City Manager to execute the reimbursement agreement.

The Developer has installed a City master storm drain line in Hillsdale Avenue. The City will be reimbursing approximately \$233,134.26 to the developer (Lennar Fresno, Inc., a California Corporation) by giving a fee credit for Storm Drain Acquisition fee. The developer will be paying approximately \$49,874.27 in Storm Drain Acquisition fees. After the credit of \$49,874.27 the City will owe the developer \$183,259.99 for the Master Storm Drain line. The reimbursement agreement was approved by the reimbursement committee on April 10, 2008. Staff recommends that City Council authorize the City Manager to execute the reimbursement agreement.

Landscape & Lighting

Staff recommends that the City Council: adopt Resolution No. 08-21 Initiating Proceedings for Formation of Assessment District No. 07-08, Oakwest No. 7; adopt the Engineer's Report as submitted; and adopt Resolution No. 08-22 confirming the Engineer's Report, ordering the improvements and levying the annual assessments.

The City of Visalia has been allowing the developers of subdivisions to form assessment districts under the Landscape and Lighting Act of 1972, and now under Proposition 218, in lieu of using homeowners associations for the maintenance of common features such as landscaping, irrigation systems, street lights and trees on local streets. The maintenance of these improvements is a special benefit to the development and enhances the land values to the individual property owners in the district.

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

Prior Council/Board Actions: The City has been allowing the use of the Landscape and Lighting Act of 1972 for maintaining common area features that are a special benefit and enhance the subdivision.

Committee/Commission Review and Actions: The tentative subdivision map for Oakwest No. 7 subdivision was approved by the Planning Commission on June 26, 2006. The tentative

map will expire on June 26, 2008. The reimbursement agreement was reviewed and approved by the reimbursement committee on April 10, 2008.

Alternatives: N/A

Attachments: Location Map; Owner Disclosure; Subdivision Map; Subdivision Agreement; Reimbursement Agreement; Resolution Initiating Proceedings; Clerk's Certification; Resolution Ordering the Improvements; Exhibits "A", "B", "C", "D"

City Manager Recommendation:

Recommended Motions (and Alternative Motions if expected):

"I hereby move to authorize the recordation of the Final Map for Oakwest No. 7 and to authorize the City Manager to sign the Subdivision Agreement and Reimbursement Agreement. I further move to adopt Resolution No. 08-21 Initiating Proceedings for Formation of Assessment District No. 07-08 "Oakwest No. 7" and adopt Resolution No. 08-22 Ordering the Improvements for Assessment District No. 07-08 "Oakwest No. 7."

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:

RESOLUTION NO. 08-21

RESOLUTION INITIATING PROCEEDINGS
FOR ASSESSMENT DISTRICT 07-08
OAKWEST NO. 7

(Pursuant to Landscape and Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

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

Maintenance of turf areas, shrub areas, irrigation systems, trees, block walls, pavement on local streets and any other applicable equipment or improvements.
2. The proposed district shall be designated Assessment District No. 07-08, City of Visalia, Tulare County, California, and shall include the land shown on the map designated "Assessment Diagram, Assessment District No. 07-08, City of Visalia, Tulare County, California", which is on file with the City Clerk and is hereby approved and known as "Oakwest No. 7".
3. The City Engineer of the City of Visalia is hereby designated engineer for the purpose of these formation proceedings. The City Council hereby directs the Engineer to prepare and file with the City Clerk a report in accordance with Article 4 of Chapter 1 of the Landscape & Lighting Act of 1972.

PASSED AND ADOPTED:

CLERK'S CERTIFICATION TO COUNTY AUDITOR

ASSESSMENT DISTRICT NO. 07-08

OAKWEST NO. 7

(Pursuant to Landscaping & Lighting Act of 1972)

TO THE COUNTY AUDITOR OF THE COUNTY OF TULARE:

I hereby certify that the attached document is a true copy of that certain Engineer's Report, including assessments and assessment diagram, for "Assessment District No. 07-08, City of Visalia, Tulare County, California" confirmed by the City Council of the City of Visalia on the 21st day of April, 2008 by its Resolution No. 08-_____

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

RESOLUTION NO. 08-22

RESOLUTION ORDERING IMPROVEMENTS FOR
ASSESSMENT DISTRICT NO. 07-08
OAKWEST NO. 7
(Pursuant to the Landscape & Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council adopted its Resolution Initiating Proceedings for Assessment District No. 07-08, City of Visalia, Tulare County, California, and directed the preparation and filing of the Engineer's Report on the proposed formation.
2. The Engineer for the proceedings has filed an Engineer's Report with the City Clerk.
3. Owners of all land within the boundaries of the proposed landscape and lighting district have filed their consent to the formation of the proposed district, and to the adoption of the Engineer's Report and the levy of the assessments stated therein.
4. The City Council hereby orders the improvements and the annexation to the assessment district described in the Resolution Initiating Proceedings and in the Engineer's Report.
5. The City Council hereby confirms the diagram and the assessment contained in the Engineer's Report and levies the assessment for the fiscal year 2008-09.
6. The City Council hereby forwards the following attachments to Tulare County Recorder's Office for recordation:
 - a. Clerk's Certification to County Auditor
 - b. Resolution Initiating Proceedings
 - c. Resolution Ordering Improvements
 - d. Engineer's Report:
 - Exhibit A - Assessment Diagram showing all parcels of real property within the Assessment District
 - Exhibit B - Landscape Location Diagram
 - Exhibit C - Tax Roll Assessment
 - Exhibit D - Engineer's Report

PASSED AND ADOPTED

Exhibit "C"

Tax Roll Assessment
Oakwest No. 7
Fiscal Year 2008-09

<u>APN #</u>	<u>Assessment</u>	<u>Lot #</u>	<u>District</u>
To Be Assigned	\$758.92	07-0801	Oakwest No. 7
To Be Assigned	\$758.92	07-0802	Oakwest No. 7
To Be Assigned	\$758.92	07-0803	Oakwest No. 7
To Be Assigned	\$758.92	07-0804	Oakwest No. 7
To Be Assigned	\$758.92	07-0805	Oakwest No. 7
To Be Assigned	\$758.92	07-0806	Oakwest No. 7
To Be Assigned	\$758.92	07-0807	Oakwest No. 7
To Be Assigned	\$758.92	07-0808	Oakwest No. 7
To Be Assigned	\$758.92	07-0809	Oakwest No. 7
To Be Assigned	\$758.92	07-0810	Oakwest No. 7
To Be Assigned	\$758.92	07-0811	Oakwest No. 7
To Be Assigned	\$758.92	07-0812	Oakwest No. 7
To Be Assigned	\$758.92	07-0813	Oakwest No. 7
To Be Assigned	\$758.92	07-0814	Oakwest No. 7
To Be Assigned	\$758.92	07-0815	Oakwest No. 7
To Be Assigned	\$758.92	07-0816	Oakwest No. 7
To Be Assigned	\$758.92	07-0817	Oakwest No. 7
To Be Assigned	\$758.92	07-0818	Oakwest No. 7
To Be Assigned	\$758.92	07-0819	Oakwest No. 7
To Be Assigned	\$758.92	07-0820	Oakwest No. 7
To Be Assigned	\$758.92	07-0821	Oakwest No. 7
To Be Assigned	\$758.92	07-0822	Oakwest No. 7
To Be Assigned	\$758.92	07-0823	Oakwest No. 7
To Be Assigned	\$758.92	07-0824	Oakwest No. 7
To Be Assigned	\$758.92	07-0825	Oakwest No. 7
To Be Assigned	\$758.92	07-0826	Oakwest No. 7
To Be Assigned	\$758.92	07-0827	Oakwest No. 7
To Be Assigned	\$758.92	07-0828	Oakwest No. 7
To Be Assigned	\$758.92	07-0829	Oakwest No. 7
To Be Assigned	\$758.92	07-0830	Oakwest No. 7
To Be Assigned	\$758.92	07-0831	Oakwest No. 7
To Be Assigned	\$758.92	07-0832	Oakwest No. 7
To Be Assigned	\$758.92	07-0833	Oakwest No. 7
To Be Assigned	\$758.92	07-0834	Oakwest No. 7
To Be Assigned	\$758.92	07-0835	Oakwest No. 7
To Be Assigned	\$758.92	07-0836	Oakwest No. 7
To Be Assigned	\$758.92	07-0837	Oakwest No. 7
To Be Assigned	\$758.92	07-0838	Oakwest No. 7
To Be Assigned	\$758.92	07-0839	Oakwest No. 7
To Be Assigned	\$758.92	07-0840	Oakwest No. 7
To Be Assigned	\$758.92	07-0841	Oakwest No. 7
To Be Assigned	\$758.92	07-0842	Oakwest No. 7
To Be Assigned	\$758.92	07-0843	Oakwest No. 7
To Be Assigned	\$758.92	07-0844	Oakwest No. 7

Exhibit "C"

Tax Roll Assessment
Oakwest No. 7
Fiscal Year 2008-09

<u>APN #</u>	<u>Assessment</u>	<u>Lot #</u>	<u>District</u>
To Be Assigned	\$758.92	07-0845	Oakwest No. 7
To Be Assigned	\$758.92	07-0846	Oakwest No. 7
To Be Assigned	\$758.92	07-0847	Oakwest No. 7
To Be Assigned	\$758.92	07-0848	Oakwest No. 7
To Be Assigned	\$758.92	07-0849	Oakwest No. 7
To Be Assigned	\$758.92	07-0850	Oakwest No. 7
To Be Assigned	\$758.92	07-0851	Oakwest No. 7
To Be Assigned	\$758.92	07-0852	Oakwest No. 7
To Be Assigned	\$758.92	07-0853	Oakwest No. 7
To Be Assigned	\$758.92	07-0854	Oakwest No. 7
To Be Assigned	\$758.92	07-0855	Oakwest No. 7
To Be Assigned	\$758.92	07-0856	Oakwest No. 7
To Be Assigned	\$758.92	07-0857	Oakwest No. 7
To Be Assigned	\$758.92	07-0858	Oakwest No. 7
To Be Assigned	\$758.92	07-0859	Oakwest No. 7

Exhibit "D"

Engineer's Report
Landscape & Lighting Assessment District 07-08
Oakwest No. 7
Fiscal Year 2008-09

General Description

This Assessment District (District) is located at the northeast corner of Shirk Street and Hillsdale Avenue. Exhibit "A" is a map of Assessment District 07-08. This District includes the maintenance of turf areas, shrub areas, irrigation systems, trees, block walls, pavement on local streets and any other applicable equipment or improvements. The maintenance of irrigation systems and block includes, but is not limited to, maintaining the structural and operational integrity of these features and repairing any acts of vandalism (graffiti, theft or damage) that may occur. The maintenance of pavement on local streets includes preventative maintenance by means including, but not limited to overlays, chip seals/crack seals and reclamite (oiling). The total number of lots within the district is 59.

Determination of Benefit

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

Method of Apportionment

In order to provide an equitable assessment to all owners within the District, the following method of apportionment has been used. All lots in the District benefit equally, including lots not adjacent to landscape areas, block walls, and street lights. The lots not adjacent to landscape areas, block walls, and street lights benefit by the uniform maintenance and overall appearance of the District. All lots in the District have frontage on an internal local street and therefore derive a direct benefit from the maintenance of the local streets.

Estimated Costs

The estimated costs to maintain the District includes the costs to maintain turf areas, shrub areas, irrigation systems, trees, block walls, pavement on local streets and any other applicable equipment or improvements. The regular preventive maintenance of pavement on local streets is based on the following schedule: Chip Seal on a 15 year cycle; Overlays on a 10 year cycle; Crack Seal on an 8 year cycle and Reclamite on a 6 year cycle.

Exhibit "D"

Engineer's Report
Landscape & Lighting Assessment District 07-08
Oakwest No. 7
Fiscal Year 2008-09

The quantities and estimated costs are as follows:

<u>Description</u>	<u>Unit</u>	<u>Amount</u>	<u>Cost per unit</u>	<u>Total Cost</u>
Turf Area	Sq. Ft.	54,779	\$0.180	\$9,860.22
Shrub Area	Sq. Ft.	50,941	\$0.180	\$9,169.38
Water	Sq. Ft.	105,720	\$0.050	\$5,286.00
Electricity	Sq. Ft.	105,720	\$0.008	\$845.76
Trees In Landscape Lots	Each	138	\$25.00	\$3,450.00
Trees In Local Street Parkways	Each	85	\$25.00	\$2,125.00
Street Lights	Each	16	\$105.00	\$1,680.00
Chip Seal (15 year cycle)	Sq. Ft.	85,175	\$0.190	\$1,078.88
Crack Seal (8 year cycle)	Sq. Ft.	85,175	\$0.02933	\$312.30
Reclamite (6 year cycle)	Sq. Ft.	85,175	\$0.0211110	\$299.69
Overlays (10 year cycle)	Sq. Ft.	85,175	\$0.65	\$5,536.38
Project Management Costs	Lots	59	\$18.00	\$1,062.00
TOTAL				<u>\$40,705.61</u>
10% Reserve Fund				\$4,070.56
GRAND TOTAL				<u><u>\$44,776.17</u></u>
COST PER LOT				<u>\$758.92</u>

Annual Cost Increase

This assessment district shall be subject to a maximum annual assessment (A_{max}) for any given year "n" based on the following formula:

$$A_{max} \text{ for any given year "n"} = (\$44,776.17) (1.05)^{(n-1)}$$

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

The actual annual assessment for any given year will be based on the estimated cost of maintaining the improvements in the district plus any prior years' deficit and less any carryover. In no case shall the annual assessment be greater than maximum annual assessment as calculated by the formula above. The maximum annual increase for any given year shall be limited to 10% as long as the annual assessment does not exceed the maximum annual assessment as calculated by the formula above.

Exhibit "D"

Engineer's Report
Landscape & Lighting Assessment District 07-08
Oakwest No. 7
Fiscal Year 2008-09

The reserve fund shall be maintained at a level of 10% of the estimated annual cost of maintaining the improvements in the district. If the reserve fund falls below 10%, then an amount will be calculated to restore the reserve fund to a level of 10%. This amount will be recognized as a deficit and applied to next year's annual assessment.

Example 1. The estimated year four cost of maintaining the improvements in the district is \$48,806.03 [a 9% increase over the base year estimated cost of \$44,776.17]. The maximum annual assessment for year four is \$73,071.41 [$A_{\max} = (\$44,776.17)^{(4-1)}$ (1.05)]. The assessment will be set at \$48,806.03 because it is less than the maximum annual assessment and less than the 10% maximum annual increase.

Example 2. The estimated year four cost of maintaining the improvements in the district is \$50,597.07 [a 7% increase over the previous year assessment and a 13.0% increase over the base year estimated cost of \$44,776.17]. The reserve fund is determined to be at a level of 8% of the estimated year four cost of maintaining the improvements in the district. An amount of \$1,011.94 will restore the reserve fund to a level of 10%. This amount is recognized as a deficit. The maximum annual assessment for year four is \$51,834.01 [$A_{\max} = (\$44,776.17)^{(4-1)}$ (1.05)]. The year four assessment will be set at \$50,597.07 plus the deficit amount of \$1,011.94 which equals \$51,609.01 [a 9% increase over the previous year assessment] because it is less than the maximum annual assessment and less than the 10% maximum annual increase.

Example 3. The estimated year four cost of maintaining the improvements in the district is \$48,806.03 [a 9% increase over the base year assessment of \$44,776.17] and damage occurred to the masonry wall raising the year five expenses to \$54,626.93 [a 22% increase over the previous year assessment]. The year five assessment will be capped at \$53,686.63 (a 10% increase over the previous year) and below the maximum annual assessment of \$54,425.71 [$A_{\max} = (\$44,776.17)^{(5-1)}$ (1.05)]. The difference of \$940.30 is recognized as a deficit and will be carried over into future years' assessments until the masonry wall repair expenses are fully paid.

