

# Visalia City Council Agenda

For the regular meeting of: MONDAY, April 6, 2009



Location: City Hall Council Chambers, 707 W. Acequia, Visalia CA 93291

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

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

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5:00 p.m.

## **INTRODUCTIONS/RECOGNITIONS**

Fire Chief Nelson - Introduction of newly promoted Fire Department Employees: Jay Manning, Fire Captain; Jason Costa, Fire Engineer; Jerry Hernandez, Fire Engineer

Police Chief Carden - Recognition of K9 Unit (Mark Lyon & Alex; Clay Moffett & Bosco; Gerrit DeJong & Samson; Ryan Lasalde & Mac; Jason Feierbach & Timber) and their placement in the recent K9 Trials

5:15 p.m.

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

**5:15 p.m.**

### **Public Comment on Work Session and Closed Session Items**

1. Review the draft 2009/2010 Action Plan budget for the use of the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant Funds (HOME) from the Department of Housing and Urban Development (HUD); and review 2<sup>nd</sup> Amendment to the 2006/07 funding and 1<sup>st</sup> Amendment to the 2008/09 Action Plan prior to the Public Hearing before City Council on April 20, 2009, reprogramming CDBG and HOME Funds.

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

5:30 p.m.

2. **RDA ITEM** - Review and approve a loan in the amount of \$23,000 in Central RDA Funds to support the Property & Business Improvement District IV Petition and Ballot for Formation an Expansion of the District for up to ten years.

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

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

## ITEMS OF INTEREST

### CLOSED SESSION

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

3. Conference with Labor Negotiators (GC 54957.6)  
Agency Designated Representatives: Eric Frost, Steve Salomon, Janice Avila  
Employee Organization: All Employee Groups
4. Conference with Real Property Negotiators (G.C. §54956.8)  
Property: Small wedge pieces on Ben Maddox between Noble and Highway 198  
Under Negotiation: Price, terms and conditions of potential purchase  
Negotiating Parties: Steve Salomon, Michael Olmos, Galante Brothers
5. Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one potential case

### REGULAR SESSION

**7:00 p.m.**

#### PLEDGE OF ALLEGIANCE

INVOCATION – Pastor Joshua Bulger, West Coast Believers Center

#### SPECIAL PRESENTATIONS/RECOGNITION

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

6. INFORMATION ITEMS – (No action required)
  - a) Receive Planning Commission Action Agenda for the meeting of March 23, 2009.

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

7. 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) Approval of Brown Armstrong CPA firm to complete the City's fiscal year 2008-09 audit.
  - c) First reading of Ordinance authorizing the execution of a grant of easement to Southern California Edison for a small area on the northwest corner of the Acequia Parking Structure property. **Ordinance 2009-03 required.**
  - d) Authorization to award RFB # 08-09-16, Digester No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$104,400.
  - e) Authorization for the City Manager to negotiate a contract with the Convention and Visitors Bureau (CVB) for 2009-10 at the consistent funding amount of \$239,000, to begin funding the contract May 1, 2009, and to provide office and tourism information space to the CVB.
  - f) Appointment of a representative of the Visalia Community Forum to the General Plan Update Review Committee.
  - g) Request authorization to file a Notice of Completion for Parcel Map 4849 (TPM 2006-22) Phase 2, located at the Northeast corner of Demaree Street and Riggins Avenue.
  - h) Authorize the recordation of the final map for Phase 1 of Plaza Business Park (TPM 2008-03) located east and west of Plaza Drive between Hurley and Crowley Avenues (7 lots); authorize the City Manager to execute the Subdivision and Reimbursement Agreements and authorize the amendment of Landscape and Lighting District No. 08-04 for Conditional Use Permit No. 2007-39. APN: 081-020-067, 070. **Resolutions 2009-11 and 2009-12 required.**
  - i) Authorization to direct the City Attorney to draft the appropriate amendment to Ordinance 2007-13 to suspend any Council salary increases slated to go into effect during the 2009-10 budget year.
  - j) Authorization for the Mayor to submit a letter to the California High Speed Rail Authority for High-Speed Train alignment in the Tulare County region and subsequent station near Highway 99.
  - k) Acknowledge acceptance of an FAA Grant Agreement (AIP 24) in the amount of \$85,500 to fund an Update of the Airport Layout Plan and to prepare a Pavement Management Plan for the Visalia Municipal Airport.
  - l) Authorization for the City Manager to negotiate final details and sign the Task Agreement with the National Park Service to operate the third season of the internal Sequoia Shuttle service at a reimbursement level that will compensate the City for the cost.

**8. PUBLIC HEARING:**

- a) **General Plan Amendment No. 2008-11:** A request by Visalia Unified School District to amend the 129,000 Population Urban Development Boundary to include the project site, and to change the land use designation on the General Plan Land Use Map from Urban Reserve to Public Institutional on 160 acres to be developed in the future as a multi-school complex. Upon annexation, this site will automatically be zoned QP (Quasi Public). **Resolution 2009-09 required.**
- b) **Annexation No. 2007-03 (Akers-Riggin NW):** A request by Visalia Unified School District to annex land and right-of-way totaling approximately 160 acres into the City limits of Visalia. **Resolution 2009-10 required.**
- c) **Detachment of property from County Service Area No. 1.** The site is located on the northwest corner of Akers Street and Riggin Avenue. APN: 077-100-097, 098.

**9. PUBLIC HEARING - Mid Year Financial Report**

**REPORT ON ACTIONS TAKEN IN CLOSED SESSION**

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

<b>Buyer</b>	<b>Seller</b>	<b>APN Number</b>	<b>Address</b>	<b>Purpose</b>	<b>Closing Date</b>	<b>Project Manager</b>
City of Visalia	Sequoia Plaza Shopping	1,616.97 sf (0.037 ac) APN 121-090-041	2131 W. Whitendale	Mooney Widening Project Cal Trans Agrmt 06-1361	3/24/09	Andrew Benelli

**Upcoming Council Meetings**

- Monday, April 20, 2009, Work Session 4:00 p.m.; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia
- Monday, April 27, 2009, 4:00 p.m., Joint Meeting with the Planning Commission, Convention Center, 303 E. Acequia.
- Monday, May 4, 2009, Work Session 4:00 p.m.; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia

*Note: Meeting dates/times are subject to change, check posted agenda for correct details.*

*In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.*

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

# City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

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

**Agenda Item Wording:** Work session to review the staff's proposed Draft 2009/10 Action Plan budget for the use of the Community Development Block Grant (CDBG) and HOME Investment Partnership Grant Funds (HOME) from the Department of Housing and Urban Development (HUD); and

Review staff's proposed 2<sup>nd</sup> Amendment to 2006/07 funding and 1<sup>st</sup> Amendment to the 2008/09 Action Plan prior to the Public Hearing before City Council on April 20, 2009, reprogramming CDBG and HOME Funds.

**Deadline for Action:** May 04, 2009

**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, Senior Administrative Analyst (4462)

**Department Recommendation:** Staff recommends that City Council:

- 1) Review, comment and provide direction in relation to the Draft Action Plan in the use of CDBG and HOME funds for Program Year 2009/10.
- 2) Review Staff recommendation for Public Hearing April 20, 2009, to reallocate the following:
  - a. Redirect \$300,000 HOME Investment Partnership Funds to Christian Church Homes of Northern California, increasing the City's contribution to the Sierra Meadows Senior Rental Housing Project at 1120 East Tulare Avenue from HOME funded 2006/07 & 2008/09 Housing Rehabilitation Program funding and 08/09 Program Income; and
  - b. Redirect \$30,000 CDBG funds for Consulting Services to prepare the 2010-2015 Consolidated Plan Strategic Plan, Market & Housing Analysis from CDBG 2008/09 Administration funding.
- 3) Direct Housing & Economic Development Staff to amend the;
  - a. HOME- Housing Rehabilitation Program (HRP) guidelines; and
  - b. CDBG-Emergency Repair & Basic Need (ERBN) Program guidelines; and
  - c. CDBG- Mobile Home Senior Handicap & Repair Program (SHARP) guidelines

City Staff is providing Council with a draft proposal for the 2009/10 allocation of both CDBG and HOME Funding, in addition to a recommendation for reallocation of previous years (2006/07 & 2008/09) funding and program guidelines. Staff's proposed allocations are subject to citizen participation through community meetings, community input and public hearing, in addition to City Council's review and recommendations during the Council Work Session on April 6, 2009, also open to the public and final City Council review and recommendation. The Staff will bring a

**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.) 25 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.

Final Annual Action Plan recommendation, for funding and program guideline amendments to the City Council on April 20, 2009, for a public hearing and adoption. The Final Action Plan is due to HUD by May 15, 2009.

**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 without the need to apply.

**Summary of Annual Budget:**

Table I, Estimated Resources 2009/10, 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.

<b>Table I</b>			
<b>Estimated Resources 2009-2010</b>			
	<b>CDBG</b>	<b>HOME</b>	<b>Total</b>
Grant	\$ 1,185,000	\$ 490,000	\$ 1,675,000
Program Income	\$ 200,000	\$ 400,000	\$ 600,000
<i>Total</i>	\$ 1,385,000	\$ 890,000	\$ 2,275,000

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.

Staff's HOME and CDBG fund allocations breakdown proposal is attached as Exhibit "A", the Objectives and Outcomes for the Program Year are attached as Exhibit "B".

**Public Improvement in Oval Park & Washington School Neighborhoods with use of 2009-2010 Action Plan funding:**

In 2008, the City Council directed staff to work with the residents and businesses from both the Washington School and Oval Park neighborhoods in order to foster revitalization efforts. The following departments have actively participated in these efforts: Housing & Economic Development, Building, Police, and Engineering, Public Works, Fire and Community Development Departments.

City Council also provided staff with the direction to identify the needs of the Oval Park Area. In addition to leveraging CDBG funds in 2008, the City received a Cal Trans Grant to analyze the area as it relates to traffic, safety and lighting. Community meetings have been held at the Oval Park, obtaining community input, coordination with local non-profit agencies to utilize the existing building and create a more family friendly park.

Additionally, City Engineering in a coordinated effort with Southern California Edison, will be repairing inoperable and new street lights in the Washington School area and specifically, repairing inoperable street lights (11) in the Lincoln Oval Park neighborhood by July 2009 to improve lighting conditions and address public safety concerns.

City Staff propose allocating a total of \$50,000 in 2009/10 CDBG funding for ***Oval Park Improvements***. The recommendation allows utilizing CDBG funds toward improvements in the Oval Park and service center building.

### **Homeless Service Coordination**

The City of Visalia has been a member of The Kings/Tulare ***Continuum of Care*** since November 25, 2002. Over the past ten years the City's involvement with homeless activities has centered around supporting the Continuum of Care (COC). Efforts relates to the facilitation of services and programs for homeless and shelter organizations. Most recently, the City provided a \$15,000 grant to COC of which assisted hiring a consultant and development of the Kings/Tulare Counties Regional Continuum of Care 10 Year Plan, assisted with the implementation of Project Homeless Connect event, and operating costs for the Homeless Management Information System (HMIS). COC is now in the process of applying for its 501C 3 non-profit status and in doing so, is requesting a \$5,000 grant to complete the application, filing and legal fees with the State of California. COC will continue act as a facilitator of homeless services to both Tulare and Kings Counties.