Exhibit "D"

Engineer's Report
Landscape & Lighting Assessment District 07-08
Oakwest No. 7
Fiscal Year 2008-09

City Engineer Certification

I hereby certify that this report was prepared under my supervision and this report is based on information obtained from the improvement plans of the subject development.

Andrew Benelli
Public Works Director

RCE 50022

Date

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 12

Agenda Item Wording:

Initiation of an Amendment to the General Plan Circulation Element pertaining to the following: 1. Conversion of Acequia Avenue from one-way to two-way direction of travel; and, 2. Amendment of the Visalia Bikeway Plan to add Acequia Avenue from Conyer Street to Bridge Street as a Class II bike route.

Deadline for Action: None

Submitting Department: Public Works Department

Contact Name and Phone Number: Adam Ennis, 713-4323
Andrew Benelli, and 713-4340

Department Recommendation: Staff recommends that the City Council initiate the above-referenced General Plan Circulation Element Amendment. Formal consideration and adoption of these Circulation Element revisions will enable the City Council to award a construction contract to convert Acequia Avenue into a two-way roadway with striped Class II bicycle lanes.

Summary/background:

On March, 17, 2008, the City Council was asked to review several design alternatives for converting Acequia Avenue from a one-way street to a two-way street. Acequia is currently a one-way street between Conyer and Bridge. Staff is recommending that Acequia be converted to two-way traffic to provide for better circulation around the hospital and to better serve the downtown. Three alternatives were presented; two that included Class II bike routes and one alternative that did not have bike routes but provided left turn lanes and more parking. The Council directed staff to prepare an additional alternative that provided for bike lanes but still allowed for parking in many areas. Council's direction was to eliminate the continuous left turn lane from Conyer to West and from Court to Bridge. These areas would have striped bike lanes and parallel parking. Between West and Locust (in front of the Hospital) there would be a continuous left turn lane and striped Class II bike lanes but no parallel parking. Between Locust and Court (in front of the Post Office) there would be a continuous left turn lane and parallel parking but there would not be a striped bike lane. The area between Locust and Court would still be a designated bike route but would be a Class III route where the bicycles share the road with other vehicles. Please see the attached exhibit for more information on the design recommended by Council.

For action by:

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

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.) 20 min.

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

A number of concerns from various interested parties have questioned the project's consistency with the General Plan Circulation Element. Questions have arisen based on whether there must be further analysis before changing the established (if not specified) direction of travel of the roadway (one-way to two-way). Also in question is whether the loss or addition of parking spaces must be further considered. Finally, can a bike route be installed on Acequia without amending the City's Circulation Element?

The City Attorney and City staff have concluded that initiating a General Plan Amendment is the best method to resolve these questions in the public forum, and is the least risk method of ensuring the City Council's direction is defensible to potential legal challenge. If the Council initiates the General Plan, then it will first be considered at by the Planning Commission. The Planning Commission's recommendation will then be presented to the Council for a final decision. Both the Planning Commission meeting and City Council meeting are required to be Public Hearings. The action to initiate the process is not required to be a Public Hearing.

Prior Council/Board Actions:

On March 17, 2008, the City Council reviewed three alternatives for converting Acequia to a two-way road and directed staff to prepare a forth design that included Class II bike routes.

Committee/Commission Review and Actions: On February 12th, 2008, The Bicycle, Pedestrian and Waterways Committee voted to recommend that Class II bike routes be installed on Acequia as part of the two-way conversion project.

- Alternatives:**
- 1) Initiate the GPA as recommended.
 - 2) Initiate the GPA for two-way only without a Class II bike route.
 - 3) Do not initiate GPA and direct staff to proceed with the previous direction.

Attachments: 1) Exhibit A, Alternative 4, Acequia Avenue Two-Way Conversion

Recommended Motion (and Alternative Motions if expected): I move to initiate a General Plan Amendment that designates Acequia Avenue between Conyer Street and Bridge Street as a two-way road and also changes the Visalia Bikeway Plan to show Acequia as a Class II bike route between Conyer Street and Bridge Street.

Environmental Assessment Status

CEQA Review: Categorical Exemption No. 2007-106 for the two-way conversion was adopted and properly filed with the Tulare County Clerk on 11-27-07. The addition of bike lanes in existing rights of way is also specifically exempt under CEQA Guidelines section 15304 (h). Therefore, the GPA will be categorically exempt.

NEPA Review: none

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

Copies of this report have been provided to:

Bicycle, Trail and Waterways Committee
Visalia Chamber of Commerce
Downtown Visalia and PBID Organizations

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 13

Agenda Item Wording: Housing, Economic Development & Public Improvements Completed, Planned & Proposed (2004-11)

Deadline for Action: April 21, 2008

Submitting Department: Housing & Economic Development Department.

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director 4190

Department Recommendation: Accept this report as a summary of past, present and future housing activities in the City of Visalia.

Introduction

This report summarizes projects and programs involving the City and Redevelopment Agency over the past four years, current activities and those being considered in the future. It also provides projections on the funding available to consider projects such as: Paradise & Court Multi-Family Development, Encina Triplex, Historic Homes Loan Program, Infill Acquisition & Conversions, Caltrans Multi-Family Development and the County Center Drive Multi-Family Development.

Projects Completed Over the Past Five Years,

The four primary funding sources utilized by the City and RDA have included: CDBG, HOME, Program Income and Redevelopment low/moderate funds. The City/Agency have managed a very comprehensive and strategic approach to fostering affordable housing throughout the City by partnering with non-profit agencies to deliver infill single-family homeownership, multi-family rental, senior rental, first time homebuyer and rehabilitation programs. Many of the new construction projects take a few years to assemble due to the complexities surrounding financing, entitlements and acquisitions. The attached table shows years with limited expenditures for development (2004-05) but then a flurry of spending between 2006-08. This is common for affordable housing developments which rely on various forms of funding including federal, state, and tax credit monies. The City continues to support a variety of affordable housing projects including: Robinwood Estates, Millcreek Parkway Apartments, Sierra Meadows, Paradise & Court, Encina Triplex (see attached map for locations of projects completed and planned).

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 20

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

Projects under Consideration and Proposed

Homeownership Program Targeting Oval Park & Washington School Neighborhoods

On May 5, 2008, staff will bring forward a proposal as discussed at the January 2008 Council retreat, for the utilization of funds to provide an incentive for homeownership in both the Oval Park and Washington School neighborhoods. This program would not be restricted based on level of income. Currently, these neighborhoods contain two of the lowest homeownership rates in the City. These funds will be made available to assist prospective owner occupants to acquire homes and thereby increase ownership within the two neighborhoods. The loans will serve as second mortgages enabling prospective buyers to maximize down payments on the purchases of homes. Terms of the loans are proposed to include three percent interest rates with a thirty year repayment period.

Paradise & Court Multi-Family Development

This year the Council/Agency will consider new projects such as Paradise & Court Multi-Family Development and the Encina Triplex development. Both of these projects are unique and will include a diverse mix of funding such as: trust funds for a developmentally disabled occupant, tax credits, HOME CHDO funds and redevelopment low/moderate income funds. The Paradise & Court development consists of a twenty unity (20) project which is considered infill. (located immediately south of the Washington School area). This project involves the acquisition of eleven (11) existing units and an immediately adjacent lot. The vacant lot will include the addition of nine (9) new units. This project will be co-developed by Kaweah Property Management Company and Visalians for Affordable Housing (VIAH). It will also consist of the rehabilitation of the existing units and new construction on a vacant lot which if attempted to develop separately would be difficult due to its' size and location behind the existing eleven units. Kaweah Management also has a fine reputation in Visalia of developing and managing quality affordable units. This project is expected to positively enhance a challenged neighborhood while delivering high quality affordable housing.

Encina Triplex

The second development "Encina Triplex" is located immediately across the street from the expanding library. This project will also be acquired and rehabilitated by Kaweah Property Management Company and leased to the Central Valley Regional Center to house two developmentally disabled adults in separate living quarters with a third unit reserved for an on-site aide. The Agency will soon consider a loan request for the acquisition and major rehabilitation of the historic structure; which has been endorsed by the City's Historic Preservation Committee. The loan agreement calls for the Agency to consider a loan with a long term repayment plan plus interest. These two projects represent opportunities for the City/Agency to support different segments of the population: low-income families and developmentally disabled adults.

Future Projects to be Considered

Looking forward, there are opportunities to support multi-family development both on the County Center Drive site (immediately south of the South Police Precinct) and the Caltrans site in East Downtown. There are also opportunities to utilize both program income and redevelopment low/moderate income funds to acquire four-plexes and convert to homeownership, especially in the Washington School area.

Diversity of Funds and Partners

The attached table highlights the five key funding sources available to the City/Agency with projections through the 2010/11 year. It also highlights the various past, present and proposed projects and partners the City/Agency may consider opportunities to develop new multi-family and single-family projects with in the next few years. While it is anticipated that the City will continue to receive at least a five percent reduction in funding from CDBG and HOME through the federal government, redevelopment low/moderate income funds are expected to continue to increase which will offer more opportunities to support affordable housing activities in the coming years. It is anticipated based on the projections in the table, the City/Agency can expect to foster the development of at least four new affordable housing projects over the next four years.

Prior Council/Board Actions: None.

Committee/Commission Review and Actions:

Alternatives: None

Attachments:

- Table "Housing, Economic Development & Public Improvements Completed, Planned & Proposed (2004-11)"
- Map of the Oval Park and Washington School Neighborhoods
- Map Highlighting New and Planned Affordable Housing Projects

Recommended Motion (and Alternative Motions if expected): : Accept this report as a summary of past, present and future housing, economic development & public improvement activities in the City of Visalia.

Environmental Assessment Status

CEQA Review: N/A

NEPA Review: N/A

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

Copies of this report have been provided to:

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 14

Agenda Item Wording: Public Hearing of the 2008-2009 Action Plan for the use of the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant Funds (HOME) from the Federal Government through the Department of Housing and Urban Development (HUD);

Deadline for Action: May 05, 2008; The final report is due to HUD on May 15, 2008.

Submitting Department: Housing & Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director (4190), Rhonda Haynes, Housing Specialist (4460), Ruth Pena, Financial Analyst (4327); Nancy Renovato, Administrative Analyst (4462)

Department Recommendation: Staff recommends that after holding a public hearing, taking public testimony and comments, the City Council:

- 1) Approve and adopt the proposed Annual Action Plan 2008-2009 for the use of Community Development Block Grant and HOME Program Funds;
- 2) Direct Public Works to use the CDBG Fund in 2008-2009 to assess lighting in the Washington School Area.
- 3) Direct Housing & Economic Development to implement a Historic Homeownership Program with the use of Redevelopment Funds in the Washington School and Oval Areas.
- 4) Decrease the First Time Homebuyers Program maximum loan of \$60,000 to \$40,000; eliminate the second loan origination fee of \$250 and increase the interest rate from 2% to 3% for the 30 year term;
- 5) Reallocate remaining 2004 CHDO funds of \$22,651 and 2006 CHDO funds of \$100,000 from the Loan Recapture Program to the CHDO acquisition Project (Paradise & Court to be considered by the City /Agency separately);
- 6) Authorize City Manager to make the appropriate budget adjustments; and;
- 7) Authorize the City Manager to make minor or technical changes to the program guidelines if needed to conform to grant requirements.

Summary/background: The U. S. Department of Housing & Urban Development (HUD) administers the Community Development Block Grant (CDBG) and HOME programs which distribute federal funds to promote affordable housing, economic development and public improvement projects and programs to benefit low-income families and persons with special needs. HUD has designated the City of Visalia as an entitlement city by virtue of having a population exceeding 50,000 residents. This designation allows Visalia to receive CDBG and HOME Program funds annually. To receive the annual entitlement Community Development Block Grant (CDBG) and Home Investment Partnership Grant (HOME) funds, the Action Plan must be adopted and submitted by May 15, 2008. The designated deadline has been

For action by:

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

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.) 20 min.

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
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established in order to approve the final Federal budget in October 2008 for the fiscal year 2008-2009.

Council/ Community Input

The following information addresses the comments and/or concerns presented at the community meetings held April 2, 9, and 10, 2008, and the City Council Work Session held on April 07, 2008. Any additional comments received from the April 14th Disability Advocacy Committee meeting and Council public hearing, April 21st will be included in the final report to HUD.

Public comment/concern: Staff published a notice of four community meetings during the month of April. The key concerns received at the meetings were as follows:

- *Washington Residential Area Needs:* Concerns of residents of the Washington School area were lack of adequate lighting in the neighborhood.
- *Oval Area/North Visalians Committee:* Lack of properly functioning lights; poor drainage and traffic safety issues around the park.
- *Meeting CDBG requirements:* Large portion of CDBG funds allocated to the Parking Structure; how does that meet the 70% low/mod benefit requirements?
- *Wheel Chair access:* Concerns of the Disability Advocacy Committee members were having wheel chair access to their rental unit and community.

City Council Work Session comments:

During the City Council Work Session, Council Members commented and requested the following:

- *Focus Resources:* Consider focusing homeownership and rehabilitation resources toward the Washington and Oval Areas
- *Research/Assessments:* investigate the use of Section 108 loans, tax increments and grant opportunities for public improvements
 - Landscape and Lighting District formation
 - Investigate solar street lights, possible test and marketing opportunities for a company
- *Proactive assessment:* Identify proactively other areas in the City that may be in the early stages of blight or dilapidation (i.e.: between Linwood/Chinowth/Whitendale/Caldwell)
- *Increase Continuum of Care Participation:* Increase funding participation in Homeless activities through the Continuum of Care.

Staff Response to public and Council comment/concern:

- ***Washington Residential Area:*** The City Council directed staff to work with the residents of the Washington School neighborhood in order to address lighting deficiencies in the area. Proposed 2008-2009 CDBG funds would be utilized by Engineering/ Public Works to complete an assessment of lighting deficiencies; consideration of lighting in strategic locations; exploration of use of solar lights; and pursuit of a landscape and lighting district. Upon completion of an assessment and as CDBG funding continues to decline, staff will identify and evaluate other resources in partnership with the neighborhood, as they would share the cost in addressing the lighting issues over an extended number of years.

Representatives from Public Works and Housing and Economic Development Departments will meet with WRBC in May to commence the assessment process in the neighborhood where lights will be installed.

- **Oval Area:** City Council also provided staff with the direction to identify the needs of the Oval Park Area. In addition to leveraging CDBG funds, the City received a Cal Trans Grant to analyze the area as it relates to traffic, safety and lighting. It is the City's intention to hold a community meeting at the Oval Park April 26, 2008, obtain community input, and coordinate with local non-profit agencies to utilize the existing building and create a more family friendly park. Staff will meet with appropriate City Departments to address and assess the recommendations provided by the community.

Representatives from Public Works, Parks/Recreation and Housing and Economic Development Departments have conducted evening tours of the park to address drainage, security and traffic safety issues. The Public Works Department will begin working on drainage challenges along the north side of the park. They have also begun repairing lights which have been in disrepair.

Staff have also met with representatives from the Visalia Rescue Mission to formulate a strategy to address the loitering in the park and methods to create opportunities for the Mission to play a more proactive or constructive role in improving public revitalization of the park. Staff anticipates much more input resulting from the April 26th community meeting.

- **Focus Resources- Washington School and Oval Park Areas:** Staff conducted an analysis of the Washington School and Oval Park area for the participation of the HOME funded First Time Homebuyer Program. Staff's analysis concluded that 2 to 3 homes were purchased through this program annually. Staff will continue to encourage participation to increase homeownership in the two neighborhoods through the existing programs.

With the goal of increasing homeownership, Staff proposes to bring to City Council May 5, 2008, a new historic homeownership program which will utilize Redevelopment Funds within the Historic Districts (encompasses a majority of the Central and East Redevelopment Districts), which allows for a diverse income level borrower to participate.