### **Future Amendments**

Staff will be returning to Council with additional amendments to both, CDBG and HOME Investment Partnership Funds related to both the Stimulus package and CDBG project funding reallocations. In addition to the funding recommendations toward the Oval Park Plan, additional funding or reallocation of funding will be taken into consideration in the amendment

### **Proposed CDBG& HOME Action Plan Amendment:**

The 2006/07 and 2008/09 Action Plan budgets were based upon anticipated Program Income, projects, programs and activities to be undertaken during the fiscal year. Staff has evaluated the success and the use of CDBG and HOME funds set aside or committed to projects and programs. Recommendations are being made to reallocate CDBG and HOME funds due to the actual program income received as follows:

The following summary shows staff's proposed amendment to the previous years 2006/07 and current year 2008/09 Action Plan budgets, as shown in Table II, Proposed Action Plan Amendments.

PROPOSED 2008-09 ACTION PLAN AMENDMENT			
CDBG			
	CURRENT BALANCE	PROPOSED AMENDMENT	AMENDED PROJECT BALANCE
<b>PROJECT (Increase)</b>			
Consultant- Complete required Strategic Plan & Market Plan Analysis	-	30,000	30,000
	-		-
<b>PROJECT (Decrease)</b>			
Administration	232,898	(30,000)	202,898
NET CHANGE CDBG		-	
<b>PROPOSED 2006-07 &amp; 2008/09 ACTION PLAN AMENDMENTS</b>			
	CURRENT BALANCE	PROPOSED AMENDMENT	AMENDED PROJECT BALANCE
<b>PROJECT (Increase)</b>			
Christian Church Homes- Sierra Meadows Senior Housing Project	-	300,000	300,000
<b>PROJECT (Decrease)</b>			
Program Income	21,210	(21,210)	-
Housing Rehabilitation (2006-07 funding)	60,000	(60,000)	-
Housing Rehabilitation (2008-09 funding)	218,790	(218,790)	-
NET CHANGE HOME		-	

### **CDBG Proposed Increases**

#### Consultant- Consolidated Plan Strategic Planning (\$30,000):

The City will begin preparing the next 5 year (2010-2015) Consolidated Plan. The Con Plan is a document written by the City describing the housing needs of the low- and moderate-income residents, outlining strategies to meet the needs and listing all resources available to implement the strategies. This document is required to receive HUD (HOME & CDBG) funding.

To prepare for the next year which expands over the next 5 years, staff will prepare a Request for Proposals to contract with a Consultant to complete the necessary steps. This will occur over the next six months. The Consultant will consult with organizations such as assisted housing, health and social service agencies to determine resources available to address the homeless; consult with the State and Local agencies regarding lead based paint; consult with organizations that provide housing and supportive services to special needs populations; organize community meetings, encouraging participation of local, regional and others including businesses, developers and community and faith based organizations. The consultant among many tasks will identify the estimated number, types of families with housing needs for a 5 year period. In their analysis they will determine severe cost and cost burdens, overcrowding, substandard housing with discussion of housing supply and demand, as well as condition and cost of housing. They will also describe public policies that may affect affordable housing. With the great deal of detail, market analysis and strategic planning required to complete the Consolidated Plan, in addition to obtaining current data, needs of the community identified for the next 5 year's goal, objectives and outcomes, Staff recommends allocating \$30,000 of CDBG funds for consulting services to complete these tasks and work closely with city staff.

### **CDBG Proposed Decrease**

Administration (\$30,000): This will support Staff's proposed allocation for the consulting services required to prepare for the 2010-2015 Consolidated Plan. The recommended funding would go toward retention of the consultant to complete the necessary analysis.



## HOME Proposed Increases

**Christian Church Homes- Sierra Meadows Senior Housing (\$300,000):** In 2004, the City joined forces with Christian Church Homes/ Visalia Senior Housing to acquire land and develop 42 units of senior housing, the project "Sierra Meadows". The land was acquired and the developer pursued a Section 202 Grant for construction. The City played an instrumental role in the grant application process, which the award was announced in October 2007, in the amount of \$5,694,000 for the construction of the senior housing as well as contributing \$2.5 million dollars in HOME funds toward land acquisition and pre-development activities. The co-sponsor originally planned on utilizing both the Low-Income Housing Tax Credit program and bond financing to raise the remaining funds needed to complete the project but was unsuccessful in landing housing tax credits. However, with the economic downturn and diminished tax credit market investors, CCH investigated an alternate financing structure (without tax credits) that could advance the senior housing project forward with a projected start date this summer. Although CCH investigated other funding sources, including state, federal, foundation grants and many others, unfortunately the Section 202 does not allow the project to take on any hard debt, therefore CCH had only a few options available to fill the gap from the collapse of the tax credit market. CCH has completed the re-bidding of the project which lowered construction costs approximately 10%, and has agreed to reduce its developer fee by approximately \$500,000, the co-sponsor, Visalia Senior Housing, has pledged to raise \$115,000 in grant money and CCH is taking a request to HUD to amend their grant (Amend Section 202 Grant), leaving a gap of approximately \$300,000 in development impact fees. In order to request the HUD Amendment, CCH must provide proof of additional resources, such as the City's proposed contribution, AHP Grant and donations from VSH. If these funds are confirmed, HUD provides the remaining gap. CCH has requested an additional \$300,000 from the City of Visalia to fill the gap so that the project can successfully move forward. HUD requires a commitment from investors in order to consider a HUD Amendment. Shown below in Table III, are the funding Sources and Uses, and attached as Exhibit "C", Christian Church Homes' letter of request.

The City contribution represents 28% of the anticipated development cost of \$9.9 million dollars.

Budget as of 3/17/09		not secured	
<b>SOURCES</b>		<b>USES</b>	
HUD S. 202	5,693,800	Acquisition	1,335,000
<b>Proposed</b> HUD Amendment *	325,000	Construction	5,578,500
City HOME	2,500,000	Arch/Engineering	510,500
<b>Proposed</b> City Amendment*	300,000	Legal/Acctg/Misc Expenses	420,500
AHP Grant	420,000	Contingency	440,000
VSH Capital Campaign (donation money)	115,000	Development Impact Fees	344,300
PRAC Contract	98,000	Operating Reserve	98,000
Sponsor Equity	25,000	Developer Fee (8%)	750,000
	9,476,800		9,476,800
*City funds to pay local Development Impact fees			
		Gap	0
		Total Cost Per Unit	220,391
		Construction Cost/Sq Ft	164
		Construction Cost/unit	129,733

\* HUD Section 202 Amendment request is actually \$860,000. If the City's proposed contribution, AHP Grant and VSH donations are confirmed, HUD Amendment will be reduced to \$325,000

## HOME Proposed Decrease

Program Income (\$21,210): This will support Staff's recommendation to reallocate funding toward the CCH Amendment required to move the project forward.

Housing Rehabilitation Program – 2006/07 Allocation (HOME- \$60,000): This program is contracted with Self Help Enterprises, Inc. Self Help Enterprises, Inc (SHE) completed an existing participants' application, approving the loan and rehabilitation. Additionally, one new loan with 2006/07 program funds was recently approved and underway. Staff is recommending that the remaining \$60,000 be reallocated to the CCH Senior Housing Project in order to move the senior housing project forward.

Staff has discussed with SHE how to increase productivity and what program changes are needed to help the program become successful. We have recommended that the housing rehabilitation program remaining funds be reallocated and program guidelines be changed which will allow for preparation and utilization of the 2009/10 allocation upon approval by HUD, in September 2009. Staff has discussed this reduction with SHE.

Housing Rehabilitation Program – 2008/09 Allocation (HOME- \$218,790): Staff is recommending that the \$218,790 be reallocated to the CCH/Visalia Senior Housing- Sierra Meadows Senior Rental Development. Staff has discussed with SHE how to increase productivity and what program changes are needed to help the program become successful. We have recommended that the housing rehabilitation program remaining funds be reallocated and program guidelines be changed which will allow for preparation and utilization of the 2009/10 allocation upon approval by HUD, in September 2009. Staff has discussed this reduction with SHE.

**Current Housing Program Recommended Changes:**

As previously mentioned, City Staff met with SHE and identified policies that are proposed for amendment, which would allow and increase productivity for the Housing Rehabilitation Program, Emergency Repair & Basic Needs Program and the Senior Handicap and Repair Programs.

Staff's recommendations:

1. **HOME Funded, Housing Rehabilitation Program (HRP)**, beginning with the 2009/10 funding and upon approval, revisions to legal documents and program guidelines the following:
  - a. Reduce the interest rate from 2% to 0%; and
  - b. Change payment schedule (monthly) to a deferred loan for thirty (30) years, repayment due upon transfer of title, refinance or sale of property; and
  - c. Change underwriting criteria, eliminating debt to income ratios; this is not necessary since the loan is deferred; and
  - d. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
  - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs.
2. **CDBG funded, Emergency Repair and Basic Needs Program (ERBN)**, beginning immediately upon approval, revisions to legal documents and program guidelines, including previous year funding the following:
  - a. Reduce the interest rate from 2% to 0%; and
  - b. Change underwriting criteria, eliminating debt to income ratios; and
  - c. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
  - d. Continue policy, if the home is refinanced, sold or a transfer of title occurs, the loan is due and payable; and

- e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs; and
  - f. Expedite delivery or disbursement of funds
3. **CDBG funded, Senior Handicap and Repair Program (SHARP)**, beginning immediately upon approval, revisions to legal documents and program guidelines the following:
- a. Rename program: Mobile Home Senior Handicap and Repair Program; to clarify the eligible participants; and
  - b. Continue City's required procurement to obtain a minimum of three (3) contractor bids for the scope of work; and
  - c. If relocation is necessary, a maximum of \$1,000 per unit; and
  - d. If costs exceed the program maximum grant of \$5,000, may be considered on a case-by-case if the property warrants such improvements.

SHE has been administering the housing programs for approximately one year. SHE has aggressively promoted the Senior Handicap and Repair Program (SHARP) which has been successful. SHE and City Staff acknowledge that there were challenges with the Housing Rehabilitation and Emergency Repair Programs. Many families were removed from the interest list, due to title issues, liens on the property, high debt ratios, not interested or cancellations, the need for a full reconstruction, ownership of additional property. Some reasons were not a reflection of the programs success or failure. However, debt to income ratios, and interest rates, hinder the ability to repay the loan. With the economic conditions, unemployment in Visalia rising to 17% in February 2009, higher than the State of California at 10.1%, families are unable to take on additional debt or are taking precautions. Eliminating debt to income ratios and the interest charged on the loan principal will allow many homeowners to maintain their homes, decreasing blight and assisting in maintaining a stabilized neighborhood.