The boundaries for the program are:

Washington School Area: Watson to Edison and Noble to Tulare

Oval Park Area: Houston to Murray Street and Willis to Santa Fe

In addition to increasing homeownership in the neighborhoods, Staff will work with the community to organize a group informational meeting to include local non-profit agencies (Proteus, Self Help Enterprise and CSET) to educate the community about the availability of energy saving programs and homeownership and rehabilitation programs.

- **Proactive Assessments:** City Council also provided staff with the direction to identify the needs of areas throughout the City that may be in distress or early stages of deterioration such as the area near Linwood Elementary and Lajoya Middle School (Linwood/Chinowth/Whitendale/Caldwell). Staff reviewed previous and current CDBG boundaries, whereas this area is not within that boundary that may be identified by census tract income as a low/moderate income area, however, individual families that meet the income and ownership guidelines may be eligible to participate in programs such as the First Time Homebuyer, Emergency Repair and Housing Rehabilitation Programs. There may also be opportunities to target these neighborhoods with Proteus and CSET for use of the energy efficiency programs.

- **Continuum of Care:** The Kings/Tulare Continuum of Care By-Laws were adopted November 25, 2002. The City is a member of the Continuum and shares its mission to build and sustain an integrated Continuum of Care system (data base) for homelessness that promotes quality of life by improving access to housing and to health, education, employment and other supportive services connected to or as part of varied levels of homeless support in our communities.

Staff has recently began meeting with the Visalia Rescue Mission and are working together to address the homeless needs in the Oval area. Staff will work with the Rescue Mission to identify other funding sources and opportunities as the City's CDBG funds continue to decline.

Staff allocated \$15,000 during the 2007-2008 Program Year for the preparation of a 10-year plan, implementation of a one-day event for homeless individuals to access services, such as mental health, dental care, health care, legal advice, service referrals, and other resources. The 2007 Continuum of Care Homeless Assistance HUD application was not funded, that said the Committee requested that a portion of these funds be used to assist in ongoing operating costs and capacity building activities to improve the Committee's application competitiveness.

- **CDBG Requirements:** CDBG funds may be used toward public improvements and parking facilities. The requirement is that 70% of the CDBG expenditures benefit low/mod persons. The City has exceeded the requirement. All funds (100%) are expended to benefit low/mod income persons through area benefit, limited clientele, housing and job creation. Many of the businesses in the Downtown area are employing low/mod income persons and have benefited from the addition of the two parking structures.
- **Wheel Chair Access:** CDBG funds were allocated 2007-2008 to Able Industries to identify a site to purchase and/or renovate for a residential facility to address independent living opportunities for disabled adults. Additionally, Staff will be bringing forward a proposal to Council to assist in the acquisition and rehabilitation of a triplex at Encina Street, which would be utilized as supportive housing for persons with developmental disabilities.

Staff will also research grant opportunities, such as the Exterior Accessibility Grant for Renters (EAGR) that was completed in 2006 to assist families with access to their rental unit and widening of their entry/doorway.

- **Code Enforcement:** Staff is recommending one full time Code Enforcement Technician be contracted to serve both the Washington School and Oval Park neighborhoods exclusively in order to address such challenges from a proactive perspective.

Summary of Action Plan:

Table I, Estimated Resources 2008-2009, details the CDBG and HOME Grant estimated resources, which includes estimated program income generated from loan payments and loan payoffs when a home is sold or refinanced.

	<u>CDBG</u>	<u>HOME</u>	<u>Total</u>
Grant	\$ 1,185,800	\$ 491,691	\$ 1,677,491
Program Income	\$ 200,000	\$ 425,000	\$ 625,000
<i>Total</i>	<i>\$ 1,385,800</i>	<i>\$ 916,691</i>	<i>\$ 2,302,491</i>

Note: Program Income consists of CDBG and HOME funded loans that have been paid in full by principal and interest. These funds are then reinvested into the programs to help future families or provide gap financing for feasible projects.

The HOME and CDBG fund allocations are as follows:

<i>HOME:</i>	
• Homeownership, Rehabilitation and CHDO allocations:	\$867,522
<i>CDBG:</i>	
• Neighborhood Preservation	\$214,702
• Public Improvement allocations:	\$90,000
• Economic Development/Public Parking Facility allocations:	\$627,200
• Public Parks allocations:	\$60,000
• Special Needs Services allocations:	\$161,000

New Housing Project:

The City is partnering with Kaweah Management Company/Tulare County Housing Authority, and the City's CHDO, Visalians Interested In Affordable Housing, in an effort to provide affordable rental housing to low-income families. The Paradise & Court Development Project proposes to develop nine new, two story rental units and rehabilitate eleven existing single story rental units. Approximately \$500,000 HOME CHDO funds and \$500,000 Redevelopment Low/Mod funds are proposed for investment in the project. This project will also include, if awarded, 4% and 9% tax credits in addition to Kaweah Management Co. funding. The project will be considered by City Council for authorization on April 21, 2008.

New Contracts: The City has now expanded its relationships with non profit agencies. In January 2007, Community Services and Employment Training, Inc. (CSET) began administering the City's First Time Homebuyers Program. The Homebuyer Education required to participate in the program has been expanded. CSET has been successful in educating approximately 120 people and 115 realtors. CSET is currently applying for funding to become a certified counseling agency.

The City has also established a new relationship with Self Help Enterprise, Inc. (SHE). SHE has been working with staff to combine all three housing program guidelines and has started their scope of work by contacting interested borrowers, updating their applications, and processing rehabilitation loans. The City is pleased to have this experienced team aboard to administer the Housing Rehabilitation Program, Emergency Repair and Basic Needs Program and the Senior Handicapped Assistance and Repair Program.

FTHB Program Recommended Changes:

The City's current program, Homebuyer Assistance Program (HAP) is provided to new homebuyers as a second mortgage with a current maximum loan limit per borrower of \$60,000.

The most recent analysis conducted in January 2008, indicated that reducing the maximum loan limit per borrower to \$40,000 allows for declining housing market prices, more families to participate and maintains consistency with the new CalHome program, thereby maintaining two similar programs

Staff continues to monitor market conditions to maintain a viable program. Staff worked with Keller Williams Realty for a market analysis of homes sold during the months of October through December 2007.

Table II- Market Change indicates that the home prices (median) have decreased approximately \$28,874. Results show, in comparison to the previous market analysis, that home prices, on average, have dropped approximately 12%.

Analysis Time Period	Median Price "sold"	No. homes sold
December 2006-March 2007	\$ 241,110.00	225
October 2007 - Dec 2007	\$ 212,235.70	193
Reduction in Market since Mar 07'	\$ 28,874.30	32
%	12%	14%

How does this affect a family's purchase power? Staff worked with CTX mortgage and Keller Williams Realty to identify an estimated first mortgage and an analysis of homes available through the Multiple Listing Services as of February 21, 2008.

Table III- Family of 4: 30% Debt to Income Ratio Purchase Power indicates an estimated maximum first mortgage for a family of 4 with a debt to income ratio of 30% plus the City's loan.

It indicates that approximately 213 homes are available to families at 80% of the median. Note that the market changes on a daily basis and this is an estimate only based upon the Multiple Listings 2-21-08. Recent market analysis data suggests that the maximum loan may be reduced to \$40,000 and qualifying individuals could still access 26% of the market.

Family of 4: 30% Debt to Income Ratio Purchase Power					
Median Income %	Maximum Annual Income based on %	Maximum First Mortgage	including Home (HAP) 2nd loan \$40,000	Purchase Price	No. of est. homes on MLS 2-21-08
30%	\$ 16,150	\$ 54,000		\$ 94,000	5
50%	\$ 26,900	\$ 90,000		\$ 130,000	47
80%	\$ 43,050	\$144,000		\$ 184,000	213
Note: Home sales change on a daily basis; estimates only based upon MLS 2-21-08					

Staff also evaluated the cost to increase the interest rate from 2% to 3% for the 30 year loan period. The increase interest cost is approximately \$400 annually. Increasing the interest rate maintains a Below-Market Rate Program, is consistent with the CalHome FTHB Program, and upon loan payoff the increase assists with building the program funding for future families. Exhibit "C" Family of 4 Purchase Power provides details of these estimates and Exhibit "D"-Area Market Survey Summary 02-21-08 provides information on the Area Market Survey Summary.

In August 2006, Council approved adding a loan origination fee to encourage local lenders to utilize the City's program. During this period, the program has been successfully marketed by CSET. It has been acknowledged that the lender is paid upon the first mortgage underwriting and does not utilize or participate in the 2nd mortgage loan fee due to the fact the funds are ultimately reimbursed to the borrower. Staff suggests eliminating the fee due to the lack of interest in utilizing the incentive and due to the successful marketing of the program by CSET. During the 2007 program allocation availability, the funds were reserved within two hours of notification by CSET.

Staff requests City Council to authorize the reduction of the maximum loan limit to from \$60,000 to \$40,000, increasing the interest rate from 2% to 3% and eliminating the \$250 loan fee.

Designation of CHDO funds and additional CHDO's:

Staff reviewed its annual CHDO set aside funds for the Paradise & Court Project. To assist with the project, the 2004 remaining allocation of \$22,651 to the Loan Recapture Program is being reallocated proposed for allocation towards the Paradise & Court Project. Additionally, in 2006, \$100,000 was allocated to the Loan Recapture Program to assist with 4 additional foreclosures, however the borrowers paid their loans in full and the loan recapture process was terminated. The 2006 allocation of \$100,000 is proposed for being re-allocated to the Paradise & Court Project. The Loan Recapture Program has a remaining budget of \$127,349 to assist with loan recaptures.

Staff is also working on establishing new Community Housing Development Organization's (CHDO) to utilize its HOME CHDO funds (approximately 15% of the HOME funds allocated). Staff has discussed this role with CSET, SHE, Proteus and Habitat for Humanity. Proteus, CSET have shown interest and will be taking a recommendation to their board. Self Help Enterprise, Inc. has submitted documentation to Staff to become a certified CHDO. Staff will bring forward to Council the recommendation for certification next month.

Staff recommends authorizing the City Manager, Executive Director of the Redevelopment Agency, to make the appropriate budget adjustments as necessary. HUD allows the City to allocate, un-committed funds, such as additional program income, as long as the allocation is less than 50% of a program's original budget. If the allocation is more than 50%, a public hearing is required.

Prior Council/Board Actions: Council reviewed and commented on Draft Action Plan on April 7, 2008.

Committee/Commission Review and Actions: Citizens Advisory Committee- meeting held April 2, 2008; North Visalia Neighborhood Advisory Committee- meeting held on April 09, 2008; Washington Residents for a Better Community- meeting held on April 10, 2008 and Disability Advocacy Committee- meeting held on April 14, 2008 to review Draft 2008-2009 Action Plan

Alternatives: None

Attachments: Exhibit "A"- Summary 2008-2009 Action Plan

Exhibit "B"- Estimated 2008-2009 Allocation (Objective & Outcome)

Exhibit "C" – Family of 4 Purchase Power

Exhibit "D"- Area Market Survey Summary 02-21-08

Exhibit "E" -2008-2009 Annual Action Plan

Recommended Motion (and Alternative Motions if expected): Move that the City Council:

- 1) Approve and adopt the proposed Annual Action Plan 2008-2009 for the use of Community Development Block Grant and HOME Program Funds;
- 2) Direct Public Works to use the CDBG Funds in 2008-2009 to assess lighting in the Washington School Area
- 3) Direct Housing & Economic Development to implement a Historic Homeownership Program with the use of Redevelopment Funds in the Washington School and Oval Areas.
- 4) Decrease the First Time Homebuyers Program maximum loan of \$60,000 to \$40,000; eliminate the second loan origination fee of \$250 and increase the interest rate from 2% to 3% for the 30 year term
- 5) Reallocate remaining 2004 CHDO funds of \$22,651 and 2006 CHDO funds of \$100,000 from the Loan Recapture Program to the CHDO Acquisition Project (Paradise & Court to be considered by the City/Agency separately);
- 6) .Authorize City Manager to make the appropriate budget adjustments; and,
- 7) Authorize the City Manager to make minor or technical changes to the program guidelines if needed to conform to grant requirements

Environmental Assessment Status

CEQA Review:

NEPA Review: to be completed upon adoption of the Final Action Plan

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) Certification forms to be authorized along with the Final Annual Action Plan Adoption and delivered to HUD by May 15, 2008*

Copies of this report have been provided to:

EXHIBIT "A"
Summary of 2008/2009 Action Plan

Table II

SUMMARY OF 2008/2009 ACTION PLAN

		CDBG	HOME	TOTAL	UNITS
SOURCES OF REVENUE:					
1	Cash - Beginning Balance		-	-	
2	Annual Grant Amount	1,185,800	491,716	1,677,516	
3	HOME matching funds - RDA Low/Mod			-	
4	Program Income	200,000	425,000	625,000	
5	Interest Earnings/Investment Earnings			-	
6	TOTAL REVENUE	1,385,800	916,716	2,302,516	
7					
EXPENDITURES:					
9	Operating	69,065	7,302	76,367	
10	Redevelopment Allocation	131,482	25,778	157,260	
11	Direct Allocations	26,351	16,092	42,443	
12	Loan Servicing	6,000	-	6,000	
13	Subtotal Admin and Operating	232,898	49,172	282,070	
14					
15	Net for Programs and Projects	1,152,902	867,544	2,020,446	
16					
AFFORDABLE HOUSING:					
<u>Homeownership</u>					
19	Homebuyers Assistance Program (Contract w/CSET)		575,000	575,000	14
20	Property Acquisition (CHDO)		73,754	73,754	1
21	Housing Rehabilitation (contract w/SHE)		218,790	218,790	3
<u>Neighborhood Preservation/Services</u>					
23	Emergency Repairs and Basic Needs (contract w/SHE)	110,202		110,202	10
24	Code Enforcement- Target Areas	70,000		70,000	120
25	Fairhousing Hotline (contract w/TCHA)	34,500		34,500	100
26	Loan Recapture Program (CHDO)	-	-	-	-
HOMELESSNESS					
<u>Special Needs Facilities</u>					
COMMUNITY DEVELOPMENT					
<u>Public Improvements</u>					
31	ADA Compliance Projects	40,000		40,000	15
32	Washington Residential Area Public Improvements	50,000		50,000	2
<u>Economic Development/Public Parking Facilities</u>					
34	West Parking Structure Loan Payment (Section 108 Loan)	627,200		627,200	1
35	Job Creation/Retention			-	
<u>Public Park /Public Facilities</u>					
37	Oval Park improvements	60,000		60,000	1
NON HOMELESS SPECIAL NEEDS HOUSING					
<u>Special Needs Services</u>					
40	Senior Home Minor Repairs (contract w/CSET)	91,000		91,000	600
41	Senior Repair and Handicapped Access (contract w/SHE)	70,000		70,000	14
42					
43	Subtotal Programs & Projects	1,152,902	867,544	2,020,446	
44					
45	TOTAL EXPENDITURES	1,385,800	916,716	2,302,516	
46					
REVENUE LESS EXPENDITURES					
48	Remaining to Carry Forward	-	-	-	

Exhibit "B"

Estimated 2008-2009 Allocation (Objective & Outcome)

Table III: Exhibit "D"	
2008-2009 Program Year CDBG and HOME Funding Allocation	
HOME Investment Partnership Funds (HOME) - Objective and expected Outcome	Investment
Affordable Housing- HOME Funds	
Objective 1: Provide Decent Affordable Housing	\$ 867,544
1. Increase availability of affordable owner-occupied housing through (HAP)	
2. Increase availability of affordable owner-occupied housing through acquisition (CHDO)	
3. Increase quality of owner-occupied housing through rehabilitation (HRP)	
Total HOME Allocations	\$ 867,544
Community Development Block Grant Funds (CDBG) -Objective and expected Outcome	
Affordable Housing- CDBG Funds	
Objective 1: Suitable Living Environment through Neighborhood Preservation and Services	\$ 214,702
1. Maintain quality housing by addressing substandard housing through (Code Enforcement Program)	
2. Maintain quality of owner-occupied housing through rehabilitation of substandard housing (ERBN)	
3. Provide services for low-to -moderate income persons by providing (Fair Housing Education Program)- Public Service)	
Homelessness- CDBG Funds	
Objective 2: Suitable Living Environment by Supporting Special Needs Facilities	\$ -
1. Increase accessibility to support facilities to end chronic homelessness (Continuum of Care/Homeless Project)	
2. Increase accessibility and availability of housing for disabled persons	
Community Development- CDBG Funds	
Objective 3: Suitable Living Environment through Public Improvements	\$ 90,000
1. Increase availability of handicapped access benefiting population with special needs (Streets ADA Compliance)	
2. Improve the sustainability of the suitable living environment through public improvements (Washington Residents Area)	
Objective 4: Create Economic Development Opportunities and Community Development Opportunities (Parking Facilities)	\$ 627,200
1. Improve economic opportunities for low-income persons through (job creation)	
2. Demonstrate a commitment to long-term economic growth by promoting expansion and (job retention) - Section 108 Loan- West Acequia	
Objective 5: Suitable Living Environment through Community Development Opportunities (Public Parks)	\$ 60,000
1. Improve quality/increase availability of neighborhood facilities for low-income persons (Parks & Recreation- Oval Park)	
Objective 6: Suitable Living Environment through Community Development Opportunities (Public Services)	\$ -
1. Support non profit agencies with accessibility to public services	
Non Homeless Special Needs Housing- CDBG Funds	
Objective 7: Suitable Living Environment by Supporting Special Needs Services	\$ 161,000
1. Maintain quality of owner-occupied housing for elderly (Senior Home Repair Program)	
2. Increase accessibility and range of housing options for person with special needs (SHARP)	
Total CDBG Allocations	\$ 1,152,902

Exhibit "C"

Family of 4 Median Income Purchase Power-

Family of 4 @ 30% of the Median Income

Family of 4		
Conventional	Income @ 30% of median: Annually 16,150 (monthly: \$1,346)	
Purchase Price	\$94,000	
1st Mortgage:	6.25%	\$54,000
Estimated Closing Costs (title, escrow, loan fees 1%):	\$	1,973.00
Pre Paid Closing Costs (6 mnth tax 1.1% & ins)	\$	712.00
3% down payment	\$	2,910.00
1st Mortgage Monthly Payment w/ taxes, Insurance:	30% Debt to Income Ratio	\$ 404.00
Gap (City Second) Loan:	at 3 % deferred 30	\$ 40,000.00
	Total interest due at end of 30 years for City loan:	Total City 2nd owed at end of 30 yrs:(P & I) 76,000
@ 3% deferred for the life of the loan	\$36,000	

Family of 4 @ 50% of the Median Income

Family of 4		
Conventional	Income @ 50% of median: Annually \$26,900 (monthly: \$2,241.67)	
Purchase Price	\$130,000	
1st Mortgage:	6.25	\$ 90,000.00
Estimated Closing Costs (title, escrow, loan fees 1%):	\$	2,300.00
Pre Paid Closing Costs (6 mnth tax 1.1% & ins)	\$	1,070.00
3% down payment	\$	3,990.00
1st Mortgage Monthly Payment w/ taxes, MIP, Insurance:	30% Debt to Income Ratio	\$ 672.00
Gap (City Second) Loan:	at 3 % deferred 30	\$ 40,000.00
	Total interest due at end of 30 years for City loan:	Total City 2nd owed at end of 30 yrs:(P & I) 76,000
@ 3% deferred for the life of the loan	\$36,000	

Family of 4 @ 80% of the Median Income

Family of 4		
Conventional	Income @ 80% of median: Annually \$43,050 (monthly: \$3,587.50)	
Purchase Price	\$184,000	
1st Mortgage:	6.25%	\$ 144,000.00
Estimated Closing Costs (title, escrow, loan fees 1%):	\$	2,981.00
Pre Paid Closing Costs (6 mnth tax 1.1% & ins)	\$	1,900.00
3% down payment	\$	5,610.00
1st Mortgage Monthly Payment w/ taxes, MIP, Insurance:	30% Debt to Income Ratio	\$ 1,076.00
Gap (City Second) Loan:	at 3 % deferred 30	\$ 40,000.00
	Total interest due at end of 30 years for City loan:	Total City 2nd owed at end of 30 yrs:(P & I) 76,000
@ 3% deferred for the life of the loan	\$36,000	

Exhibit "D"

Area Market Survey Summary 02-21-08

Area Market Survey Summary

Listings as of 02/21/08 at 5:22pm

Active Listing Price Range	Quantity	Average DOM	Summary Price Information			
\$70,000 thru \$79,999	2	51	Minimum	\$70,000	Maximum	\$3,225,000
\$80,000 thru \$89,999	4	65	Average	\$293,126	Median	\$229,700
\$90,000 thru \$99,999	5	54				
\$100,000 thru \$119,999	20	63				
\$120,000 thru \$139,999	38	104				
\$140,000 thru \$159,999	68	105				
\$160,000 thru \$179,999	85	101				
\$180,000 thru \$199,999	110	100				
\$200,000 thru \$249,999	167	106				
\$250,000 thru \$299,999	114	99				
\$300,000 thru \$349,999	60	119				
\$350,000 thru \$399,999	53	160				
\$400,000 thru \$449,999	23	156				
\$450,000 thru \$499,999	28	146				
\$500,000 thru \$549,999	11	114				
\$550,000 thru \$599,999	6	74				
\$600,000 thru \$649,999	6	193				
\$650,000 thru \$699,999	6	122				
\$700,000 thru \$749,999	3	175				
\$750,000 thru \$799,999	6	50				
\$800,000 thru \$849,999	3	28				
\$850,000 thru \$899,999	6	136				
\$900,000 thru \$949,999	2	186				
\$950,000 thru \$999,999	2	171				
\$1,000,000 thru \$1,249,999	5	171				
\$1,250,000 thru \$1,499,999	6	123				
\$1,750,000 thru \$1,999,999	3	261				
\$2,250,000 thru \$2,499,999	1	69				
\$3,000,000 thru \$3,249,999	1	10				
	844	110				

Equal Opportunity Housing * All information deemed reliable, but not guaranteed.
Information has not been verified, is not guaranteed and is subject to change.
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Exhibit "E"
2008-2009 Annual Action Plan Report

City of Visalia Agenda Item Transmittal

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 16

Agenda Item Wording: Financial Analysis of Visalia's Four Redevelopment Project Areas

Deadline for Action: None

Submitting Department: Housing and Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director; 713-4190

Department Recommendation: Authorize staff to complete the following:

1. Authorize staff to prepare ordinances that extend certain time limits for the East and Mooney Project Area by two years;
2. Retain the services of a planning consultant to establish zoning and land use recommendations which will strengthen and expand mixed-use development along Mooney Boulevard;
3. Reserve funds to coordinate development efforts with landowners of shopping centers south of Walnut Avenue which will result in the revitalization and expansion of such projects;
4. Authorize staff to pursue bond financing in the Central Project Area to support redevelopment activities such as development of the Center Street Parkinglot;; support for an office/parking development at Acequia/Conyer avenues; additional parking to support expansion of the hospital facilities; historic homes loan payment program; neighborhood revitalization; and establishment of a new full-service hotel in the downtown area; and redevelopment of the City Hall East site;
5. Reserve the remaining tax increment funds for the Downtown Redevelopment Project Area (approximately \$1 million) to support key strategic downtown projects such as a second full-service hotel, expansion of the Convention Center, demolition of City Hall East, the Mill Creek system through the downtown, and future parking and infrastructure improvements.

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.

Summary/background: The City of Visalia has a total of four (4) redevelopment project areas:

1. Downtown
2. Central
3. Mooney
4. East

Downtown Project Area

Boundaries: Extends north-south from Main Street to Acequia Avenue and east-west from Garden Street to Church Avenue (see map for specific details).

The Downtown Project Area is both the oldest and smallest. It was first established on August 3, 1970. The Project Area has passed its final date to incur debt, which was January 1, 2004. This limit could be extended, but is not recommended since the Agency would be required to make pass through payments to the taxing entities resulting in a net loss to the City/Agency. There are currently no pass through obligations in this Project Area. The Plan could be extended for an additional ten years pursuant to a Senate Bill (SB) 211 Hard Amendment. This is not recommended since it would trigger a 30 percent housing set-aside requirement. However, there remains an additional \$1 million in loan proceeds which could be used as part of a bond with Central to support activities in Downtown. Staff are recommending the funding be set aside to support expansion of the Convention Center, demolition of the City Hall East, and parking and infrastructure within the immediate area; more likely combine resources with the Central Redevelopment Project Area based on area benefit support.

East Project Area

Boundaries: Extends north-south from Houston Avenue to Mineral King Avenue and east-west from Cain to Encina Avenue (specific areas included are attached in a map).

The East Project Area was adopted on July 14, 1986. It has time limits that are shorter by 10 years than those allowed under the Community Redevelopment Law (CRL). However, in order to extend the limits the Agency would need to pursue a standard plan amendment. A standard plan amendment can take from 9 to 12 months and requires documentation of remaining blight in the Project Area, among other things. While staff believes the Project Area can meet the statutory requirements, the financial benefits of the extension are not sufficient at this time to warrant the amendment. In total, the Project Area is projected to generate approximately \$4.0 million in additional net tax increment (net of all pass through payments and the housing set-aside) in current dollars. Of this amount, \$2.4 million is attributable to the City's portion of property taxes, leaving an overall benefit of only \$1.6 million. The Agency is also repaying the City a loan which was used to acquire properties in the area. The total current balance is approximately \$4.1 million. Based on projections (Table 4 of the Consultant's Report), it is estimated the Agency will pay a total of \$6.23 million through the Year 2019 to cover the outstanding balance. If private development is anticipated to occur within the East Downtown area before this time, the Agency could consider pursuing bond financing to pay off the remaining balance of the City loan and to support new development activities in the area,. However, the would need to await as to when tax increment revenues have grown to a sufficient level where the amendment makes financial sense.

As an alternative, staff is recommending that the Agency extend the East Project Area's time limits by 2 years pursuant to legislation that required payments to the Educational Revenue Augmentation Fund (ERAF) in 2004-05 and 2005-06. This amendment can be approved by simply notifying the taxing entities of the amendment and by adoption of an ordinance of the City Council after a public hearing. There is no requirement for blight findings.

The East Project Area has also passed its last date to incur debt, which was July 9, 2006. This limit could be extended, but is not recommended at this time since all of the tax increment of the Project Area is committed to existing obligations, so no new debt can be incurred at this time. The Agency would also be required to make pass through payments to those taxing entities that do not currently have pass through agreements. These payments are estimated to be nominal. Elimination of the debt limit should occur at some point in the future if and when tax increment revenues grow to a level sufficient to issue new debt.

Mooney Project Area

Boundaries: Extends primarily along Mooney Boulevard from Highway 198 southward to Cameron Avenue and includes the former Costco and Homebase buildings situated along the east side of Mooney Boulevard and properties on both sides of Caldwell Avenue heading eastward to Giddings Avenue (specific areas included are attached in a map).

The Mooney Project Area was originally adopted on July 6, 1987 (Original Area). It was amended in 1990 to add territory (Amendment Area). It also has time limits that are shorter by 10 years than those allowed under the California Redevelopment Law (CRL) for both the Original and Amendment Areas. As with the East Project Area, the financial benefits of extending the limits are not sufficient at this time to warrant the amendment. In total, the Project Area is projected to generate approximately \$3.6 million in additional net tax increment (net of all pass through payments and the housing set-aside) in current dollars. Of this amount, \$2.2 million is attributable to the City's portion of property taxes, leaving an overall benefit of only \$1.4 million. Staff may recommend that this amendment be pursued at some point in the future when tax increment revenues have grown to a sufficient level where the amendment makes financial sense.

Staff is also recommending that the Agency extend the Mooney Original and Amendment Area's time limits by 2 years pursuant to the ERAF amendments. The Mooney Original Area has also passed its last date to incur debt, which was July 1, 2007. This limit could be extended, but is not recommended at this time since all of the tax increment of the Project Area is committed to existing obligations, so no new debt can be incurred at this time. The Agency would also be required to make pass through payments to those taxing entities that do not currently have pass through agreements. These payments are estimated to be nominal. Elimination of the debt limit should occur at some point in the future if and when tax increment revenues grow to a level sufficient to issue new debt. The Mooney Amendment Area has not yet passed its debt incurrence limit, so no action is currently needed on this time limit.

The Mooney Project Area also has approximately \$6 million in proceeds from the Bank loan that was approved in June 2007. Staff is recommending to hire a land use consultant to explore opportunities to examine land use and zoning designations along the corridor and for properties directly abutting Mooney Boulevard in order to encourage their redevelopment. Additionally, staff is recommending funds be set aside to support the revitalization of dilapidated centers south of Walnut Avenue.

Central Project Area

Boundaries: Extends north-south from Ferguson Avenue southward to Walnut Avenue and east-west from Church Avenue to Mooney Avenue but south of Highway 198 the east-west boundaries are narrower between Ben Maddox Avenue to Encina Avenue (see map for specific details).

The Central Project Area was adopted on November 20, 1989 (Ordinance 2239). Its final date to incur debt is November 15, 2009. Prior to November 15th, the Agency may wish to issue debt. There may also be opportunities to issue more debt dependent upon market conditions and growth in the area. However, this will trigger additional pass through payments to those taxing entities that don't currently receive any, but such amounts are projected to equal less than 4 percent of the total tax increment of the Project Area. Of this amount, half would be directed to the City if it elected to take such payments.

The Project Area has significant potential for the issuance of tax allocation bonds. Based on projections prepared by Fraser & Associates, the Agency could issue approximately \$10 million in bonds for the Project Area. Staff is recommending the Agency authorize the pursuit of bond financing to support redevelopment activities such as development of the Center Street Parking lot;; support for an office/parking development at Acequia/Conyer avenues; parking structure financing to support expansion of the hospital facilities; historic homes loan payment program; and expansion of the Convention Center; redevelopment of the City Hall East site; acquisition of properties; neighborhood revitalization in targeted neighborhoods such as the Oval and Washington School areas; and public infrastructure improvements (lighting).

Prior Council/Board Actions:

- On November 19, 2007, the Council authorized the execution of a contract with Fraser & Associates to complete financial analysis of the Redevelopment Agency's four (4) project areas. The purpose for completing the analysis was to determine whether to extend the lives of the project areas or allow them to expire based on their current schedule.

Committee/Commission Review and Actions:

Alternatives: None.

Attachments:

- Map illustrating all four redevelopment project areas.
- Table highlighting key elements of the four project areas including deadlines and funding potential.

Recommended Motion (and Alternative Motions if expected): Authorize staff to complete the following:

1. Authorize staff to prepare ordinances that extend certain time limits for the East and Mooney Project Area by two years;
2. Retain the services of a planning consultant to establish zoning and land use recommendations which will strengthen and expand mixed-use development along Mooney Boulevard;
3. Reserve funds to coordinate development efforts with landowners of shopping centers south of Walnut Avenue which will result in the revitalization and expansion of such projects;
4. Authorize staff to pursue bond financing in the Central Project Area to support redevelopment activities such as development of the Center Street Parkinglot;; support for an office/parking development at Acequia/Conyer avenues; additional parking to support expansion of the hospital facilities; historic homes loan payment program; neighborhood revitalization; and establishment of a new full-service hotel in the downtown area; and redevelopment of the City Hall East site;
5. Reserve the remaining tax increment funds for the Downtown Redevelopment Project Area (approximately \$1 million) to support expansion of the Convention Center and demolition of the City Hall East (within the next two to three years) as well as financing of future parking and infrastructure improvements.

Environmental Assessment Status

CEQA Review: Not necessary at this time.

NEPA Review: Not applicable.