Staff will meet with the community to present the draft recommended allocation of funding through public community meetings, receive comments and report to City Council at the April 20, 2009, Public Hearing Meeting. The following community meetings are as follows:

- WASHINGTON RESIDENTS FOR A BETTER COMMUNITY- Thursday, March 26, 2009 @ 5:30 PM
- CITIZEN'S ADVISORY COMMITTEE, Wednesday, April 01, 2009, @ 5:30 PM
- DISABILITY ADVOCACY COMMITTEE, Monday, April 6, 2009, @ 5:00 PM
- NORTH VISALIA NEIGHBORHOOD ADVISORY COMMITTEE, Wednesday, April 09, 2008 @ 5:30 PM

**Prior Council/Board Actions:** None.

**Committee/Commission Review and Actions:** Committee meetings are listed above. Council meeting to be held on April 6, 2009 to review Staff's proposed Draft 2009-2010 Action Plan

**Alternatives:** None

**Attachments:** Exhibit "A"- Summary Draft 2009-2010 Action Plan

Exhibit "B"- Estimated 2009-2010 Allocation (Objective & Outcome)

Exhibit "C" Christian Church Homes Letter Request of funding

Exhibit "D"- Draft 2009-2010 Annual Action Plan

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

- 1) Review, comment and provide direction to the Housing & Economic Development Department in relation to the Draft Action Plan in the use of CDBG and HOME funds for Program Year 2009/10;
- 2) Review Staff recommendation for Public Hearing April 20, 2009, to reallocate the following:
  - a. Redirect \$300,000 HOME Investment Partnership Funds to Christian Church Homes of Northern California, increasing the City's contribution to the Sierra Meadows Senior Rental Housing Project at 1120 East Tulare Avenue from HOME funded 2006/07 & 2008/09 Housing Rehabilitation Program funding and 08/09 Program Income; and
  - b. Redirect \$30,000 CDBG funds for Consulting Services to prepare the 2010-2015 Consolidated Plan Strategic Plan, Market & Housing Analysis from CDBG 2008/09 Administration funding.
- 3) Authorize Housing & Economic Development Staff to amend as recommended the;
  - a. HOME- Housing Rehabilitation Program (HRP) guidelines; and
  - b. CDBG-Emergency Repair & Basic Need (ERBN) Program guidelines; and
  - c. CDBG- Mobile Home Senior Handicap & Repair Program (SHARP) guidelines

***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, 2009*

Copies of this report have been provided to:

**EXHIBIT "A"**  
**Summary of Proposed Draft 2009/2010 Action Plan**

Exhibit "A"						
<b>SUMMARY OF 2009/2010 ACTION PLAN</b>						
			CDBG	HOME	TOTAL	UNITS
<b>SOURCES OF REVENUE:</b>						
1	Cash - Beginning Balance		1,185,000	490,000	1,675,000	
2	Annual Grant Amount				-	
3	HOME matching funds - RDA Low/Mod				-	
4	Program Income		200,000	400,000	600,000	
5	Interest Earnings/Investment Earnings				-	
6	<b>TOTAL REVENUE</b>		1,385,000	890,000	2,275,000	
7						
<b>EXPENDITURES:</b>						
9	Operating		68,900	7,100	76,000	
10	Redevelopment Allocation		131,500	25,800	157,300	
11	Direct Allocations		26,400	16,100	42,500	
12	Loan Servicing		6,000	-	6,000	
13	<b>Subtotal Admin and Operating</b>		232,800	49,000	281,800	
14						
15		Net for Programs and Projects	1,152,200	841,000	1,993,200	
16						
<b>AFFORDABLE HOUSING:</b>						
18	<b><u>Homeownership</u></b>					
19	FTHB (Contract w/CSET 6/30/09)			517,500	517,500	12
20	Property Acquisition (CHDO)			73,500	73,500	1
21	Housing Rehabilitation (contract w/SHE 6/30/10)			250,000	250,000	3
22	<b><u>Neighborhood Preservation/Services</u></b>					
23	Emergency Repairs and Basic Needs (contract w/SHE 6/30/10)		-		-	-
24	Code Enforcement- Target Areas		210,000		210,000	200
25	Fairhousing Hotline (contract w/TCHA 6/30/09)		34,500		34,500	120
27	<b>HOMELESSNESS</b>					
28	<b><u>Special Needs Facilities</u></b>					
	Continuum of Care		5,000		5,000	1
29	<b>COMMUNITY DEVELOPMENT</b>					
30	<b><u>Public Improvements</u></b>					
31	ADA Compliance Projects (Contract w/Sierra Range 6/30/09)		60,000		60,000	12
32	Oval Park Improvements		50,000		50,000	1
33	<b><u>Economic Development/Public Parking Facilities</u></b>					
34	West Parking Structure Loan Payment (Section 108 Loan)		486,200		486,200	1
36	<b><u>Public Park /Public Facilities</u></b>					
38	<b>NON HOMELESS SPECIAL NEEDS HOUSING</b>					
39	<b><u>Special Needs Services</u></b>					
40	Senior Home Minor Repairs (contract w/CSET 7/31/09)		91,000		91,000	620
41	Mobile Home Senior Repair & Handicapped Access (contract w/SHE 6/30/10)		215,500		215,500	20
42						
43	<b>Subtotal Programs &amp; Projects</b>		1,152,200	841,000	1,993,200	
44						
45	<b>TOTAL EXPENDITURES</b>		1,385,000	890,000	2,275,000	
46						
47	<b>REVENUE LESS EXPENDITURES</b>					
48	Remaining to Carry Forward		-	-	-	

**Exhibit "B"**  
**Estimated 2009-2010 Proposed Allocation (Objective & Outcome)**

<b>Exhibit "B"</b>					
<b>2009-2010 Program Year CDBG and HOME Funding Allocation</b>					
<b>HOME Investment Partnership Funds (HOME) - Objective and expected Outcome</b>		<b>Investment</b>	<b>Percentage of Investment</b>	<b>Priority &amp; Unit Goal</b>	
<b>Affordable Housing- HOME Funds</b>					
<b>Objective 1: Provide Decent Affordable Housing</b>		\$ 841,000	100%	H	
1. Increase availability of affordable owner-occupied housing through (FTHB)			\$ 517,500	12	
2. Increase availability of affordable owner-occupied housing through acquisition (CHDO)			\$ 73,500	1	
3. Increase quality of owner-occupied housing through rehabilitation (HRP)			\$ 250,000	3	
<b>Total HOME Allocations</b>		\$ 841,000	100%		
<b>Community Development Block Grant Funds (CDBG) -Objective and expected Outcome</b>					
<b>Affordable Housing- CDBG Funds</b>		<b>Investment</b>	<b>Percentage of Investment</b>	<b>Priority &amp; Unit Goal</b>	
<b>Objective 1: Suitable Living Environment through Neighborhood Preservation and Services</b>		\$ 244,500	21%	H	
1. Maintain quality housing by addressing substandard housing through (Code Enforcement Program)			\$ 210,000	200	
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)			\$ 34,500	120	
<b>Homelessness- CDBG Funds</b>					
<b>Objective 2: Suitable Living Environment by Supporting Special Needs Facilities</b>		\$ 5,000.00	0%	H	
1. Increase accessibility to support facilities to end chronic homelessness (Continuum of Care/Homeless Project)			\$ 5,000	1	
<b>Community Development- CDBG Funds</b>					
<b>Objective 3: Suitable Living Environment through Public Improvements</b>		\$ 110,000	10%	H	
1. Increase availability of handicapped access benefiting population with special needs (Streets ADA Compliance)			\$ 60,000	12	
2. Improve quality and increase quantity of public improvements that benefit low-and moderate income residents. (Oval Building)			\$ 50,000	1	
<b>Objective 4: Create Economic Development Opportunities and Community Development Opportunities (f</b>		\$ 486,200	42%	H	
1. Demonstrate a commitment to long-term economic growth by promoting expansion and (job retention) - Section 108 Loan- West-Acequia			\$ 486,200.00	1	
<b>Objective 5: Suitable Living Environment through Community Development Opportunities (Public Servic</b>		\$ -	0%	M	
<b>Non Homeless Special Needs Housing- CDBG Funds</b>					
<b>Objective 6: Suitable Living Environment by Supporting Special Needs Services</b>		\$ 306,500	27%	M	
1. Maintain quality of owner-occupied housing for elderly (Senior Home Repair Program)			\$ 91,000	620	
2. Increase accessibility and range of housing options for person with special needs (SHARP)			\$ 215,500	20	
<b>Total CDBG Allocations</b>		\$ 1,152,200	100%		

**Exhibit "C"**

## Christian Church Homes Letter requesting funding



### Christian Church Homes of Northern California

303 Hegenberger Road, Suite 201, Oakland, California 94621-1419  
(510) 632-6712      www.cchnc.org      Fax (510) 632-6755

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February 2, 2009

Steve Salomon  
City Manager  
City of Visalia  
425 E. Oak Avenue  
Visalia, CA 93291

RE: Sierra Meadows Senior Apartments

Dear Mr. Salomon:

As a major supporter of the work of Visalia Senior Housing and Christian Church Homes of Northern California to bring more affordable senior housing to your community, we urgently request your attention to our newest addition to the senior housing stock in Visalia, Sierra Meadows. CCH asks for your support in helping us cover the costs of approximately \$300,000 in impact fees from the City's affordable housing fund.

#### Background

Sierra Meadows includes 43 new units of housing for Visalia's very low-income seniors via a mixed finance structure that includes a \$2.5 million HOME grant from the City, \$5.69 million from HUD's Section 202 program, and equity from the Low-Income Housing Tax Credit program. When we were first funded by HUD in November 2007, the tax credit market was strong and our budget projections included over \$2.8 million in equity from the 4% non-competitive tax credit program. However, over the last number of months, as the rest of the economy has plummeted, the tax credit market has nearly dried up. In a nutshell, the banks that used to invest in the tax credit market benefited both from the dollar for dollar tax credit savings received from nonprofit syndication and the earned CRA credits in the communities where the affordable housing was developed. As the economy recedes, these same banks do not have the high profit margins that once made the tax credit market desirable and therefore have little to no appetite for them. In fact, it is only in strong CRA communities (large metropolitan centers) that banks are willing to invest at all. This has placed a severe burden on the affordable housing developers, like CCH, who structured deals using the tax credit program. Given this rapidly changing and volatile economic climate, CCH is scrambling to save our projects already caught in the pipeline. Sierra Meadows is one of these projects.

Over the past year, we have worked very productively with the Community Development department to ensure our design development remains in compliance with the Conditional Use Permit, HOME program, and applicable building and accessibility codes. Now that this

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Quality Housing in Caring Communities Since 1961

important phase is buttoned up and the project is ready to go to bid, we turn all of our attention to finalizing the financing plan.

Traditionally, the HUD Section 202 program provided a sufficient per unit subsidy to build affordable senior housing with little to no other local, state, or federal support. The program is structured in such a way that it does not allow for conventional debt service from the operating budget. In fact, the development subsidy (Capital Advance) and the operating subsidy (Project Rental Assistance Contract) are separate, but paired, budgets. Over the past number of years, as construction costs rose and the available funding became more competitive, HUD relaxed the "no debt" rule by allowing developers to couple the Section 202 Capital Advance with the 4% Low-Income Housing Tax Credit program and tax-exempt bond financing. Under this structure, the project takes on a short term debt via a tax-exempt construction loan, which gets paid off at Certificate of Occupancy with the release of the Capital Advance and the yield from the tax credit syndication.

Until the last quarter of 2008, we had planned to use the tax credit program to help fund Sierra Meadows. However, upon formally inquiring with potential tax credit investors in November, we quickly found that interest in this project had diminished. Our financial consultant, Community Economics, reached out to eight possible investors, all of whom indicated they had no interest immediately, and would let us know in the second quarter of 2009 if that position had changed. To date, it has not. Given that the economy has no hope of making a quick recovery, and that any funds from the Obama Administration's economic stimulus package will not likely flow for at least 18 months, we set about the task of researching an alternate financing structure (without tax credits) that could move Sierra Meadows along the projected schedule to a construction start in summer 2009. We entertained a large host of additional sources of money, including Mental Health Services Act funds, foundation grants, reduced/deferred developer fee, value engineering, Federal Home Loan Bank Affordable Housing Program, CDBG funds, CalHFA, HCD, HUD Amendment funds, and stimulus package funds. Because the Section 202 program requirements do not allow the project to take on any hard debt, we were left with only a handful of viable options to fill the void left from the collapse of the tax credit market.