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:

Project Area	Recommendations	Comments
Downtown	No further amendments are proposed.	The Project Area should repay its obligations and be allowed to expire.
East	<p>The ERAF Amendments should be completed for the Project Area.</p> <p>The decision to undertake a Standard Amendment to extend by an additional 8 years the time limit for Plan Effectiveness and collection of tax increment should be deferred until the financial benefits are more significant.</p> <p>An SB 211 Easy Amendment should only be done once the Standard Amendment is completed and the financial resources grow to a point where new debt can be incurred.</p>	<p>Amendments can be completed after meeting the noticing requirements, holding a public hearing, and adoption of an ordinance by the City Council.</p> <p>Overall financial benefit in current dollars is approximately \$4 million cumulative. The City impact from the amendment would total \$2.4 million, leaving a net benefit of \$1.6 million.</p> <p>Will trigger Statutory Payments, but amounts are projected to be nominal (less than 4% of total tax increment)</p>
Mooney	<p>The ERAF Amendments should be completed for the Project Area.</p> <p>The decision to undertake a Standard Amendment to extend by an additional 8 years the time limit for Plan Effectiveness and collection of tax increment should be deferred until the financial benefits are more significant.</p> <p>An SB 211 Easy Amendment should only be done once the Standard Amendment is completed and the financial resources grow to a point where new debt can be incurred.</p>	<p>Amendments can be completed after meeting the noticing requirements, holding a public hearing, and adoption of an ordinance by the City Council.</p> <p>Overall financial benefit in current dollars is approximately \$3.6 million cumulative. The City impact from the amendment would total \$2.2 million, leaving a net benefit of \$1.4 million.</p> <p>Will trigger Statutory Payments, but amounts are projected to be nominal (less than 3% of total tax increment)</p>
Central	<p>SB 211 Easy Amendment will need to be done after 11/2009.</p> <p>Agency has capacity to sell approximately \$10 million of bonds.</p>	<p>Will trigger Statutory Payments, but amounts are projected to be nominal (less than 4% of total tax increment)</p> <p>Will provide funding for projects.</p>

**City of Visalia
Agenda Item Transmittal**

Meeting Date: April 21, 2008

Agenda Item Number (Assigned by City Clerk): 17

Agenda Item Wording: Continued review of select FY 2008-09 & 2009-10 Capital Improvement budgets and future Capital Improvement Program (CIP) requests.

Deadline for Action: June 23, 2008

Submitting Department: Administration/Finance Division

Contact Name and Phone Number:

Eric Frost, 713-4474
Renee Nagel, 713-4375
Melody Murch, 713-4379

Department Recommendation:

That the City Council accepts the second presentation of the City's Capital Improvement Project (CIP) report and provide direction as appropriate. The Council is scheduled to act upon the CIP budget in June.

Discussion:

This is Council's second opportunity to review a portion of the proposed FY 2008-14 Capital Improvement Program (CIP). The remaining portions of the Capital Improvement Program will be brought to Council for review on May 5th and May 19th.

The Capital Improvement Program presents the 2008/09 and 2009/10 fiscal years for adoption and appropriation. Four additional years are presented for planning purposes (2010-2014). This allows Council to plan future projects and consider the near term impacts of those decisions. However, only the first two years are proposed for adoption and deserve the greater scrutiny.

It is recommended that Council review and tentatively approve or direct changes to the attached proposed Capital Improvement Program (CIP) budgets for the selected funds. No formal action is required at this time. Staff will return with funds that need to be amended or will make changes to the Capital Improvement Program as Council directs. A final Capital Improvement Program document will be prepared, after the review process is completed, to be adopted with the City's Operating Budget in June.

Staff Response from April 7, 2008 Council Meeting:

This document last revised: 4/18/08 2:13:00 PM
File location and name: H:\(1) AGENDAS for Council\2008\042108\Item 17 FY 2008-09 & 2009-10 CIP.doc

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 hr.

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.

1. Airport Questions: A question was raised by Council about the cash projected to be available in the Airport fund at July 1, 2008 and how the City might put these funds to use. Specifically, Mayor Gamboa asked about accelerating the construction of a new/expanded terminal building. Currently the City's airport does not qualify as a small hub airport. If enplanements increase, the city may qualify and then be able to get grants to build the new terminal. Until then, all costs would be borne by the City. The placement of the airline terminal expansion in the 2010/11 budget year is a realistic projection of the timeframe during which this project will occur. However, the Airport cash balance will be available to use as match for any future grants received, allowing the City to leverage the local funds.

There was also some discussion concerning the 10-unit T-hanger project. Currently, the City has 3 individuals on the City's hangar waiting list. Unless the FAA funds this project, staff recommends waiting until 15 individuals are on the list. However, by putting this project on the list now, the City may be able to gain grant funding for the t-hanger project.

2. Permeable Paving-Wastewater Treatment Plant employees parking: The use of a new permeable paving surface for this parking lot was encouraged by Council. Staff has added this information to the project description and will investigate the permeable paving options available for this project as it is designed.

Tonight's CIP Funds for discussion:

All funds to be reviewed today are independent of the General Fund and their revenues can only be used as designated in each fund. The Funds to be discussed in today's Work Session include:

Table 1: Proposed Funding

Fund Name	Fund #	Proposed 2008-09	Proposed 2009-10
Park & Recreational Facilities	1211	\$5,505,000	\$663,000
Measure R Trailways	1132	1,164,550	510,000
Waterways	1251	707,000	658,000
Storm Sewer Construction	1221	772,300	690,000
Storm Sewer Deficiency	1222	340,000	515,000
Storm Sewer Maintenance	4812	41,700	-0-
Wastewater Trunk Line	1231	95,000	6,730,000
Underground Water Recharge	1224	775,000	605,000
Total Projects		\$9,400,550	\$10,371,000

Fund Analysis:

Below is a detailed description of the Funds and their revenue sources:

Park & Recreational Facilities, Fund 1211 (Pages 9-12): This fund is derived from fees paid by developers of residential property in lieu of providing parks and open space. Funds are to be

used only for open space acquisition and providing new parks and recreational facilities. The Park & Recreational Fund has a total of 17 projects in its capital plan and 8 projects will require funding in the two-year budget. Phase 2 of the Riverway Sports Park will require funding in the two-year budget and is discussed below.

Construction of Phase 1 of the Sports Park including 10 soccer fields, 2 restroom facilities, a maintenance yard, BMX track, playground and water feature was completed in August of 2007. Phase 2 of the 83 acre park received initial funding for design in 2007/08 with the remainder requested in this 2-year plan. Phase 2 will construct 4 lighted baseball fields, concession and restroom facilities and additional parking facilities. The new baseball complex will provide additional fields to meet the growing demand from various youth baseball programs and provide additional capacity as these programs grow. If approved by Council, it is projected this phase of the project could be available to the public by the fall of 2009. The total cost of this phase is \$6.0 million including design and construction. This project is multi-funded with the General Fund Sports Park Reserve. The Sports Park Reserve was established in 1999 by Council to acquire and develop a Community Sports Park.

It is important to note that although the Park Impact Fee fund may have additional resources that could be available for a project such as this, impact fees can only be used to fund approximately 41% of the project, the portion that is attributable to new growth in our planning environment. The remaining resources for the park must come from existing sources. After completion of Phase 2, the Park Impact Fee fund will have paid 41 percent of the project to date.

Measure R Trailway, Fund 1132 (Pages 13-15): The Trailway fund shares a 14% portion of the Measure R Bond revenues with Transit. After funding for Transit, environmental projects and projects in unincorporated areas (Santa Fe gap), the remaining funds are to be used for ballot measure authorized Bike and Pedestrian Trails. The attached fund summary shows the latest projection of funding to be available during the 6-year capital plan for trailway projects. All projects in the proposed 6-year capital plan are included in the current Measure R Expenditure Plan. Of the 15 projects proposed in this capital plan, 8 will require funding during the 2-year budget. Projects included in the proposed 2-year budget will provide the City with an additional 3 miles of landscaped all-purpose trails along Visalia’s waterways. These trails will be handicapped accessible for recreational use by both bicyclists and pedestrians.

Storm Sewer Funds

Every housing unit in the City of Visalia is billed a flat rate of \$2.47 monthly on their utility bill for storm sewer. The revenue from this fee is split into four capital funds as shown below in Table 2, Summary of Storm Sewer Fee.

Table 2: Summary of Storm Sewer Fee

<u>Fee</u>	<u>Fund</u>	<u>Description</u>
0.48	1251	Waterway Acquisition
\$ 0.84	1221	Storm Sewer Construction
0.67	1222	Storm Sewer Deficiency
0.48	1223	Kaweah Lake Enlargement Project
<u>\$ 2.47</u>		

There is also a variable rate which charges each parcel \$.24 per 1,000 sq. ft. This variable fee is deposited to the Storm Sewer Maintenance Fund (4812). The Storm Water Master Plan update will identify additional infrastructure and maintenance needs which should be addressed by the Storm Sewer funds. The first phase of the master plan update, which evaluates the existing sewer system, will be brought to Council within the next 6 months. At that time staff will be requesting authorization to proceed with later phases which will plan future storm drain system expansions, identify maintenance activities and assess storm water development impact fees. A brief discussion of each storm sewer funds follows.

Waterways, Fund 1251 (Pages 16-18): This fund is derived from a combination of monthly storm sewer rates and developer impact fees. This fund receives \$.48 of the \$2.47 monthly storm sewer rate. The funds are restricted for acquisition of development setbacks along waterways designated in the Visalia General Plan, restoration of riparian vegetation and maintenance of the setback areas.

The Waterways Fund has a total of 9 projects in its capital plan all of which require funding in the two-year budget.

Storm Sewer Construction, Fund 1221 (Page 19-23): This fund is derived from Storm Sewer impact fees collected at the time of development and a portion of the monthly storm sewer user fees. This fund receives \$.84 of the \$2.47 monthly storm sewer fee. Funds are to be used only for construction of new storm sewer lines to implement the Storm Sewer Master Plan.

The Storm Sewer Construction Fund has a total of 18 projects in its capital plan and 7 projects will require funding in the two-year budget.

Storm Sewer Deficiency, Fund 1222 (Pages 24-25): This fund receives \$.67 of the \$2.47 monthly storm sewer fee. Funds are to be used for construction of storm sewer facilities to correct existing deficiencies as identified in the Storm Sewer Master Plan. The Storm Sewer Deficiency Fund has a total of 7 projects in its capital plan with 5 requiring funding in the two-year budget. The projects in this fund create storm basins which will reduce flooding potential.

Kaweah Lake Enlargement Project, Fund 1223 (Page 26): This fund has no new projects requesting approval and has been included in this report for information purposes only. This fund receives \$.48 of the \$2.47 monthly storm sewer rate and was created for the City of Visalia's portion of the Lake Kaweah Enlargement Project. This was a joint project between the City of Visalia, Kaweah Water Conservation District, Tulare County, Kings County, and the Tulare Lake Basin Water Storage District which raised the spillway of Terminus Dam 21 feet to provide an additional 42,600 acre-feet of flood control and irrigation-water supply storage at Lake Kaweah. Completion of this project required a General Fund advance of funds. The balance of this advance is projected to be \$1.4 million at June 30, 2008. The advance is projected to be paid off in approximately 9 years (2017). This fund will continue to pay 27% of maintenance costs on this project for the next 50 years.

Storm Sewer Maintenance Fund, Fund 4812 (Page 27): This fund receives monies generated from storm sewer user fees. The fees for this fund are collected with the monthly utility bill and

each parcel is charged \$.24 per 1,000 sq. ft. Funds are to be used only for operation, maintenance, and improvements, including equipment and vehicle acquisitions related to collection and disposal of storm runoff. The Storm Sewer Fund has a total of 4 projects in its capital plan and 1 will require funding in the two-year budget.

Wastewater Trunk line Construction, Fund 1231 (Pages 28-29): This fund's revenues are derived from Sanitary Sewer and Trunk Line Connection Fees. Funds are to be used only for new sanitary sewer trunk line construction, and not for operation and maintenance.

The Wastewater Trunk line Construction Fund has a total of 7 projects in its capital plan with 4 requiring funding in the two-year budget. A major project included in the 2-year budget is the North Shirk sewer line extension and the Walnut Avenue Outfall line. The North Shirk sewer line is a 48 inch master plan trunk line which will be extended from School Street to Ferguson Avenue at an estimated cost of \$12 million. This trunk line will provide service to areas along Shirk Street North of Walnut to Ferguson Avenue.

There are two additional large-scale projects planned in this fund during the 6-year capital plan. These are the Avenue 276 Trunk line extension and the Mineral King Trunk line replacement. To accomplish the three major projects in this fund, the City will require outside financing. Staff is proposing these projects be included in a larger Waste Water Treatment Plant bond issue which will be used to build projects necessary to meet the discharge requirements at the Wastewater Treatment Plant.

Underground Water Recharge, Fund 1224 (Pages 30-31): This fund is derived from a portion of the monthly City utility bill. The fees for this fund are based on the size of the water service line that range from \$.35 to \$39.65 a month. In 2002, City Council adopted the additional fee as part of an agreement with Tulare Irrigation District and Kaweah Delta Water Conservation District for the acquisition of water and other activities to improve groundwater levels and increase supply of water to the City.

The Underground Water Recharge Fund has a total of 8 projects in its capital plan and 6 projects will require funding in the two-year budget.

Summary:

The City's CIP details a six-year plan for the expenditure of funds and the completion of projects (see pages 9-35). Information for the years 2010/11 through 2013/14 is provided for informational and planning purposes and will be revised, updated, and adopted in two year increments.

The attached spreadsheets summarize each fund and also provide a detailed list of the proposed projects. The fund title and number are followed by a brief explanation of the revenue source and general purpose of the fund. Each fund summary shows the beginning cash, operating revenue, operating expenditures, proposed CIP expenditures, and ending cash balance for each of the six years. The next section contains a detailed listing of the proposed CIP projects and a map reference for these projects (pages 32-35). The map reference refers to one of 4 maps of the City of Visalia which divides the City into four quadrants along Demaree and Highway 198 as follows:

Map Quadrants

Using Mooney and 198 as Axis Lines

Northwest	Map A (page 31)
Northeast	Map B (page 32)
Southwest	Map C (page 33)
Southeast	Map D (page 34)

The first letter of the map reference refers to a specific map and projects are then numbered sequentially within the map.

Presentation to Council:

Staff has prepared a Power Point presentation to review the Capital Programs of the various funds which follow in pages 8-30. CIP Project Managers will be available to address Council's questions on proposed projects. In order to assist Council in reviewing the proposed CIP projects, staff would recommend the following:

- Staff will present an overview of projects to be discussed.
- Each page will then be individually reviewed and Council will direct which project should be further explained.
- As appropriate, Council will direct certain items to be brought back for further discussion.

Table 3, Capital Funds to be reviewed by Council in future Work Sessions, is a list of CIP Funds that will be reviewed by Council at the two remaining Work Sessions scheduled for May 5th and May 19th.

Table 3: Capital Funds to be reviewed by Council in future Work Sessions

<i>Fund #</i>	<i>Fund Title</i>	<i>Fund Manager</i>	<i>Review Date</i>
1111	Gas Tax	Eric Bons	05/05/08
1241	Transportation Impact	Chris Young	05/05/08
1611	Transportation	Adam Ennis	05/05/08
1131	Measure R Local	Adam Ennis	05/05/08
1133	Measure R Regional	Adam Ennis	05/05/08
0012	Motor Vehicle In-Lieu	Adam Ennis	05/05/08
0011	General Fund	Eric Frost	05/19/08

0013	General Fund Designation -Civic Center	Eric Frost	05/19/08
0014	General Fund Designation -Sports Park	Don Stone	05/19/08
4131	Convention Center	Wally Roeben	05/19/08
5111	Information Services	Mike Allen	05/19/08
1811	CDBG	Ricardo Noguera	05/19/08
1901	East RDA	Ricardo Noguera	05/19/08
1911	Mooney RDA	Ricardo Noguera	05/19/08
1921	Downtown RDA	Ricardo Noguera	05/19/08
1931	Central Redevelopment District	Ricardo Noguera	05/19/08
5011	Fleet Maintenance	Mike Morgantini	05/19/08
5012	Fleet replacement	Earl Nielsen	05/19/08
1051	Police Impact Fund	Chuck Hindenburg	05/19/08
1061	Fire Impact Fund	Danny Wristen	05/19/08
1121	Police Sales Tax	Chuck Hindenburg	05/19/08
1122	Fire Sales Tax	Danny Wristen	05/19/08

Prior Council/Board Actions:

Funds reviewed and tentatively approved by Council at prior meetings (no official action taken):

<i>Fund #</i>	<i>Fund Title</i>	<i>Fund Manager</i>	<i>Review Date</i>
4011	Airport	Mario Cifuentez	04/07/08
4311	Wastewater Treatment Plant	Jim Ross	04/07/08
4411	Solid Waste	Jim Bean	04/07/08
4511	Transit	Monty Cox	04/07/08
1615	Proposition 1B - Transit	Monty Cox	04/07/08
1511	NE Maintenance District	Vince Elizondo	04/07/08
1513	Landscape & Lighting	Vince Elizondo	04/07/08
1711	NE Capital Improvements	Andrew Benelli	04/07/08

Committee/Commission Review and Actions:

Alternatives:

Attachments:

<p>Recommended Motion (and Alternative Motions if expected)</p>
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Environmental Assessment Status

CEQA Review:

NEPA Review:

Copies of this report have been provided to:

**Park & Recreational Facilities Fund - 1211
2008/09 - 2013/14 Capital Improvement Program**

This fund is derived from fees paid by developers in lieu of providing parks and open space. Funds are to be used to implement the Parks Master Plan for open space acquisition and providing park and other recreational facilities.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash For Capital	5,961,600	2,406,800	3,550,900	4,754,400	3,355,800	958,000
Park & Recreational Impact Fees	1,868,400	1,681,600	1,732,000	1,784,000	1,837,500	1,892,600
Interest Earnings	92,600	136,600	182,900	129,100	36,800	(226,500)
Operating Expenditures	(10,800)	(11,100)	(11,400)	(11,700)	(12,100)	(12,500)
Capital Expenditures	(5,505,000)	(663,000)	(700,000)	(3,300,000)	(4,260,000)	(8,500,000)
Total Resources Available for Future Projects	2,406,800	3,550,900	4,754,400	3,355,800	958,000	(5,888,400)

Executive Summary Assumptions:

The Park & Recreational Impact Fees are estimated to decrease 30% in 08/09 and an additional 10% in 09/10 due to slowing development. This fund will be hard hit by slowing residential development which is the only type of development required to pay this Impact Fee. The future years beginning with 10/11 are estimated to increase 3% annually.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Soroptomist Park- Develop a 4.5 acre neighborhood park on the south side of Douglas between Santa Fe and Burke to serve the area from Goshen Ave to Riggins Ave and Demaree St. to Akers St. The park improvements include turf and landscape, a playground, picnic areas, basketball court, walking paths.	Don Stone	9598	**	B15	350,000					
2	Babcock Park- Develop a 4.5 acre neighborhood park on the north side of Ferguson between Shirk and Roeben to serve the neighborhood recreation needs of the area from Akers St to Shirk St and from Goshen Ave to Riggins Ave. The park improvements include a playground, picnic areas, basketball court, turf play area, landscape and irrigation.	Don Stone	9743	**	A8	950,000					
3	Miki City Park- Develop a .65 acre park with a Japanese theme on the north side of Mineral King between Stevenson and Johnson. (Multi-Funded: Project total of \$445k funded with Recreation Facilities (1211) \$195k (07/08) and \$200k (08/09) and General Fund \$50k (08/09).)	Don Stone	3011/9933	*	B17	200,000					
4	Mill Creek Garden Park Playground- Develop a playground located at Lovers Lane & Mill Creek Parkway. This project consists of reducing the existing parking lot and adding a playground. The park currently does not have a playground and the nearest park with a playground is over 1 mile away. (Multi-funded: Project total of \$340k funded with Recreation(1211) \$200k (07/08) and \$40k (08/09) and N/E Capital Improvement Fund (1711) - \$100k (07/08).)	Don Stone/ Doug Damko	3011/9936	*	B16	40,000					

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
5	Dans Lane Neighborhood Park- Develop a 5 acre park and riparian area just to the east of Cottonwood Elementary to serve neighborhood park demand South of Caldwell, from Mooney Blvd to Demaree. Improvements will include a path along Packwood Creek, playground, picnic area, open turf area. (Multi-funded: Project total of \$1m funded with Recreation (1211) \$705k (07/08) and \$200k (08/09) and Waterways (1251) \$120k (07/08).)	Don Stone	3011/9579	*	D6	200,000					
6	Riverway Sports Park Phase 2- Develop lighted youth baseball complex with four lighted fields, concession & restroom building, parking, and light two soccer fields and BMX park. (Multi-funded: Project total of \$6.2m funded with Recreation (1211) \$762k (07/08) and \$3.27m (08/09) and Sports Park Reserve \$206k (07/08) and \$2m (08/09).)	Don Stone	3011/8029	***	B5	3,270,000					
7	Rec Park Playground - Universal Access Playground will allow children with disabilities to play independently with their peers. Provides wheel chair access to majority of playground elements and experiences for children with all levels of disabilities. Project includes removal of existing playground and site prep. (Multi-funded: Project total of \$559k funded with Recreation (1211) \$225k, CDBG (1811) \$83k (07/08) and Roberti Z Berg grant \$251k (07/08).)	Don Stone	3011/8021	--	B20	225,000					
8	Creekside Neighborhood Park/Storm Basin- Develop a 9 acre neighborhood park and storm basin to serve area south of Hwy 198 to Walnut Ave and east of Lovers Ln. Phase 2 (09/10) Develop 5 acres of park improvements and a pump lift station. Park improvements include playground, walking paths, turf and landscape, picnic area. Phase 3 (11/12) Complete development of park improvements and build local street on west side of park. (Multi-funded: Project total \$1.9m funded with Recreation (1211) \$915k (07/08), \$270k (08/09) and \$250k (11/12) and Storm Sewer (1221) \$331 (07/08) and \$150k (08/09).)	Don Stone/ Peter Spiro	3011/9413	**	D8	270,000			250,000		
9	East Civic Center Park- 09/10 develop specific plan for park improvements from Tipton St. to Burke St. 12/13 develop a 4 acre park, trail, and riparian area at east Civic Center to coordinate with first phase of public improvements. The park master plan identifies an amphitheater to accommodate special events and provide green space. The amphitheater will provide seating for approximately 300. (Multi-funded: Project total of \$1.2m funded with Waterways (1251) \$275k, Measure R Bike/Trail (1132) \$275k and Recreation (1211) \$663k.)	Vince Elizondo	3011/9920	--	B10		663,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
10	Cameron Creek Park & K Road Park/Storm Basin- Locate and acquire site for 6-8 acre neighborhood park and storm basin to serve area from Lovers Lane to Rd 148 and Walnut Ave to Caldwell Ave. Subdivisions are being built but land will be difficult to acquire in current market. (Multi-funded: Project total \$2.1m from Recreation (1211) \$1.5m and Storm Sewer (1221) \$620k.)	Don Stone/ Peter Spiro	3011/new	--	D12			600,000		850,000	
11	Virmargo-Goshen Neighborhood Park- Design and build a 6 acre neighborhood park/storm basin west of Lovers Lane between Houston and Goshen to service the general area from Houston Ave to Mill Creek and Cain St to Lovers Lane. Development will include lift station and park amenities. (Multi-funded: Project Total \$1.8m funded with Recreation (1211) \$1.3m and Storm Sewer (1221) \$500k.)	Don Stone/ Doug Damko	3011/9932	*	B18			50,000	50,000	1,230,000	
12	Multi-Generational Recreation Center- Build a 20,000 sq. ft. space for community events, recreation and educational classes, and space for older adult programs on 3 acre site adjacent to South police precinct. A feasibility study will be conducted to determine specific needs for this type of facility in 2012-13. (Multi-funded: Project total of \$5.6m funded with Recreation Facilities (1211) \$4m, General Fund (0011) \$900k, and Grant funds \$700k.)	Vince Elizondo	3011/new	--	D7			50,000			4,000,000
13	Southeast Master Plan Park Acquisition- Acquire 10 to 15 acres for the designated neighborhood park site and develop first phase. The master plan identifies a 38 acre site with a large grove of Valley Oaks as a park site. This project proposes to acquire a part of the site with park impact fees and the remainder would be purchased from unspecified funds from fees charged for development.	Don Stone	new	--	D13				1,500,000		
14	River Run Ranch Neighborhood Park/Storm Basin- Develop a 6 acre park/storm basin on the north side of St Johns Parkway approx. 750 ft. east of McAuliff. The project will serve the area north of Houston Ave and East of McAuliff. The storm basin was excavated in 07/08 to serve phase 2 of River Run Ranch. Due to slowing development project has been moved to 2011/12. (Multi-funded: Project total \$1.7m funded with Recreation (1211) \$1m and Storm Sewer (1221) \$60k (07/08) and \$600k (11/12).)	Don Stone/ Peter Spiro	3011/8050 formerly 9386	--	B19				1,000,000		

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
15	Modoc Basin Neighborhood Park- Acquire Modoc Basin to develop a 10 acre park/storm basin on Riggins west of Demaree to serve area from Riggins Rd to Pratt Rd and Akers St to Shirk St. Existing subdivisions currently use Modoc basin which is identified in Storm Drain Master Plan as regional basin. Complicated negotiations have hindered acquisition process. Development to occur in 2013/14 including open space, athletic fields. (Multi-funded: Project total \$4.6k from Recreation (1211) \$2.5m and Storm Sewer (1221) \$2.1m.)	Andrew Benelli/ Don Stone/ Peter Spiro	3011/9935	--	A1				500,000	2,000,000	
16	Riverway Sports Park Phase 3- The third phase is programmed to include four lighted multi-use softball fields, parking, concession/restroom, a new irrigation well and pump system, Riverway Drive improvements and maintenance yard building. (Multi-funded: Project total of \$10.4m funded with Recreation (1211) \$4.2m and Sport Park Reserve (0014) \$6.2m.)	Don Stone	3011/new	***	B5					180,000	4,000,000
17	Hillsdale Neighborhood Park- Develop neighborhood park to serve the area north of Hwy 198 to Goshen Ave and from Shirk to Akers. In FY 2008-09 Develop a master plan for the 16 acre parcel to identify location of park and scenic corridor setback. Project total of \$885K includes \$335k of prior year funding.	Don Stone/ Peter Spiro	3011/9719	*	A9						500,000
Total Expenditures						5,505,000	663,000	700,000	3,300,000	4,260,000	8,500,000

Note:
Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

**Measure R Trailway Fund - 1132
2008/09 - 2013/14 Capital Improvement Program**

This fund receives revenue from the bike and environmental portion of Measure R.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Balance	366,300	322,600	1,007,100	311,000	(15,400)	557,000
Measure R Bike and Trail Revenue	1,114,500	1,174,800	1,172,800	1,258,900	1,348,500	1,442,900
Interest Earnings	6,300	19,700	6,100	(300)	10,900	21,800
Operating Expenditures						
Capital Expenditures	(1,164,550)	(510,000)	(1,875,000)	(1,585,000)	(787,000)	(908,000)
Total Resources Available for Future Projects	322,550	1,007,100	311,000	(15,400)	557,000	1,113,700

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	St. Johns Bike/Pedestrian Trail from McAuliff to Rd 148- Project will construct a half mile all purpose trail from McAuliff to the city's eastern boundary, along with landscaping and an irrigation system the project will also include an ADA ramp between the levee and the proposed trail. (Multi-funded: Recreation Trail grant \$79k (07/08) and Measure R-1132 Bike and Trail \$109k (07/08) and \$112k (07/08).)	Paul Shepard	3011/9716	*	B6	112,500					
2	Mill Creek Bike/Pedestrian trail from Mill Creek Garden Park to McAuliff Ave- construct all purpose trail, irrigation and landscaping. This project will include approximately .5 miles of asphalt trail along with an irrigation system and landscaping master plan. (Multi-funded: State Parks and Recreation grant \$81k (07/08), Parks & Rec Foundation \$6k (07/08) and Measure R-1132 Bike and trail \$84k (07/08) and \$60k (08/09).)	Paul Shepard	9843	*	B7	60,000					
3	Packwood Creek Bike/Pedestrian trail from County Center to east of Mooney- Project includes purchasing approximately 3 acres of riparian setback and constructing approximately 3,700 ft of asphalt trail and an irrigation system with landscaping. (Multi-funded: TEA grant \$656k and Measure R-1132 Bike and Trail \$477k.)	Paul Shepard	3011/9915	**	D1	477,050					

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
4	Modoc Creek riparian ROW along Ferguson- Gong property. Purchase .43 acres of setback on Modoc Ditch riparian ROW along Ferguson between Dinuba and Conyer in conformance with waterway policy and build 3,100 feet of Bike/Pedestrian path from Ferguson to Giddings. \$190k in 08/09 for acquisition and \$250k in 11/12 for construction.	Paul Shepard	new	--	B8	190,000			230,000		
5	Matching funds to developers for development of riparian setbacks. Includes drip irrigation, oak trees and riparian landscaping, Bike/Pedestrian paths, signs, and wood chips. In some cases fencing may be required to limit access. (Multi-funded: Waterways (1251) \$750k and Measure R Bike and Trail (1132) \$1.05m.)	Don Stone	9756	--	N/A	100,000	-	100,000	-	450,000	400,000
6	St. John's River Bike/Pedestrian Trail - Rd 148 alignment east to Cutler Park- Start ROW acquisition and trail development . Acquire approximately 3 acres of riparian area and construct a .5 miles trail connecting to Cutler Park. (Multi-funded: State Transportation-1611 \$223k, TEA grant \$270k, Measure R-1132 Bike and Trail \$200k and Waterways-1251 \$100k.)	Paul Shepard	8040	*	B9	200,000					
7	East Civic Center Park- 09/10 develop specific plan for park improvements from Tipton St. to Burke St. 12/13 develop a 4 acre park, trail, and riparian area at east Civic Center to coordinate with first phase of public improvements. The park master plan identifies an amphitheater to accommodate special events and provide green space. The amphitheater will provide seating for approximately 300. (Multi-funded: Project total of \$1.2m funded with Waterways (1251) \$275k, Measure R Bike/Trail (1132) \$275k and Recreation (1211) \$663k.)	Vince Elizondo	3011/9920	--	B10	25,000			250,000		
8	Packwood Creek Bike/Pedestrian Trail Santa Fe to Walnut- Acquire 2.3 acres and construct .4 miles of asphalt trail with landscape.	Don Stone	new	--	D2		510,000	425,000			
9	Extend asphalt Bike/Pedestrian trail on Mill Creek from Lovers Lane to Cain St as shown in the master plan. This section will build 3,900 ft of trail and include landscaping and irrigation. Acquisition to occur in 11/12 with construction in 12/13.	Paul Shepard	9919	*	B11				90,000	102,000	508,000
10	Reconstruct Goshen Bike Path- Repave 5.5 miles of the Goshen bike path and add more landscaping	Paul Shepard	new	**	B12			450,000			