#### The Alternate Plan

Under the original plan, coupled with construction pricing based on schematic drawings, the tax credit program was expected to bring approximately \$2.8 million to the project. However, the fees associated with this financing structure, including the use of a tax-exempt bond construction loan, amounted to almost \$1 million. Therefore, without changing any of the other project costs, removal of this program creates a \$1.8 million gap. Most immediately, CCH agreed to reduce the developer fee to \$750,000, approximately \$500,000 in cost savings. In addition, our project co-sponsor, Visalia Senior Housing, has pledged to raise \$120,000 in grant money. CCH will go back to HUD to ask for Amendment funds, allowable up to 270% of the maximum cost limits (HUD's high cost factor for California). Given the current state of the economy, we are very hopeful that the bid will come in lower than expected, which saves the project from having to value engineer out basic amenities of an already slim HUD budget. Finally, with the support of the City to cover approximately \$300,000 in development impact fees, we will be able to successfully close the gap. The following chart outlines this alternate plan.



SOURCES		USES	
HUD Section 202	5,693,800	Acquisition	1,335,000
HUD Amendment Funds	711,750	Construction	6,209,600
City HOME	2,500,000	Arch/Engineering	510,500
City Impact Fee Funds	300,000	Legal/Acctg/Misc Expenses	298,000
AHP Grant	344,000	Contingency	440,000
VSH Capital Campaign	120,000	Development Impact Fees	344,300
PRAC Contract	98,000	Operating Reserve	98,000
Sponsor Equity	50,000	Developer Fee (8%)	750,000
<b>TOTAL</b>	<b>\$9,817,550</b>	<b>TOTAL</b>	<b>\$9,985,400</b>
		GAP (value engineering)	167,850

We are hopeful that this alternate plan will prove viable. However, we still have to approach HUD with this proposal to save the project. We plan to meet with HUD's San Francisco Multifamily HUB Supervisor next week to verify our assumptions. Once that hurdle is overcome, we can set the ball in motion to move forward with this financing structure and get the project under construction this coming summer. We are hopeful the City will be able to lend its support of at least \$300,000 as proposed. If HUD does not agree to this structure and the commitment to additional funds for the project, we will have to put the project on hold until the tax credit market proves equitable again.

Once again, we appreciate the City's continued commitment to increasing the affordable housing supply in Visalia, with specific emphasis on the very low-income senior project we have been involved with. We encourage you to speak further about this proposal with your staff, Ricardo Noguera and Rhonda Haynes, whom we have already met with regarding this matter. Additionally, if you have any follow-up questions or concerns, please do not hesitate to contact me directly at 510.746.4104.

Sincerely,



Don Stump  
President/CEO

CC: Kathleen Mertz, Project Manager  
Ricardo Noguera, Housing and Economic Development Director  
Rhonda Haynes, Housing Specialist

# Draft 2008-2009 Annual Action Plan Report

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

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

**Agenda Item Wording:** Review and approval of a loan in the amount of \$23,000 in Central RDA Funds to support the Property & Business Improvement District IV Petition and Ballot for Formation and Expansion of the District for up to ten (10) Years.

**Deadline for Action:** May 2009

**Submitting Department:** Housing & Economic Development

**Contact Name and Phone Number:** Ricardo Noguera,  
Housing & Economic Development Director, 559 713-4190.

**Department Recommendation:**

The Agency Board authorizes the following:

Authorize the Executive Director of the Redevelopment Agency to provide a loan/grant in an amount not to exceed \$23,000 of Central Redevelopment Funds to the Property & Business Improvement District IV for use of completing a petition and ballot for the formation and expansion of the District for up to ten (10) years. The funds will be utilized to support the extension of the PBID and its' expansion. If the existing PBID is not successfully extended then the loan will be automatically converted to a grant.

**Summary/background:** The Downtown Visalia Property & Business Improvement District (PBID) was formed in 1998 and serves as a "benefit assessment district" which raises funds to provide services and improvements within the downtown over and above what is offered by the City. The District was one of the first formed in California and was approved by 70% of the property owners. PBID has been passed three consecutive times (1998 for three years; 2001 for four years; and 2005 for five years). The PBID is governed by a 21-member Board of Directors which includes retail and professional business owners, property owners and representatives from the health care district and city government.

**Geographic Boundaries of PBID District:** Property owners within the PBID District have different levels of service in distinct sub districts within the overall Management District. These "benefit zones" contain different levels of service and assessment based on the needs of each zone.

**For action by:**

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

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

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

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

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

**City Mgr** \_\_\_\_\_  
(Initials Required)

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

**Zone 1:** is the core of the downtown, bounded by Santa Fe on the east, Mineral King and Acequia on the south, Court and Willis on the west and Center on the north;

**Zone 2:** is from Mineral King to Willis to Conyer, and from Oak to School to Tipton. (see attached map)

**Proposed Expansion Boundaries.** The proposed expansion boundaries are as follows: Acequia between Santa Fe and Burke northward to Goshen; Burke westward to Johnson between School and Goshen/Murray; Court running northward from Goshen to N.E. 4<sup>th</sup> (just north of the Oval Park); and from Conyer to Hall between Main and Oak.

**Current Services Provided by PBID:** PBID provides the following services to the Downtown area:

- **Capital Improvements:** Improvements aimed at providing ample parking facilities and landscaped corridors in the downtown core area. This program benefits **Zone 1 only**.
- **Maintenance and Security:** Services to provide a cleaner and safer environment for the downtown area. Activities include: sidewalk cleaning, landscape maintenance, and public safety patrols to support crime prevention and reduce the incidence of nuisance crimes. This program benefits both **Zones**.
- **Graffiti Removal:** Improvements aimed at providing a cleaner environment with a strong emphasis on removing all graffiti within 48 hours of discovery and putting the property back to its original state or better. This program benefits both **Zones**.
- **Business Development:** Economic development activities aimed at strengthening the business district. This program benefits **Zone 1 only**.

**Facts on the PBID.** The current PBID is set to expire June 30, 2010. The Downtown Visalians' goal is to pursue up to a ten (10) year extension on the existing PBID while expanding the boundaries elsewhere in Downtown Visalia. Each Zone is assessed different fees based on the level of services they contract for. The loan funds will be used to assist in the funding of the Information Campaign and complete the statutory process. The PBIID expansion was not pursued in the last cycle due to concerns about lack of support.

**Method of Financing PBID:** Levy of assessments upon real property that benefit from the proposed improvements and activities. The current annual district budget including **both Zones 1 and 2** is **\$355,500 (per year for 5 years ending June 30, 2010)**.

**Past Accomplishments of the PBID:** Since 2004, PBID has completed the following in the area:

#### 1. Capital Improvement Projects

- Negotiated terms for the purchase of land for a parking lot (north of the Wells Fargo Bank Building for \$225,000) creating 80 improved spaces
- Developed and installed custom "welcome" signs at the intersection of Conyer and Main streets; the Tulare County Library Lawn; Acequia and Court; and an additional sign to be installed at the corner of Santa Fe and Main streets once the Santa Fe Street Improvements are completed. (\$50,000)
- Contributed \$650,000 to the Acequia West Parking Structure
- A local landscape architect was hired to prepare guidelines
- With a contribution from Rotary, built and installed custom kiosks at the Visalia Convention Center Plaza on Acequia and Church streets, Main and Encina streets, and in the small plaza at 114 W. Main Street.

- A matching grant program for public area improvements was initiated with 50% of each project paid by the Downtown Property & Business Improvement District
- Worked with the Urban Tree Foundation to submit grant applications to plant and maintain more than 1,000 trees
- Streetscape Design Guidelines prepared and distributed to the Planning Department and other city departments for public consumption. Guidelines are also used when projects are under consideration by PBID.
- Businesses improved their streetscape through a 50% matching grant program
- Purchased and installed street furniture and trash cans on Main Street beginning at Floral and ending at Bridge Street on both sides of Main Street (exact locations include: Buckman Mitchell Building; Fox Theater; Pacific Treasures; Sugar Plums; Fugazzis; Akamura; TMC Photographer; Togni Branch Building; Links; Beverly's; Both's Bakery; Estes Salon; Las Palmas Mexican Restaurant). Trash cans have also been installed along Main Street and at locations on Encina and Church – included in street furniture are the custom news boxes. Two located at Encina and Main, three at the post office on Acequia, one at Court and Main and one at Church and Main.
- Work in partnerships, more than \$300,000 has been received from grants

## **2. Economic Development, Marketing, Planning**

- Distribute a brochure on commercial space available every month (hard copy and web)
- Work with the media to create more than 200 articles per year about downtown
- Produce advertising shown in movie theaters, hotel/motel rooms and on Highway 99
- Produced and distributed ads shown on major television stations
- Have maintained very low ground floor retail vacancy rate even through a tough economy
- Developed website and are working to renew it into a cutting edge marketing tool for business and tourism development (\$12,000 HVS study with City)
- Distribute guides (dining, shopping, entertainment, tours) through hotels, Visalia Convention Center, Visalia Chamber of Commerce, Visalia Visitors Bureau, and PBID's membership.
- Work to promote use of public transportation through brochures and distribution of parking maps, Visalia City Coach guides and trolley guides to our members, visitors and conventions through the Downtown Visalia Alliance office. Parking education is a component of PBIDs publications and press releases. A year-long parking incentive program was instituted aimed at their PBIDs membership to encourage the use of the parking structures.

## **3. Maintenance, Parking & Security**

- Provide full time security officers to work with the Visalia Police Department
- Provide surveillance in highly impacted areas and constantly monitor and re-access program
- Work with volunteer gardeners in public areas to keep area landscaping fresh
- Continuing to work with City to determine areas requiring increased parking
- Working with hospital expansion. Attempting to create plans for better traffic circulation
- Attempting to meet future parking and traffic circulation needs (\$5,000 study)
- Have planted more than 1,000 trees with the Urban Tree Foundation and have spent more than \$40,000 to water them during the summer. This is due to the fact the irrigation in planters does not reach the tree wells in the sidewalk. New trees need to be watered (5 to 8 gallons per week) for a minimum of 5 to 7 years to survive.

- Donated money and supported the construction of the Garden Street Plaza
- Crime has been reduced by more than 20%
- Graffiti cases have been successfully prosecuted resulting in lower property vandalism rates. There have been two graffiti cases successfully prosecuted.
- Downtown has never suffered from the graffiti pox again since it started “ Zero Tolerance” Program. The key to the success of the program is that graffiti is removed within twenty-four (24) hours of appearance.
- Thousands of new parking spaces have been developed through construction, management and by the conversion of parallel to diagonal spaces
- More than \$1 million has been invested in creating, studying and managing parking with PBID partnering with the City of Visalia.
- Through education and increased enforcement the downtown has reduced employee/employer parking abuse in the core area.

**Planned Activities in the Future:** Specific projects are still being discussed by the Board of Directors. However, the key activities include: Church Street Project, capital improvements, parking development, economic development, maintenance and security.

**Funding Source:** The \$23,000 allocation will be derived from Central Redevelopment Funds.

**Reimbursement of Funds:** PBID will make annual reimbursement payments on the loan to the City’s RDA in the amount of \$4,600 per year over a five year period. The first payment will be due on April 30, 2011 with annual payments due in 2011 through 2015.

**Prior Council/Board Actions:**

- June 10, 2004, Redevelopment Agency Board approved a loan/grant of tax increment funds to Study PBID Expansion and a Loan to Operate while Implementing Beneficial Community Project
- February 22, 2005 City Council approved financial participation in the PBID III Management Plan to offset the annual assessment and authorization to vote in favor of the petition and ballot for formation of the district for an additional five years;
- The City has approved three previous PBID Districts.

**Committee/Commission Review and Actions:**

Downtown Visalians & PBID are in support of the renewed formation.

**Alternatives:** None recommended

**Attachments:**

- Attachments “Downtown Visalians & Alliance Scope of Work Proposal for Services to Expand PBID”
- Agreement for Loan of Redevelopment Tax Increment Funds to Study PBID Expansion
- Copy of Sample Petition & Ballot
- Map of proposed area including expansion boundaries
- Management Plan, May 2005
- Countdown to PBID IV – Process for Establishing a New District

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

The Agency Board authorizes the following:

Authorize the Executive Director of the Redevelopment Agency to provide a loan/grant in an amount not to exceed \$23,000 of Central Redevelopment Funds to the Property & Business Improvement District IV for use of completing a petition and ballot for the formation and expansion of the District for up to ten (10) years. The funds will be utilized to support the extension of the PBID and its' expansion. If the existing PBID is not successfully extended then the loan will be automatically converted to a grant.

***Environmental Assessment Status***

**CEQA Review: N/A**

**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:

**AGREEMENT  
BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VISALIA AND  
VISALIANS, INC. FOR A LOAN/GRANT OF REDEVELOPMENT TAX INCREMENT  
FUNDS  
TO STUDY PBID EXPANSION**

**THIS AGREEMENT**, is made and entered into this 6th day of April, 2009 (“Effective Date”), by and between the Community Redevelopment Agency of the City of Visalia, hereinafter referred to as “Agency”, and Visalians Inc., also known as “Downtown Visalians”, hereinafter referred to as “Grantee”.

**WHEREAS**, Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000, et seq.); and ,

**WHEREAS**, Agency desires to implement the Redevelopment Plans for the Downtown Redevelopment Project Area and the East Visalia Redevelopment Project Area by undertaking a comprehensive program of public facility improvement objectives including financial assistance to promote rehabilitation of existing improvements and providing needed public improvements which would serve as inducements for private investment in the Project Areas; and,

**WHEREAS**, Agency may financially assist owner participants in the development of improvements to reduce costs and promote development and private investment in the Project Areas thereby reducing blight conditions and generating employment opportunities for low and moderate income groups; and,

**WHEREAS**, Grantee is organized pursuant to the General Nonprofit Corporation Law of the State of California; and,

**WHEREAS**, Grantee is in the specific business to initiate, sponsor, promote and/or carry out plans, policies and activities which will tend to make the core area for the City of Visalia, the Downtown Visalia Project Area and the East Redevelopment Project Area more economically sound, more aesthetically pleasing and more functionally efficient; and,

**WHEREAS**, in 1998 Agency assisted Grantee in the formation and start-up of a Property and Business Improvement District (“PBID”); and

**WHEREAS**, the PBID has successfully accomplished its initial objectives and desires to undertake a multi-faceted improvement project for which it has been saving to provide ongoing security, repair, clean-up, maintenance and graffiti removal of public areas, and to continue to employ Downtown Visalians for management services (collectively, the “project”), as well as to explore and possibly effect an expansion of its boundaries to further address the blight conditions, assist owner participants,



promote development and private investment in the Project Areas and contribute toward the continued growth and prosperity of the greater Visalia area; and,

**WHEREAS**, Grantee possesses those powers and authority to do all acts necessary or incidental to the administration of the affairs and for carrying out these purposes including entry into, making, performing and carrying out partnerships, joint ventures, and contracts of every kind for any lawful purpose and without limit as to amount with any person, firm or corporation.

**NOW THEREFORE**, the Agency and Grantee mutually agree as follows:

1. The Agency hereby allocates Grantee an amount not to exceed Twenty-Three Thousand Dollars (\$23,000) which shall be released and subject to the terms and conditions hereinafter set forth. The allocated monies are derived from the Agency's Tax Increment Funds generated from the Central Redevelopment Project Area. The allocated funds shall be characterized and utilized as follows:
  - a. Expansion of PBID: Grantor will loan/grant \$23,000 to Grantee to utilize to undertake an information campaign and statutory process [in accordance with the Parking and Business Improvement District Law of 1994, Part 7 (commencing with Section 36600) to Division 18 of the Streets and Highways Code] necessary to determine whether a majority of owners and business tenants within the proposed area are willing to support an expanded PBID.
  - b. Terms of Loan Repayment: The following consists of the repayment schedule:
    - i. Installments: amortized over term and payable to Agency annually, commencing April 30, 2011 subject to modification by Agency's Executive Director in his discretion;
    - ii. Term: 5 years
    - iii. Interest Percentage: 0%;
    - iv. Prepayment: Prepayment is acceptable without penalty.
    - v. Conversion to Grant: In the event, Downtown Visalians are unsuccessful in extending the life of the existing PBID the loan will automatically be converted to a grant and not payable.
2. Grantee agrees to make a good faith effort toward the reformation and easterly expansion of the existing PBID. It is anticipated that the Grantee will contract for those services needed to collect, process and generate such studies, reports, projections, boundaries, cost allocation determinations, improvements and timetables to determine the feasibility and potential for the expansion of PBID IV within the downtown area.
3. Grantee agrees to undertake and implement the multi-facet project described above.

4. The Community Redevelopment Agency of the City of Visalia and the City of Visalia shall assume no liability for the negligence of the Grantee or any officer, employee, contractor, subcontractor, or agent thereof, and the Grantee shall defend, indemnify and hold the Agency and City of Visalia, their officers, employees and agents free and harmless from any and all loss, damage, expenses or liability that may arise out of the performance of this agreement by Grantee.
5. The Grantee hereby agrees to defend, indemnify and hold harmless the Agency and City of Visalia, their officers, employees and agent from any and all liability, expenses, claims or causes of action arising out of or resulting from the loan by the Agency of Twenty-Three Thousand Dollars (\$23,000) from its Redevelopment Tax Increment Funds. In the event an authorized authority shall determine the purpose or any of the expenditures above described are ineligible for funding by the Agency, the Grantee shall reimburse the Agency the amount of the costs so disallowed.
6. This Agreement may be terminated or funding suspended in whole or in part for cause. Cause shall be based on the failure of the Grantee to comply in any substantial or material respect with either the terms or conditions of this agreement. Upon suspension of funding, the Grantee agrees not to incur any costs related thereto, or connected with any area of conflict from which the Agency had determined that suspension of funds is necessary.
7. The Grantee and its officers, employees and agents shall act at all times in an independent capacity during the time of this agreement, and shall not act as and shall not be, nor shall they in any manner be construed to be, agents, officers or employees of the Agency or City of Visalia.
8. Each paragraph and provision of this agreement is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect.
9. It is expressly agreed that this agreement embodies the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the parties at the time of execution. This agreement may be modified or amended only by a written amendment authorized by the Board of Directors of the Agency and signed by the duly authorized and empowered representatives of the Agency and Grantee.
10. The term of this agreement shall commence upon the Effective Date of this agreement and terminate upon full repayment of the loan as required herein, except that the indemnification provision shall survive termination.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement For a Loan/Grant of Redevelopment Tax Increment Funds to Study PBID Expansion duly executed the day and year first above written.

**THE COMMUNITY REDEVELOPMENT VISALIANS INC.**  
**OF THE CITY OF VISALIA** (a.k.a. **Downtown Visalians**)

By \_\_\_\_\_  
Executive Director (Date)

By \_\_\_\_\_  
Title \_\_\_\_\_(Date)

Attest \_\_\_\_\_  
Clerk of the Board (Date)

APPROVED AS TO FORM:

\_\_\_\_\_  
Agency Counsel (Date)

\_\_\_\_\_  
Project Manager (Date)

**ATTACHMENT**  
**Downtown Visalians & Alliance**  
**Scope of Work**  
**Proposal for Services to Expand PBID**

Following is a proposed Scope of Work outlining the activities required to attempt to pass of an expanded Property and Business Improvement District in the easterly Downtown Visalia Area.

Property and Business Improvement District: The area chosen for expansion by the PBID Board of Directors is approximately Center to Acequia and Burke to Santa Fe. This process is expected to take up to 10 months.

**Proposed Activity:**

1. Preparation of materials
2. Mailings to affected property owners
3. Public informational and support meetings with Board and affected property owners
4. Telephone calls, polling/support, response to property owners
5. Research of affected properties for owner identification, lot and building dimensions for assessment calculations
6. Assessment engineering services (detailed herein below)
7. Reports and balloting

**Assessment Engineer Services:**

8. Compile Database on identified properties
9. Review proposed improvement activities and estimated costs
10. Prepare mandatory Management Plan
11. Prepare mandatory Engineer's Report for City Council's approval
12. Review of ballot notice, preparation of ballot and tabulation of results

**Timeline**

This proposed Scope of Work is proposed in order to meet the election process proposed for the re-adoption of the existing Property and Business Improvement District estimated to be voted upon on or about January 2010.

# ACTION

## PLANNING COMMISSION AGENDA

CHAIRPERSON:  
Lawrence Segrue



VICE CHAIRPERSON:  
Adam Peck

COMMISSIONERS PRESENT: Lawrence Segrue, Adam Peck, Terese Lane, Roland Soltesz, Vincent Salinas

MONDAY MARCH 23, 2009; 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 7:10

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.

Spoke:

1. Bill Balsley

2. David McElroy

7:10 TO 7:10

3. CITY PLANNER AGENDA COMMENTS – No comments

7:10 TO 7:10

4. CHANGES TO THE AGENDA – No changes

7:10 TO 7:11

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.

- No items on consent calendar

7:11 TO 7:26

6. PUBLIC HEARING– Paul Bernal, continued from March 9, 2009

Approved as recommended (Peck, Soltesz ) 4-1  
Lane voted No

Conditional Use Permit No. 2009-17: A request by Dan Littleton (Owner), to allow live entertainment, dancing and other special events within the Cellar Door building which is located at 101 West Main Street. The Cellar Door site is zoned C-DT (Central Business District). (APN: 094-325-003)

Reopened: 7:13

Close: 7:15

Spoke:

1. Dan Littleton

7:26 TO 7:41

7. PUBLIC HEARING – Teresa Nickell

Approved as recommended (Salinas, Peck) 5-0  
Open: 7:30  
Close: 7:39  
Spoke:

- 1. Steve Brandt (Quad Knopf, agent)

Conditional Use Permit No. 2009-14 is a request by College of the Sequoias to allow a 82,360 sq. ft. parking lot, primarily for student parking, in the R-M-2 (Multi-family Residential – 3,000 sq. ft. of lot area per unit) zone. The site is located on the southwest corner of Woodland Drive and Noble Avenue. (APN: 095-090-022)

7:41 TO 7:50

8. PUBLIC HEARING – Teresa Nickell

Approved as recommended (Soltesz, Lane ) 5-0

Open: 7:46  
Close: 7:47

Conditional Use Permit 2009-19: A request by Tara McGee to allow a hair salon in a 1,642 sq. ft. existing building on a 6,572 sq. ft. lot in the P-A (Professional/Administrative Office) Zone. The site is located at 909 West Center Street. (APN: 093-225-003)

7:50 TO 7:56

9. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION:

- 1. Commissioners Soltesz and Fred Brusuelas to attend Planners Institute March 25-27.
- 2. May 7<sup>th</sup> Workshop in Fresno for implementing SB 375 and AB 32
- 3. April 27<sup>th</sup> joint meeting with Planning Commission and City Council.
- 4. Preliminary work being done on Live Entertainment.