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
11	St Johns Bike/Pedestrian Trail from Riggins to Dinuba Blvd- Start acquisition of 4.4 acres and construct trail and landscaping along the St. John's River. Will start at Riggins and proceed to Dinuba Blvd.	Paul Shepard	new	**	B13			900,000	400,000		
12	Northern Santa Fe Bike/Pedestrian Trail- Construct 5,400 ft of trail along the Santa Fe alignment from Houston to Riggins. Project will include landscaping and irrigation. Project total of \$700k funded with CMAQ grant \$560k and Measure R (1132) bike and trail funds \$140k.	Paul Shepard	3011/new	*	B14				140,000		
13	Packwood Creek Bike/Pedestrian Trail from College to Paradise- Project will construct .75 miles of trail along Packwood Creek and include signage, benches, irrigation and landscaping. Project total of \$395k is funded with Transportation Enhancement Grant (TE)\$250k and Measure R (1132) Bike and Trail funds \$145k.	Paul Shepard	3011/new	*	D3				145,000		
14	Packwood Creek Bike/Pedestrian trail from RR to Cedar- Project will construct approximately 4,360 ft of trail along Packwood Creek and Walnut Ave. and includes some landscaping and irrigation. Staff applied for a CMAQ grant in January 2008. Project is contingent upon receipt of grant. Project total of \$400k is funded with Measure R (1132) Bike and Trail funds \$80k and CMAQ grant \$320k.	Paul Shepard	3011/new	*	D4				80,000		
15	Packwood Creek Bike/Pedestrian Trail Lovers Lane to Crumel St.- Acquire 1.1 acres of setback on the north side of Packwood Creek from Lovers Lane to Creeksdie park and build 1,200 feet of path with landscape.	Paul Shepard	new		D5				250,000	235,000	
Total Expenditures						1,164,550	510,000	1,875,000	1,585,000	787,000	908,000

NOTE: Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

**Waterways Fund - 1251
2008/09 - 20013/14 Capital Improvement Program**

This fund is derived from a combination of monthly storm sewer fees and developer impact fees. This fund receives \$.48 of the \$2.47 monthly fee that is charged through the utility bill. Funds are restricted for acquisition of development setbacks along waterways designated in the Visalia General Plan, restoration of riparian vegetation, and maintenance of the setback areas.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash For Capital	34,500	35,500	107,100	2,100	43,500	341,700
Waterways Impact Fee	585,600	603,200	621,300	639,900	659,100	678,900
Waterways Fees	239,100	243,900	248,800	253,800	258,900	264,100
Interest Earnings (Expense)	1,400	4,100	100	1,700	13,100	21,900
Operating Expenditures	(118,100)	(121,600)	(125,200)	(129,000)	(132,900)	(136,900)
Capital Expenditures	(707,000)	(658,000)	(850,000)	(725,000)	(500,000)	(600,000)
Total Resources Available for Future Projects	35,500	107,100	2,100	43,500	341,700	569,700

Executive Summary Assumptions:

The Waterways Impact Fees are estimated to decrease 20% in 08/09 due to slowing development. The future years beginning with 09/10 are estimated to increase 3% annually. Waterways Fees are estimated to increase annually 2% based on growth in water/sewer hook-ups.

Additional Information: In November 2003 Council approved a General Fund loan of up to \$500k to the Waterways Fund to continue with the acquisition and development of waterway setbacks. With the use of Measure R Bike and Trail funds the Waterways fund is not currently projected to require advances from the General fund.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Mill Creek riparian setback- at 120 N Akers. The City will purchase a strip of riparian setback that is approximately 190 ft long and 50 ft wide. A trail will eventually be built on the property.	Paul Shepard	new	--	A2	110,000					
2	Dans Lane Neighborhood Park- Develop a 5 acre park and riparian area just to the east of Cottonwood Elementary to serve neighborhood park demand South of Caldwell, from Mooney Blvd to Demaree. Improvements will include a path along Packwood Creek, playground, picnic area, open turf area. (Multi-funded: Project total of \$1m funded with Recreation (1211) \$705k (07/08) and \$200k (08/09) and Waterways (1251) \$120k (07/08).)	Don Stone	3011/9579	**	D6	120,000					
3	St. John's River Walk- improve approximately 12 acres along the river directly east of Ben Maddox. Includes site clean-up, construction of a small parking lot off of Ben Maddox, improved access for the disabled, natural history displays, a trail through the existing 12 acres of Valley Oak forest, irrigation and landscaping, a meadow area, picnic tables, drinking fountains, signs and benches. (Multi-funded: Waterways-1251 \$50k (07/08) and \$155K (08/09-09/10) and Prop 50 \$817k (07/08).)	Don Stone	3011/8011	*	B21	52,000	103,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
4	Acquire waterway setbacks- and enhance riparian habitats as land becomes available. Waterways include St. John's River, Mill Creek, Cameron Creek, Modoc Ditch & Packwood Creek) .	Don Stone	9100	--	N/A	100,000	100,000	400,000	425,000	450,000	500,000
5	Oakwest 7-Mill Creek riparian area- work with developer to purchase approximately 2 acres of riparian setback along the north side of School between Shirk and Akers and co-develop. Work will include a 1,700 ft trail along with an irrigation system and landscaping.	Paul Shepard	new	*	A4	300,000	175,000				
6	Matching funds to developers for development of riparian setbacks. Includes drip irrigation, oak trees and riparian landscaping, paths, signs, and wood chips. In some cases fencing may be required to limit access. (Multi-funded: Waterways (1251) \$750k and Measure R Bike and Trail (1132) \$1.05m.)	Don Stone	9756	--	N/A	-	100,000	200,000	300,000	50,000	100,000
7	East Civic Center Park- 09/10 develop specific plan for park improvements from Tipton St. to Burke St. 12/13 develop a 4 acre park, trail, and riparian area at east Civic Center to coordinate with first phase of public improvements. The park master plan identifies an amphitheater to accommodate special events and provide green space. The amphitheater will provide seating for approximately 300. (Multi-funded: Project total of \$1.2m funded with Waterways (1251) \$275k, Measure R Bike/Trail (1132) \$275k and Recreation (1211) \$663k.)	Vince Elizondo	3011/9920	--	B10	25,000		250,000			
8	St. John's River Bike/Pedestrian Trail - Rd 148 alignment east to Cutler Park- Start ROW acquisition and trail development . Acquire approximately 3 acres of riparian area and construct a .5 miles trail connecting to Cutler Park. (Multi-funded: State Transportation-1611 \$223k, TEA grant \$270k, Measure R-1132 Bike and Trail \$200k and Waterways-1251 \$100k.)	Paul Shepard	3011/8040	*	B9	-	100,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
9	Pappas Park Trail- Construct 1,100 ft of asphalt trail between Demaree and Chinowith in Pappas Park in conformance with waterway policy.	Paul Shepard	new	--	A3		80,000				
Total Expenditures						707,000	658,000	850,000	725,000	500,000	600,000

NOTE: Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

**Storm Sewer Construction Fund - 1221
2008/09 - 2013/14 Capital Improvement Program**

This fund is derived from Storm Sewer impact fees collected at the time of development and a portion of the monthly storm sewer users fees. This fund receives \$.84 of the \$2.47 monthly storm sewer fee. Funds are to be used only for construction of new storm sewer lines to implement the Storm Sewer Master Plan.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash For Capital	300	293,700	713,000	1,071,400	(217,900)	(1,044,300)
Storm Sewer Impact fees	653,800	673,400	693,600	714,400	735,800	757,900
Storm Sewer Rate	415,000	423,300	431,800	440,400	449,200	458,200
Interest Earnings	11,300	27,400	41,200	(8,400)	(40,200)	(13,800)
Operating Expenditures	(14,400)	(14,800)	(15,200)	(15,700)	(16,200)	(16,700)
Capital Expenditures	(772,300)	(690,000)	(793,000)	(2,420,000)	(1,955,000)	(500,000)
Total Resources Available for Future Projects	293,700	713,000	1,071,400	(217,900)	(1,044,300)	(358,700)

Executive Summary Assumptions:

The Storm Sewer Impact fees have decreased significantly as a result of decreased housing development. Revenues are estimated to decrease by 20% in 08/09 due to slowing development and begin to increase 3% annually in 2009-10. Sewer Fees are estimated to increase annually 2% based on growth.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Mooney Storm Drain & Pump Installation- Install a storm drain line in Mooney Blvd and second pump to existing dual pump station at Modoc Ditch/Mooney Blvd. Install 1300 ft of storm drain line in Mooney Blvd. and pave full cross-section of Mooney where line is installed. Project will provide storm drainage solution for two developing subdivisions east of Mooney Blvd and drainage for Mooney Blvd & Ferguson Avenue street runoff. (Multi-funded: Project total of \$495k funded with Storm Sewer (1221) \$150k (07/08) and \$220k (08/09) and Measure R Local (1131) \$125k.)	Peter Spiro	3011/9939	--	A5	220,000					
2	Retention Basin at the corner of Santa Fe and "K"- A Retention Storm Basin at the South East corner of Santa Fe Street and Walnut Avenue where a residential project is proposed, the basin will be dedicated to the City and developed by the approved residential master plan through Storm Drain fee credit program at no initial cost to the City, the funds needed for this project are to cover the design and the engineering staff time.	Peter Spiro	new	*	D10	7,000					

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
3	Park Place Storm Basin- Acquire the 4.6-acre Park Place storm basin (S43) located on the east side of Pinkham, 1000 feet north of Caldwell. Includes landscaping of Pinkham frontage. The basin is located adjacent to a Tulare Irrigation District canal that crosses Pinkham. This basin has been fully developed by Centex Homes as part of the Park Place subdivision. Basin will serve existing and future development north of Caldwell south of K Road and west of Lovers Lane. The basin is designed as a retention basin with the ability to take in water from the TID canal for groundwater recharge. Project total of \$450k includes \$350k prior year funding.	Doug Damko	9097 (PC-43)	*	D11	100,000					
4	Linwood Ranch Storm Basin- This project will reimburse developers for the construction of a pump station, discharge line, and installation of landscaping, sidewalk, curb, gutter and pavement along the northern, southern and eastern street frontages of the storm basin. Project total of \$345k includes \$245k prior year funding.	Peter Spiro	9774	--	C4	100,000					
5	Plaza Drive Storm Basin - Acquire additional property for the expansion of an existing basin west of Plaza Drive/North of 198 Hwy. Basin will serve the areas between Hurley & 198 HWY, west of Kelsey street.	Peter Spiro	new	--	A7	100,000	80,000	80,000	80,000		
6	Construct various storm drain lines. Covers the City's annual cost of reimbursing developers for the design and construction of storm drain lines which implement the Storm Water Master Plan and for the construction of oversized storm drain lines that exceed the standard requirements for development projects.	Peter Spiro	9229	--	N/A	245,300	100,000	100,000	100,000		
7	Santa Fe Force Main- Install a pump station and a main discharge line to Packwood Creek at Rancho Sante Fe Park/Pond located at the South West corner of Burke St and Monte Vista Ave. Phase 1 (Park/Pond construction) has been completed. Phase 2 consisting of the installation of a pump station and a force main discharge line to Packwood Creek is planned to be constructed in 08/09.	Peter Spiro	3011/9321	--	D9		510,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
8	The Ranch Basin- Install landscaping and irrigation around the Ranch basin (formerly known as Ritchie Basin), located at the southeast corner of Houston Ave and Linwood St. In addition to the standard calwater irrigation connection, a reclaimed water unit and self irrigation system will be installed in this basin. Staff will apply for additional grant funding of \$100k for this project.	Peter Spiro	9430 (GD-39)	*	A6			50,000			
9	Riverwood Basin- Install landscaping, fencing, pump station with discharge line, inflow structures and street improvements at the 11-acre Creekside storm/recharge basin located at the southeast corner of Murray Ave. and McAuliff St. Purchase, fencing, excavation and street improvements have been completed. Remaining is lift station 08/09 and landscaping 10/11. (Multi-funded: Project total of \$678k funded with Storm Sewer (1221) \$198k (07/08) and \$13k (10/11), Groundwater Recharge (1224) \$317k and \$150k will be received from the Visalia Water Mangement Committee.)	Peter Spiro	3011/9557	--	B22			13,000			
10	Cameron Creek Park & K Road Park/Basin- Locate and acquire site for 6-8 acre neighborhood park and storm basin to serve area from Lovers Lane to Rd 148 and Walnut Ave to Caldwell Ave. Subdivisions are being built but land will be difficult to acquire in current market. (Multi-funded: Project total \$2.1m from Recreation (1211) \$1.5m and Storm Sewer (1221) \$620k.)	Don Stone/ Peter Spiro	3011/new	*	D12			400,000	220,000		
11	Creekside Neighborhood Park/Storm Basin- Develop a 9 acre neighborhood park and storm basin to serve area south of Hwy 198 to Walnut Ave and east of Lovers Ln. Phase 2 (09/10) Develop 5 acres of park improvements and a pump lift station. Park improvements include playground, walking paths, turf and landscape, picnic area. Phase 3 (11/12) Complete development of park improvements and build local street on west side of park. (Multi-funded: Project total \$1.9m funded with Recreation (1211) \$915k (07/08), \$270k (08/09) and \$250k (11/12) and Storm Sewer (1221) \$331 (07/08) and \$150k (08/09).)	Don Stone/ Peter Spiro	3011/9413	**	D8			100,000	50,000		

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
12	Lakeside Basin- Install pump station, inflow line, fencing and landscaping at 9.4-acre Lakeside storm basin (S40) located north side of Goshen Ave. between Shirk Street and future Roeben Street. Basin will service area bounded by Shirk St, Akers St, Riggin Ave and Hurley Ave. Will also provide relief for Goshen Ave storm drain line by accepting storm flows from the Goshen line into the basin and pumping it out at reduced rate.	Doug Damko	9836 (S40)	--	A11			50,000	150,000	250,000	
13	River Run Ranch Neighborhood Park/Storm Basin- Develop a 6 acre park/storm basin on the north side of St Johns Parkway approx. 750 ft. east of McAuliff. The project will serve the area north of Houston Ave and East of McAuliff. The storm basin was excavated in 07/08 to serve phase 2 of River Run Ranch. Due to slowing development project has been moved to 2011/12. (Multi-funded: Project total \$1.7m funded with Recreation (1211) \$1m and Storm Sewer (1221) \$60k (07/08) and \$600k (11/12).)	Don Stone/ Peter Spiro	3011/8050	**	B19	-			600,000		
14	Goshen Avenue Forcemain- A force main pipeline with a pump station at Goshen/Virmargo Basin discharging into Jennings Ditch. Basin is categorized as a detention basin. Once more than half of service/tributary area is built out, a pump station with a discharge forcemain will be needed.	Peter Spiro	new	--	B23				420,000		
15	Virmargo Street Trunkline- A storm drain trunk line in Virmargo Street from Houston Ave to Goshen/Virmargo Basin. To provide drainage for 6 approved subdivision projects in area totaling approximately 400 residential lots, the trunk line terminates at Goshen/Virmargo basin. The construction of this project is associated with Eagle Meadows Development, an approved master planned residential site where the proposed pipeline alignment runs through.	Peter Spiro	new	--	B24				150,000	55,000	
16	Goshen Avenue Trunkline- A storm drain trunk line in Goshen Avenue from Cain Street to Goshen/Virmargo Basin. Will provide drainage for approved private developments/some of the East downtown areas and Goshen Ave runoff from Ben Maddox to Mill creek Parkway. Trunk line terminates at Goshen/Virmargo Basin.	Peter Spiro	new	--	B25				100,000	100,000	

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
17	Virmargo-Goshen Neighborhood Park- Design and build a 6 acre neighborhood park/storm basin west of Lovers Lane between Houston Ave to Mill Creek and Cain St to Lovers Lane. Development will include lift station and park amenities. (Multi-funded: Project Total \$1.8m funded with Recreation (1211) \$1.3m and Storm Sewer (1221) \$500k.)	Don Stone/ Doug Damko	3011/9932	--	B18				50,000	450,000	
18	Modoc Basin Neighborhood Park- Acquire Modoc Basin to develop a 10 acre park/basin on Riggin west of Demaree to serve area from Riggin Rd to Pratt Rd and Akers St to Shirk St. Existing subdivisions currently use Modoc basin which is identified in Storm Drain Master Plan as regional basin. Complicated negotiations have hindered acquisition process. Development to occur in 2013/14 including open space, athletic fields. (Multi-funded: Project total \$4.6k from Recreation (1211) \$2.5m and Storm Sewer (1221) \$2.1m.)	Andrew Benelli/ Don Stone/ Peter Spiro	3011/9935	--	A1				500,000	1,100,000	500,000
Total Expenditures						772,300	690,000	793,000	2,420,000	1,955,000	500,000