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

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

**THE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, APRIL 13, 2009  
AT THE VISALIA CONVENTION CENTER, 303 E. ACEQUIA, VISALIA**

7:56 TO 7:56  
Motion to Adjourn (Segrue, Peck) 5-0

## City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7b

**Agenda Item Wording:** Council approval of Brown Armstrong CPA firm to complete the City's fiscal year 2008 – 09 audit.

**Deadline for Action:** April 6, 2009

**Submitting Department:** Finance

**Contact Name and Phone Number:**

Gus Aiello - 713-4423

**Department Recommendation:** That Council approve the use of Brown Armstrong, CPA firm to complete the fiscal year 2008 – 09 City audit, for a maximum fee of \$77,200, the same fee as fiscal year's 2007 – 08 audit.

**Summary/background:** For the last five fiscal years, Brown Armstrong CPA firm has completed the City's annual audit. This item requests the use of this audit firm for the fiscal year 2008 – 09. A request for proposals (RFP) is ready to be released. However, Finance does not feel that time will allow us to have a new CPA firm on board and trained prior to the 2008 – 09 audit. Issuance of the RFP, analysis of those that submit an RFP response, interviews of the final audit firm the City is interested in using and getting them into an agreement can be time consuming. For these reasons, Brown Armstrong is being asked to perform the 2008 – 09 City audit.

**Discussion:** On April 5, 2004 Council authorized the City Manager to enter into an agreement with Brown Armstrong, a CPA firm with headquarters in Bakersfield, to conduct the City's audits for three years, with an option for two one year extensions. The five years have come and gone. It is now time to distribute a request for proposals for an audit firm. Although it is late in the process, the RFP is ready to be released.

The Finance staff has been attending to other issues such as the mid year review and project work and is late in getting out the audit RFP. It will take time to complete the RFP process. We need to first issue the RFP, receive responses from interested parties, analyze the RFP's received, conduct interviews with the top firms and enter into a contract with the chosen firm for audit services. The process can take anywhere from ten to twelve weeks. If the RFP goes out in the beginning of April, it could be July before we are in an agreement with an audit firm. Staff

**For action by:**

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

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.):\_15\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

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

**City Mgr** \_\_\_\_\_  
(Initials Required)

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

recommends Council approve the use of Brown Armstrong for the fiscal year 2008 – 09 City audit.

**Brown Armstrong, CPA Firm**

Brown Armstrong has done an excellent job on the City's last five audits. They are a quality CPA firm who Council authorized using on April 5, 2004. Finance staff members work well with all the audit firm team members.

A member of the Finance division staff called Brown Armstrong to inquire about their interest in performing an audit for the 2008 – 09 fiscal year. They were agreeable to do the work. When asked about price, they indicated they would honor last fiscal year's budgeted fee of \$77,200.

**Prior Council/Board Actions:** April 5, 2004 – Council authorized the City Manager to enter into an agreement with Brown Armstrong CPA firm to conduct the City's audit for three fiscal years with an option for two one year extensions.

**Committee/Commission Review and Actions:**

**Alternatives:** Do not approve Brown Armstrong to complete the 2008 – 09 audit report.

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):** I move that Council approve Brown Armstrong to complete the 2008 – 09 City audit for a maximum price of \$77,200.

***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**

DANIEL M. DOOLEY  
RETIRED FROM THE PRACTICE OF LAW  
LEONARD C. HERR  
ALEX M. PELTZER  
KENNETH J. RICHARDSON

To: Visalia City Council  
From: Alex Peltzer, City Attorney  
Dooley, Herr, Peltzer & Richardson, LLP  
Date: March 26, 2009  
Re: Council Agenda Item #\_\_  
Grant of Right of Way for Electric Utility  
Our File No: 701-01-003

KRIS B. PEDERSEN  
MATTHEW F. BAHR  
RON STATLER  
RACHELE BERGLUND BAILEY  
JAMES D. KOONTZ

The attached ordinance authorizes the City to grant to Southern California Edison a utility easement over a small (20x13.5 feet) area on the northwest corner of the Acequia Parking Structure property. This easement is required by Edison in order to bring an electrical conduit from property west of the parking structure (the Hecht office building) to a new service panel for the former Buckman Mitchell property to the north and east. The new service panel and new electric lines are necessary for a project at the former Buckman Mitchell offices.

The Edison easement area does not interfere with any City improvements, and any work done in the area will require the standard encroachment permit.

The easement is being offered as an accommodation, and no compensation is being sought by the City.

Staff recommends the Council introduce and conduct the first reading of the ordinance authorizing the granting of the easement at the meeting of April 6, with final adoption at the meeting of April 20.

Attachments:

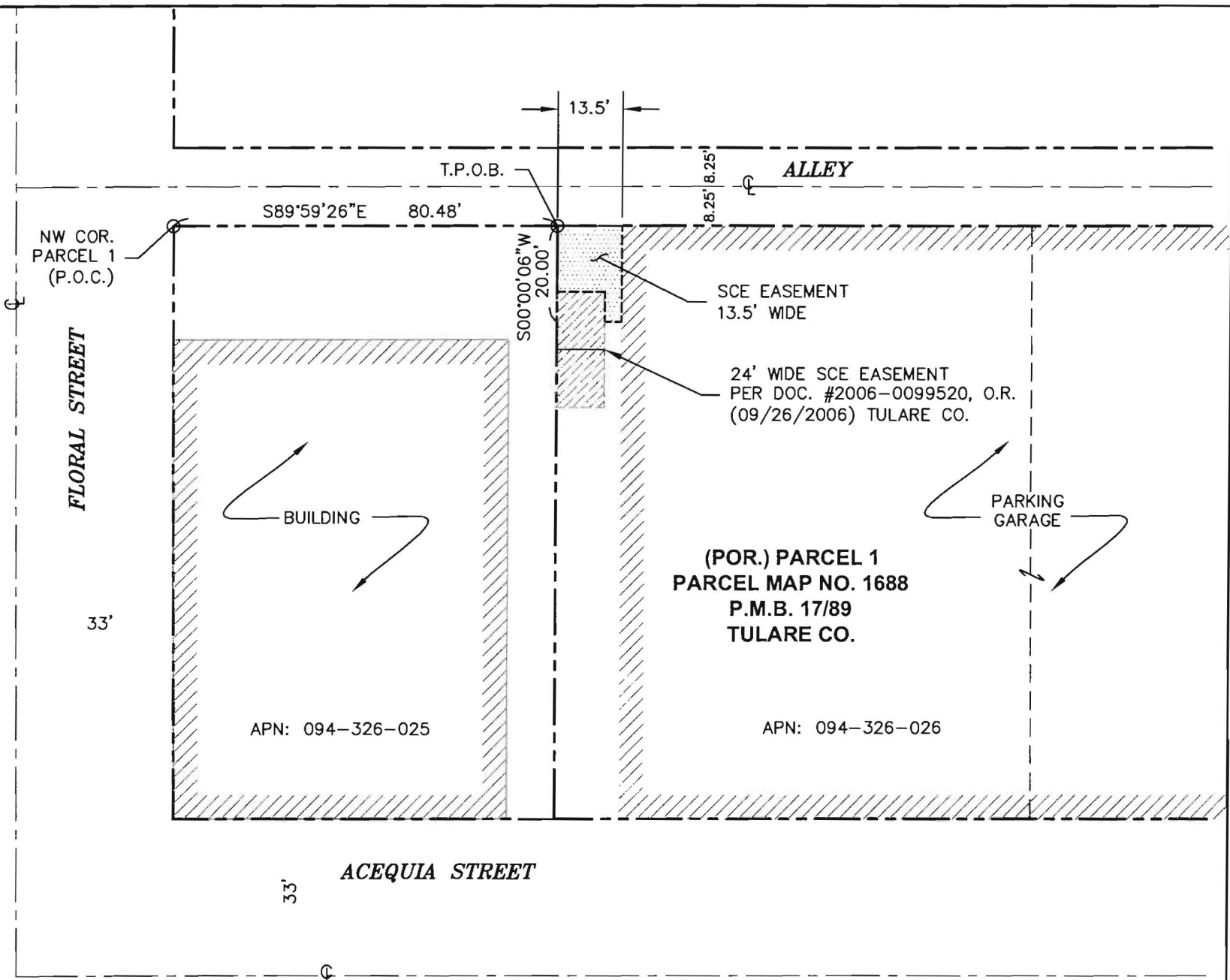
- 1) Two maps showing easement area and location
- 2) Ordinance with Exhibit A - Easement Form

100 WILLOW PLAZA,  
SUITE 300  
VISALIA, CA 93291

TELEPHONE:  
(559) 636-0200

FACSIMILE:  
(559) 636-9759

WWW.DHLAW.NET

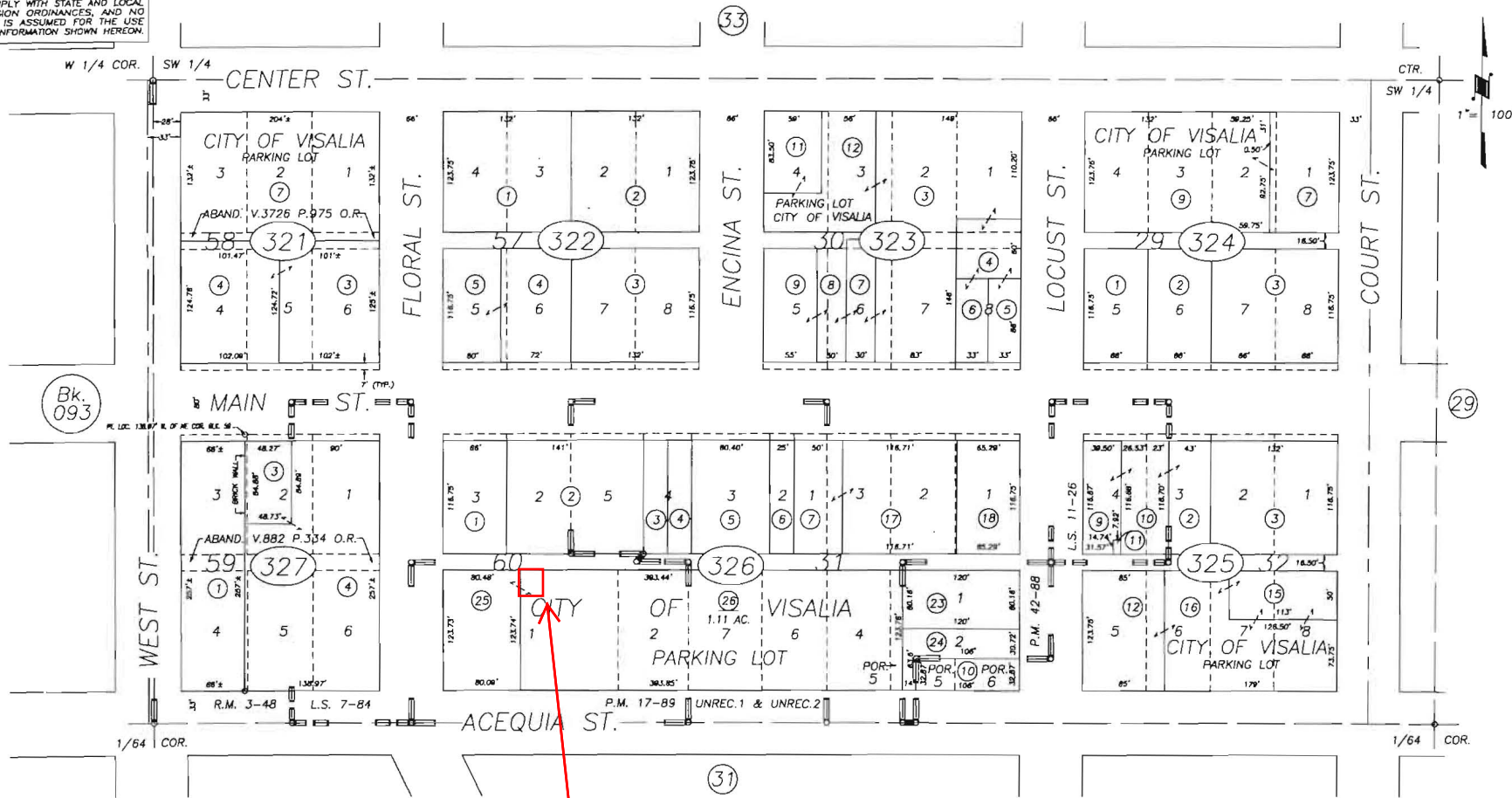


SCE EASEMENT		
DSE800246319	6451-2040	8-2379
TD# 320680	SLS/BT	02/27/09

N1/2 OF SW 1/4 OF SW 1/4 SEC.29, T.18S., R.25E., M.D.B.&M.

Tax Area Code 094-32  
006-219

**DISCLAIMER**  
THIS MAP WAS PREPARED FOR LOCAL PROPERTY ASSESSMENT PURPOSES ONLY AND THE PARCELS SHOWN HEREIN MAY NOT COMPLY WITH STATE AND LOCAL SUBDIVISION ORDINANCES, AND NO LIABILITY IS ASSUMED FOR THE USE OF THE INFORMATION SHOWN HEREON.



POR. PLAT OF VISALIA, R.M. 3-48  
POR. BAKER GRANT, UNREC. 1  
RECORD OF SURVEY, L.S. 11-26  
PARCEL MAP NO. 1688, P.M. 17-89  
PARCEL MAP NO. 4184, P.M. 42-88  
CITY OF VISALIA SURVEY, UNREC. 2  
RECORD OF SURVEY, L.S. 7-84

RECORD OF SURVEY, L.S. 9-23 (BLK. 59, ETC.)

CITY OF VISALIA  
ASSESSOR'S MAPS BK. 094 , PG. 32  
COUNTY OF TULARE, CALIFORNIA, U.S.A.

**Easement Location**

NOTE: Assessor's Parcel Numbers Shown in Circles ① 123  
Assessor's Block Numbers Shown in Ellipses ③ 29

2003-0128382	04/03/2006	KMS
REVISION	DATE	TECH

**Ordinance No. 2009-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VISALIA AUTHORIZING  
THE EXECUTION OF A GRANT OF EASEMENT TO SOUTHERN CALIFORNIA  
EDISON**

**BE IT ORDAINED** by the City Council of the City of Visalia as follows:

**Section 1.** The City manager for the City of Visalia is hereby authorized to execute a Grant of Easement in the form as attached hereto as Exhibit "A".

**Section 2.** This Ordinance shall go into effect thirty (30) days after passage thereof.

**Section 3.** A summary of this Ordinance shall be published once in the *Visalia Times-Delta*, a newspaper of general circulation in the City of Visalia

PASSED AND ADOPTED:

RECORDING REQUESTED BY



WHEN RECORDED MAIL TO  
SOUTHERN CALIFORNIA EDISON COMPANY

Corporate Real Estate  
14799 Chestnut Street  
Westminster, CA 92683-5240

Attn: Distribution/TRES

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**GRANT OF  
EASEMENT**

DOCUMENTARY TRANSFER TAX \$ NONE (VALUE AND CONSIDERATION LESS THAN \$100.00)	DISTRICT	WORK ORDER	IDENTITY	MAP SIZE
	San Joaquin Valley	6451-2040 TD# 320680	8-2379	
SCE Company	FIM 70-18A-2	APPROVED: CORPORATE REAL ESTATE	BY	DATE
SIG. OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	APN : 094-326-026		SLS/BT	02/27/09

CITY OF VISALIA, a municipal corporation (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence by electrical means, in, on, over, under, across and along that certain real property in the County of Tulare, State of California, described as follows:

A 13.50 FOOT WIDE STRIP OF LAND LYING WITHIN PARCEL 1 OF PARCEL MAP NO. 1688, AS PER MAP FILED IN BOOK 17, PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THE WESTERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

**COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 1, SOUTH 89°59'26" EAST 80.48 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00°00'06" WEST 20.00 FEET TO A POINT OF ENDING.**

THE EASTERLY SIDELINE OF SAID STRIP IS TO BE SHORTENED TO TERMINATE NORTHERLY IN SAID NORTHERLY LINE OF PARCEL 1.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THAT CERTAIN 24.00 FOOT WIDE STRIP OF LAND DESCRIBED IN THE GRANT OF EASEMENT, RECORDED ON SEPTEMBER 26, 2006 AS DOCUMENT NO. 2006-0099520, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER.

EXCEPT any portion thereof lying within any existing building or any building presently under construction.

This legal description was prepared pursuant to Sec. 8730(c) of the Business & Professions Code.

**Exhibit A to Ordinance**



**GRANTEE** SOUTHERN CALIFORNIA EDISON COMPANY, a corporation

By: \_\_\_\_\_  
Emmanuel P. Hyppolite, Supervisor of ECS & Distribution,  
Corporate Real Estate Department

Date: \_\_\_\_\_

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, personally  
(here insert name and title of the officer)

appeared \_\_\_\_\_  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(This area for notary stamp)



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7d

**Agenda Item Wording:** Authorization to award RFB # 08-09-16, Digester No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$104,400.

**Deadline for Action:** none

**Submitting Department:** Public Works

**Contact Name and Phone Number:** Jim Ross, Public Works Manager, 713-4466

**Department Recommendation:** Staff recommends that Council authorize staff to award RFB # 08-09-16, Digester No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$104,400.

**Summary/background:**

Digester #3 is a 720,000 gallon cylindrical concrete structure that was constructed in 1973. Due to the corrosive nature of wastewater and the anaerobic digestion process, the concrete and metal surfaces of the structure have deteriorated. These surfaces need to be cleaned of contaminants and coated with a protective coating to rehabilitate the structure and prevent future deterioration.

The material to be applied to Digester #3 is a 100% solids elastomeric polyurethane coating system by EnduraFlex. It is specifically formulated to withstand the harsh environmental conditions normally found at wastewater treatment plants. It is highly chemical resistant, corrosion resistant, abrasion resistant, and can flex with the expansion, contraction, and movement of the structure. In 2005, this coating system was installed on one of the facility's clarifiers. The coating is inspected annually and is performing flawlessly.

Successful use of this product is highly dependent upon proper surface preparation and application technique. Proper surface preparation includes high pressure washing and abrasive blasting to remove embedded containments which would interfere with the product's adherence to the structure. Because the product must be applied when ambient temperature and humidity fall within a specific range, a National Association of Corrosion Engineers Certified Inspector will

**For action by:**

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

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.):\_\_1\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

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

**City Mgr** \_\_\_\_\_  
(Initials Required)

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

be on sight throughout the entire coating procedure to monitor environmental conditions and to inspect and perform various tests on the coating.

Bids for the Digester #3 coating project (RFB 08-09-16) were opened on February 20, 2009. Three bids were received:

Jeffco Painting & Coating	Vallejo, CA	\$104,400
Redwood Painting Co.	Pittsburg, CA	\$131,750
FD Thomas	Sacramento, CA	\$147,900

Jeffco has been in business for almost 20 years, and has done projects of this size for numerous wastewater agencies, including the City of Visalia, the Suisun Sewer District, Marin Water District, Tahoe/Truckee Sanitation District, Union Sanitary District, and the Department of Water Resources. The product manufacturer, EnduraFlex, has certified Jeffco to install the product and is confident in their ability to perform the work, as is city staff.

The funds for this Capital Improvement Project were approved by the City Council for use in the 2005-06 budget year. The project has been intentionally delayed to ensure that the previous installation performed satisfactorily. Annual inspections show the product to be performing flawlessly. Because of its exceptionally durable properties, this coating system will be used as the standard coating system applied to structures located at the water conservation plant.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

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

Move to authorize staff to award RFB # 08-09-16, Digester No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$104,400.

***Environmental Assessment Status***

**CEQA Review: N/A**

**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 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7e

**Agenda Item Wording:** Authorization for the City Manager to negotiate a contract with the Convention and Visitors Bureau (CVB) for 2009-2010 at the consistent funding amount of \$239,000, to begin funding the contract May 1, 2009, and to provide office and tourism information space to the CVB.

**Deadline for Action:**

**Submitting Department:** Administration

**Contact Name and Phone Number:** Council Members Amy Shuklian and Greg Collins, Deputy City Manager Leslie Caviglia 713-4317

**Department Recommendation:**

It is recommended that the City Council authorize the City Manager to negotiate a contract with the Visalia Convention and Visitors Bureau for 2009-2010 to provide convention sales and tourism promotion and information service at the previously approved amount of \$239,000. In addition, it is recommended that funding of the contract begin on May 1, 2009 to assist the Bureau with covering some unanticipated budget difficulties in FY2009-2010, and that the CVB be provided office and tourism information space free of charge in available City locations.

**Discussion:** In 2004, a community task force was formed to review the CVB operations and make recommendations. At that time, the Convention marketing operations were housed within the City, and the Visitors marketing portion was housed at the Chamber. The task force recommended that a separate and independent operation be formed and operated by a Board of Directors.

The Council concurred with the task force recommendation in 2005, and legal steps were taken to form an independent bureau. Two Council members have served on the Board since the Bureau's formation. Councilmembers Bob Link, Don Landers and Greg Kirkpatrick have served on the Bureau Board. Currently, Amy Shuklian and Greg Collins are the Council representatives on the Board. The other current Board Members include:

**For action by:**

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

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

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

**Review:**

**Dept. Head LBC 31809  
(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.

Anil Chagan	Comfort Suites
Greg Kirkpatrick	Lemoncove Ranch
Joe Kuhn	Marriott
Robert Lee	Lampliter
Cathy Parker	Premier Color Graphics
Kathleen Remillard	Creative Center Foundation
Wally Roeben	Visalia Convention Center
Samantha Rummage	Holiday Inn
Tom Seidler	Rawhide
Mark Tilchen	Sequoia Natural History Asso.