Note:
Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

**Storm Sewer Deficiency - 1222
2008/09 - 2013/14 Capital Improvement Program**

This fund is derived from a portion of the monthly storm sewer users fees. This fund receives \$.67 of the \$2.47 monthly storm sewer fee. Funds are to be used for construction of storm sewer facilities to correct existing deficiencies as identified in the Storm Sewer Master Plan.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash	713,600	699,400	508,700	670,100	818,300	978,800
Storm Sewer Fees	315,400	321,700	328,100	334,700	341,400	348,200
Interest Earnings (Expense)	26,900	19,600	25,800	31,500	37,600	44,300
Operating Expenditures	(16,500)	(17,000)	(17,500)	(18,000)	(18,500)	(19,100)
Capital Expenditures	(340,000)	(515,000)	(175,000)	(200,000)	(200,000)	(200,000)
Total Resources Available for Projects	699,400	508,700	670,100	818,300	978,800	1,152,200

Executive Summary Assumptions:

The Storm Sewer Fees are estimated to increase annually 2% based on growth in water/sewer hook-ups.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Sierra Village Basin Pump Upgrade- will not be needed if basin relocation plans move forward. The existing lift station does not meet City standards. Basin is in close proximity to poorly graded retirement community making it critical to bring site up to current standards.	Peter Spiro	new	--	C5	160,000					
2	Santa Fe @ Mineral King Drainage- Install a 15" line in Tipton Street from Nobel to Liberty through Acequia Avenue, the intersection of Nobel and Tipton suffers from ponding during heavy storm events and the deficiency is expected to increase upon Santa Fe bridge project completion.	Peter Spiro	new	--	B30	30,000	125,000				
3	Improve Drainage around the Oval, upgrade a lift station & upsize 600 l.f. of 10" storm lines. This area has been suffering a drainage deficiency for a long time specifically at the intersection of Court & NW 2nd Street, the project will be coordinated with Caltrans .	Peter Spiro	new	--	B31	40,000	220,000				
4	Caldwell @ Santa Fe Drainage. Install 18" in Caldwell Avenue from Santa Fe to Burk Street, the intersection of Santa Fe and Caldwell Suffers from Major Drainage deficiency that has increased upon the completion of Caldwell Widening Project.	Peter Spiro	new	--	D15	10,000	70,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
5	Developer Reimbursement Storm Sewer Deficiency- Reimburse developers for improvement of existing drainage deficiencies in infill areas with their proposed projects. Does not include new storm drainage that results from new construction.	Peter Spiro	new	--	N/A	100,000	100,000	50,000	50,000	50,000	50,000
6	Ben Maddox & Mill Creek Park/Pond- Acquire and construct a park/pond on the west side of Ben Maddox and north side of Mill Creek in the vicinity of Jennings Ditch. The property is planned to be acquired and excavated with landscaping and pump installation in future years.	Peter Spiro	9603	--	B26			125,000			
7	Hannah Ranch Basin- Acquire property & partner in development of a storm/recharge basin upstream of Visalia. The estimated 360 acre basin, located east side of SR 245 south of the Kaweah River, will provide a relief for various creeks and ditches which will provide additional capacity for urban development runoff water. The Kaweah Delta Water Conservation District will acquire and develop the land (aka site 3 & 4). The City's portion will be paid over 5 years and is half (\$700k) of the \$1.4m project. This project will be dependant on Council's approval. Two additional payments will be made in 2014/15 and 2015/16.	Andrew Benelli	3011/9790	--	Out of map limits			-	150,000	150,000	150,000
Total Expenses						340,000	515,000	175,000	200,000	200,000	200,000

NOTE: Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

Kaweah Lake Project - 1223
2008/09 - 2013/14 Capital Improvement Program

This fund is derived from a portion of the monthly storm sewer users fees. This fund receives \$.48 of the \$2.48 monthly storm sewer fee. Funds are to be used for the Kaweah Lake enlargement & maintenance of the lake.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash	(1,439,900)	(1,308,500)	(1,165,500)	(1,010,300)	(842,100)	(660,100)
Kaweah Lake Project Rates	236,700	243,800	251,100	258,600	266,400	274,400
Operating Expenses	(55,000)	(56,000)	(57,000)	(58,000)	(59,000)	(60,000)
Interest Expense	(50,300)	(44,800)	(38,900)	(32,400)	(25,400)	(17,800)
Capital Expenditures						
Total Resources Available for Kaweah Lake Project	(1,308,500)	(1,165,500)	(1,010,300)	(842,100)	(660,100)	(463,500)

Executive Summary: This fund has no new projects requesting approval and has been included in this report for information purposes only.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	No Projects Requested										
	Total Expenses							-	-	-	-

Note: This fund required a General Fund advance of funds to complete the Lake Kaweah Enlargement project. The balance of this advance is projected to be \$1.4 million at June 30, 2008. The advance is projected to be paid off in approximately 9 years (2017). This fund will continue to pay 27% of maintenance costs on this project for the next 50 years.

**Storm Sewer Operations & Maintenance - 4812
2008/09 - 2013/14 Capital Improvement Program**

This fund includes monies generated from storm sewer user fees. The fees for this fund are collected with the monthly utility bill and each parcel is charged \$.24 per 1,000 sq. ft. Funds are to be used only for operation, maintenance, and improvements, including equipment and vehicle acquisitions related to collection and disposal of storm runoff.

<i>Executive Summary</i>						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash Balance	217,000	240,100	308,700	266,800	338,800	415,000
Storm Sewer User fees	1,127,200	1,149,700	1,172,700	1,196,200	1,220,100	1,244,500
Interest Earnings (Expense)	9,200	11,900	10,300	13,000	16,000	19,100
Operating Expenditures (staff costs, allocations, etc)	(1,071,600)	(1,093,000)	(1,114,900)	(1,137,200)	(1,159,900)	(1,183,100)
Capital Expenditures	(41,700)	-	(110,000)	-	-	-
Total Resources Available for Projects	240,100	308,700	266,800	338,800	415,000	495,500

Note:

Staff is evaluating the need to increase fees. A fee increase in this fund would require compliance with Proposition 218 procedures.

Executive Summary Assumptions:

The Storm Sewer User Fees are estimated to increase annually 2% based on growth.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Replace 1 ton dump truck Budget Year / Unit# / Year / Miles 2008-09 / 318914 / 1994 / 127,495	Jim Ross	9223 task new	--	N/A	41,700					
2	New Bobcat and trailer with accessories- for weed abatement and to repair washouts. Accessories to include weed mower. Currently renting equipment for this task.	Jim Ross	9223 task new	--	N/A			35,000			
3	Self cleaning water screen- to remove trash and debris from ditches	Jim Ross	9222 task new	--	N/A			40,000			
4	Spray Vehicle and Equipment- for weed management and to apply pre-emergent on ditches, waterways, and ponding basins.	Jim Ross	9223 task new	--	N/A			35,000			
Total Expenses						41,700	-	110,000	-	-	-

Note:

The Budget Impact column represents the impact the project will have on the operating budget annually in order to maintain the project when completed or purchased.

- No Annual Maintenance Costs
- * Annual Maintenance cost is \$5,000 or less
- ** Annual Maintenance costs is \$5,000 to \$25,000
- *** Annual Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

**Wastewater Trunk Line Construction Fund - 1231
2008/09 - 2013/14 Capital Improvement Program**

This fund's revenues are derived from Sanitary Sewer and Trunk Line Connection Fees. Funds are to be used only for new sanitary sewer trunk line construction, and not for operation and maintenance.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash For Capital	4,100	585,000	1,027,100	922,500	(290,800)	631,500
Sanitary Sewer and Trunk Line Connection Fees	744,000	1,212,300	989,300	1,219,000	1,455,600	1,699,300
Sewer Master plan Fees	407,400	415,500	423,800	432,300	440,900	449,700
Interest Earnings (Expense)	75,000	(215,700)	35,500	(11,200)	24,300	79,500
Proceeds of proposed Bond Issue		6,635,000				
Bond Principal/Interest Expense	(543,300)	(867,600)	(950,600)	(950,600)	(895,500)	(689,800)
Operating Expenditures	(7,200)	(7,400)	(7,600)	(7,800)	(8,000)	(8,200)
Capital Expenditures	(95,000)	(6,730,000)	(595,000)	(1,895,000)	(95,000)	(95,000)
Total Resources Available for Future Projects	585,000	1,027,100	922,500	(290,800)	631,500	2,067,000

Executive Summary Assumptions:

The Sanitary Sewer/Trunkline Connection Fees are estimated to decrease 20% in 08/09 due to an estimated decrease in development. The future years are estimated to increase 3% annually.

Sewer Master Plan Fees are estimated to increase annually 2% based on growth in water/sewer hook-ups.

Spike in Trunk Line Connection Fees in 2009/10 due to connection fees to be paid by California Dairies for Phase 2 of expansion project totalling \$446k.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Reimburse developers for sanitary sewer- additional costs incurred when constructing the required sanitary sewer with development. The additional cost is the difference between the "development requirement" and the requirement to accommodate for future development in the area.	Andrew Benelli	9318	--	N/A	75,000	75,000	75,000	75,000	75,000	75,000
2	Preliminary engineering and design work necessary to provide developers and engineers with adequate information to construct master planned sewer lines with proposed development projects.	Andrew Benelli	9234	--	N/A	20,000	20,000	20,000	20,000	20,000	20,000
3	Shirk sewer line extension. This project will install 48 inch sewer line in Shirk Ave from 300 ft. south of Ferguson to Walnut Ave. The 48 inch line is a master plan trunk line that will provide service to areas along Shirk St north of Walnut Ave extending to Ferguson Ave. Project total \$7.2m. (\$1.5m in prior years)	Peter Spiro	9741	*	A13		5,700,000				

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
4	Mineral King trunk line- replace from Stevenson St near Main and County Center along the Ranch Road alignment. The existing line is deficient, as shown in the master plan, and will need to be replaced or a parallel line will need to be installed to manage growth in the downtown area. Project will be constructed in future phases. Project total \$4.5m (\$3.5m in prior years)	Manuel Molina	9819	*	B29		935,000				
5	Avenue 276 Trunk Line- Extend sewer trunk line in Ave 276 from Santa Fe to Lovers Lane. The estimated cost of the project is \$2.2m. The construction of this line will be in conjunction with the development of the SouthEast master plan.	Andrew Benelli	9993	*	D15			500,000	1,700,000		
6	Sewer lift station near SR 198 (south side) and Plaza Drive- upgrade from two 1800 gpm pumps to four 2500 gpm pumps. The existing pumps will need to be upgraded to manage growth within the northwest portion of the City.	Andrew Benelli	new	*	C7				100,000		
Total Expenditures						95,000	6,730,000	595,000	1,895,000	95,000	95,000

Note:

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

In August 2002 the Wastewater Funds received a Bond for \$9.5M for the expansion of the Treatment Plant and to install and extend major arterial trunklines. The bond is to be paid back over a 15 year period at a 4% interest rate. Below is a breakout of each Funds portion of the bond:

Wastewater Trunkline Construction (1231 Fund): \$3.5M

Sewer Connection (1232 Fund): \$3.5M

Wastewater Treatment Plant (4311 Fund): \$2.5M

**Underground Water Recharge - 1224
2008/09 - 2013/14 Capital Improvement Program**

This fund is derived from a portion of the monthly City utility bill. The fees for this fund are based on the size of the water service line that range from \$.35 to \$39.65 a month. In 2002, City Council adopted the additional fee as part of an agreement with Tulare Irrigation District and Kaweah Delta Water Conservation District for the acquisition of water and other activities to improve groundwater levels and increase supply of water to the City.

Executive Summary

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Beginning Cash For Capital	280,800	47,800	18,100	109,500	71,200	67,700
Ground Water Recharge Fees	209,200	213,400	217,700	222,100	226,500	231,000
Ground Water Extraction Fee	441,300	450,100	459,100	468,300	477,700	487,300
Ground Water Annexation Fee	26,900	27,400	27,900	28,500	29,100	29,700
Interest Earnings	1,800	700	4,200	2,700	2,600	3,500
Operating Expenditures	(137,200)	(141,300)	(145,500)	(149,900)	(154,400)	(159,000)
Capital Expenditures	(775,000)	(580,000)	(472,000)	(610,000)	(585,000)	(570,000)
Total Resources Available for Future Projects	47,800	18,100	109,500	71,200	67,700	90,200

Executive Summary Assumptions:

The Ground Water Recharge Fees are estimated to increase annually 2% based on growth in water/sewer hook-ups.

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1	Groundwater Management Plan- drafting of a Groundwater Management Plan by a qualified consultant. Includes estimated costs associated with developing plan (\$50,000) and staff time (\$20,000).	Shawn Ogletree	new	--		70,000					
2	Injection wells at Ranch Basin- Phase 1- explore possibility of installing 2 injection wells at basin located north of Goshen Ave, at South East corner of Linwood Street and Houston Ave. with feasibility study, soil investigations and environmental review. Phase 2-based on outcome of phase 1, install injection wells with all accessories.	Peter Spiro	new	--		20,000	110,000				
3	Riverwood Basin- Install a 2 way connection to and from Mill Creek and the City Basin located at SE corner Murray Ave and McAuliff St. Connection will be used to divert entitlement water from Creek for recharge purposes, emergency flood releases from the lake can also be diverted to the basin as deemed possible. (Multi-funded: Project total of \$678k funded with Storm Sewer (1221) \$211k, Groundwater Recharge (1224) \$317k and \$150k will be received from the Visalia Water Management Committee (a committee that consists of COV, KDWCD, Calwater and it manages the expenditures of prop 218 funds).	Peter Spiro	3011/9557	--	B18	150,000		167,000			

#	Project Description	Project Manager	Project #	Budget Impact	Map Ref	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
4	Purchase water rights and water supply for ground water recharge.	Andrew Benelli	9558	--	N/A	270,000	270,000	70,000	70,000	70,000	70,000
5	Groundwater Flow Monitoring & Monitoring wells - Joint project with Visalia Water Management (a committee that consists of COV, KDWCD, Calwater and it manages the expenditures of prop 218 funds). The additional monitoring wells will be determined upon the completion of the Groundwater Model, the model is currently under review by KDWCD.	Andrew Benelli	9883			65,000	50,000	65,000	50,000	65,000	50,000
6	Acquire land for future groundwater recharge basins- To acquire properties that can be used as recharge facilities, acquisitions have to be done in coordination with the different irrigation district in order to secure water rights.	Andrew Benelli	9886					-	300,000	300,000	300,000
7	Construct groundwater recharge facilities and/r contribute to enlarging of storm drain ponds or convert them to detention ponds to be used for groundwater recharge, current Projects in the list : Park Place Basin (Caldwell& Pinkham) , Blain Property Basins(1&2)(Mineral King east of McAuliff).	Andrew Benelli	new			200,000	150,000	150,000	150,000	150,000	150,000
8	Design, acquire, and construct a water feature - downtown area generally near the proposed Civic Center. The water feature would provide a location to take surface water for recharge purposes.	Adam Ennis	new					20,000	40,000		
Total Expenditures						775,000	580,000	472,000	610,000	585,000	570,000

NOTE: Multi-funded means this is only this fund's portion of the total amount budgeted. Project is funded from multiple sources and is shown in its entirety in the "Multi-Resources Fund 3011".

The Budget Impact column represents the impact the project will have on the operating budget in order to maintain the project when completed or purchased.

- No Maintenance Costs
- * Maintenance cost is \$5,000 or less
- ** Maintenance costs is \$5,000 to \$25,000
- *** Maintenance costs is over \$25,000. These projects will be explained in detail in the project description.

Insert Map A

Insert Map B

Insert Map C

Insert Map D