When the Bureau was formed, the City agreed to provide funding to the Bureau equal to the funding it was providing to run the CVB through the City and the Chamber. That figure was \$239,000, and the Bureau has received the same \$239,000 in operating funding, without an increase, from the City since 2005. The total estimated budget for the CVB for 2008-2009 is just over \$300,000, which includes the funds for the Amgen race. The CVB Board has approved a membership program as a way to increase funding, and is looking at other ways to raise additional revenues that can be used to promote visitors to Visalia.

In the past year, the Bureau has had several successes including:

- \*Tour of California - Successfully bid, fund raised for and conducted Stage 5 of the Amgen Tour of California.
- \*Fan Fest – Successfully bid for this three-day concert conference that committed to two years in Visalia. Each year will involve 3,000 people and approximately 900 room nights.
- \*Historical Dinner – Organized the first historical tour, which will be offered as a conference and tour option in the future.
- \*Day Tours – Set up six separate themed day tour options including Gourmet, Agriculture, Western, Ecotourism, Arts and Culture and Sequoia National Park (Copies attached).
- \*Sequoia Adventure Expo – Held a trade show to promote local tourism opportunities and encourage people to enjoy “stay-cations.” The next Expo is scheduled for April 30 at the Convention Center and is scheduled in conjunction with the Farmers Market.
- \*Convention Sales Person – Hired a sales person that lives in Sacramento area, in the heart of the government meeting planners, which has made the Bureau more accessible to tradeshow opportunities and more readily available to meeting planners.
- \*Meeting Planner Targets – Developed a targeted list of meeting planners that could consider holding meetings/conventions in Visalia and a plan for marketing to this targeted list.
- \*Media Placements -Received placement in several tourism publications including the “Frommers,” publication, and features on several radio programs.
- \*Convention Newsletter – Started newsletter e-blast to targeted meeting planners that has already resulted in 5 meeting planners accepting a Familiarization Tour to Visalia.
- \*Developed a new, more interactive website.

**2009-2010 Contract:**

In the coming year, the provisions of the contract are expected to be similar. The major addition will be an emphasis on promoting sports tourism in the community, with an expectation that sporting events can be attracted to the community to use the Visalia Riverway Sports Park, the Convention Center, Plaza Park and other local venues. In addition, efforts will be made to quantify the efforts of the Bureau's tourism promotion efforts. Other recommended provisions include, but are not limited to:

- \*Generate leads that result in at least 3,000 contracted convention room nights which is confirmed by signed contracts with the hotels.

- \*Process Requests for Proposals for all Citywide rebookings (conventions that were held in Visalia within the last three years that involved multiple Visalia hotels and are considering returning to Visalia for another convention within the next 3 years), and for any new citywide leads generated by the CVB or other properties.

- \*Establish and stock a Visitor Information Center that is open and available during usual and normal business hours with a goal of having visitor information readily available outside the 8-5, M-F business hours. The format of the information center must be approved by the City.

- \*Update the website on a continual basis to ensure that information is accurate and current, and applicable website links for major features are added.

- \*Promote the Community Calendar feature on the webpage so it is used by more organizations to promote/list events. Within the next year, promote at least 500 applicable community events by at least 20 different organizations on the calendar.

- \* Work with the Sequoia Valley Tourism Council to develop a comprehensive marketing plan for 2009-2010, and present that plan, including Visalia's contributions, to the CVB Board by September 15, 2009.

- \*Continue implementation of the membership program with a goal of generating \$7,500 in membership in 2009/2010. The City of Visalia/Convention Center will be included as a member by virtue of this contract.

- \*Bureau to develop at least one new local tour itinerary by April 1, 2010, and promote it on the website and through other sources.

During 2007-08, the Bureau encountered some unusual personnel expenses that were not budgeted for, as well as some one-time training expenses. The Board was aware of the deficit spending during that year and anticipated that expenses would be reduced appropriately to stay within budget.

In late 2008, the Board became aware that additional revenues (membership, co-op advertising, booth sales) were not keeping pace with projections, and some expenses were coming in higher than initially anticipated. The deficit is estimated to be approximately \$30,000, or less than 10% of the annual budget. The Board has assumed responsibility for the budget deficit, and has initiated several cost saving measures including not filling the Executive Director position, reduction in major capital expenditures, reduced postage alternatives, and, with Council's concurrence, reduced office rent. In general, the Board has identified approximately

\$65,000 in savings, which will more than cover this year's deficit, and provide more money for marketing and promotions in next year's budget. In addition, new revenues are being pursued including the recent historical dinner, co-oping trade shows, The Amgen race, and a Board-directed membership campaign.

Staff is recommending that half of the funding for the 2009-2010 year be provided to the Bureau upon execution of the contract (on or about May 1, 2009) providing that a contract has been executed, and that a balanced operational budget for May, 2009 through July, 2010 has been received, reviewed and approved by the City Manager and the Administrative Services Director.

The Board Treasurer, Wally Roeben, who is a Certified Public Accountant, has assumed responsibility for the Bureau's financial books, and will be working with the Board to prepare a budget.

The Bureau is also asking that the City provide office space for the local Bureau staff. Staff has identified several locations that would be suitable until the Visitors Center is completed. Staff believes that it can be accomplished for little cost (phone, energy charges, etc.) Given that the Bureau is also requesting to move the tourism information to the Convention Center, there is not a need for the actual staff offices to be in such a visible and thereby expensive space as that available at the Chamber.

Staff also supports the moving of the tourism information to the lobby of the Convention Center. The information will be more visible, will be readily accessible to the visitors at the Convention Center and the two adjacent hotels, be more accessible from the freeway, and be generally available 7 days a week from 8 am until 10 pm. Currently, the information is only available Monday – Friday from 8 am to 5 pm, and it is several blocks from the freeway. In addition, the new location would be adjacent to the proposed Visitor Center site, which staff believes would provide a good transition.

Given that the Board has identified reasonable savings, has changed their finance operations, and has agreed to develop a reasonable budget for the remainder of 2008-09 as well as 2009-10, and given the appropriateness of beginning the transition from rental space to the new Visitors Center, it is recommended that the Council approve the Bureau's request

**Attachments:**

2008-2009 contract

Copies of the Day Tour Rack Cards

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

I move to approve the negotiation of a contract with the CVB for 2009-2010 with funding to begin in May, 2009 providing an appropriate budget has been approved, and to provide office and display space for the Convention and Visitors Bureau.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

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

Copies of this report have been provided to:



**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7f

**Agenda Item Wording:** Appointment of a representative of the Visalia Community Forum to the General Plan Update Review Committee.

**Deadline for Action:** None

**Submitting Department:** Administration

**Contact Name and Phone Number:** Council Member Amy Shuklian

**Department Recommendation:** It is recommended that the Visalia City Council authorize the Visalia Community Forum to designate a representative to participate on the General Plan update Review Committee.

**Background / Prior Council Actions:** On November 3, 2008, the City Council authorized the formation of a General Plan Update Review Committee, and expanded the Committee's composition to include representation from several key stakeholders. The representative list for Committee was approved by the Visalia City Council on December 15, 2008. There are currently 22 persons on the committee representing 19 community-based groups (see attached Exhibit "A" for roster). The Committee held its first meeting on March 25, 2009, to begin formulating a Scope of Work for the Comprehensive Update of the General Plan.

**Discussion:** Visalia Community Forum is a recently formed local organization representing members of the development industry with interest in local growth and community planning issues. The members of Visalia Community Forum are primarily local development companies with a history of significant investment in our community. Given their commitments to our community, I believe it is appropriate that this group be represented on the City's General Plan Update Review Committee. If authorized, this appointment would be given to the Visalia Community Forum as an organization, and the Forum will have a responsibility for designating their representative.

If Council authorizes the Visalia Community Forum to have a representative on the Committee, the Forum is expected to initially designate Darlene Mata to serve on the Forum's behalf. Ms. Mata is a long time Visalia resident with extensive experience in community planning, including several years as a staff planner with the City of Visalia. Ms. Mata attended the first meeting of the General Plan Update Review Committee on March 25, 2009.

**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**

**Finance**

**City Atty**

**City Mgr**

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

**Alternatives:** None

**Attachments:** Exhibit "A" – General Plan Update Review Committee Roster

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

I move to authorize the Visalia Community Forum to have a designated representative participate on the General Plan Update Review Committee.

***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)*

Exhibit "A"  
General Plan Update Review Committee  
Committee Roster - March 2009

<u>AUTHORIZED GROUP</u>	<u>DESIGNATED REPRESENTATIVE</u>
Visalia City Council	Bob Link (Committee Chair)
Visalia City Council	Greg Collins
Visalia Planning Commission	Larry Segrue (Committee Vice Chair)
Visalia Planning Commission	Vincent Salinas
Parks & Recreation Commission	Carla Calhoun
Parks & Recreation Commission	Jeff Boswell
Bicycle, Pedestrian, Waterways Trails Committee	Bob Brown
Citizens Advisory Committee	Dirk Holkeboer
Environmental Committee	Dean Mann
Historic Preservation Advisory Committee	Tim Burns
North Visalia Neighborhood Advisory Committee	Bill Huott
College of the Sequoias	Eric Mittlestead
Hispanic Chamber of Commerce	Raymond Macareno
Kaweah Delta Hospital	Dena Cochran
Tulare / Kings Home Builders Association	Josh McDonnell
Tulare County Affordable Housing	Ken Kugler
Tulare County Board of Realtors	Brian Icenhower
Tulare County Farm Bureau	Brian Blain
Visalia Chamber of Commerce	Mike Knopf
Visalia Economic Development Council	Jim Robinson
Visalia Unified School District	Randy Groom

## City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7g

**Agenda Item Wording:** Request authorization to file a Notice of Completion for Parcel Map 4849 (TPM 2006-22) Phase 2, located at the Northeast corner of Demaree Street and Riggins Avenue.

**Deadline for Action:** None

**Submitting Department:** Community Development Department  
Engineering Division

**Contact Name and Phone Number:**

Chris Young – Assistant Community Dev. Director - 713-4392  
Jason Huckleberry – Associate Engineer - 713-4259

**Department Recommendation:**

The recommendation is that City Council give authorization to file a Notice of Completion for Phase 2 of Parcel Map 4849 as all the necessary improvements for this Parcel Map phase have been completed and are ready for acceptance by the City of Visalia. Phase 2 consists of median landscape improvements along Riggins Avenue and Demaree Street. The City of Visalia Parks Department will assume maintenance of the median landscaping, funds for which are drawn from the City General Fund.

**Summary/background:**

The parcel map was developed by Westland Development. Lowes Inc. has built a new store in this shopping center and several other stores and restaurants are planned. Westland Development has submitted a maintenance bond in the amount of \$55,548.00 as required by the Subdivision Map Act to guarantee the improvements against defects for one year.

**Prior Council/Board Actions:** The tentative Parcel Map 2006-22 was approved for recordation by City Council on August 20, 2007. A Notice of Completion for Phase 1 of this parcel map was accepted by Council on June 16, 2008.

**Committee/Commission Review and Actions:** The tentative Parcel Map 2006-22 was approved by Planning Commission on October 23, 2006.

**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.

**Alternatives:** N/A

**Attachments:** Vicinity map.

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

I hereby authorize filing a Notice of Completion for Parcel Map 4849 (TPM 2006-22), Phase 2.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

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

Copies of this report have been provided to:

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

**Meeting Date:** April 6, 2008

**Agenda Item Number (Assigned by City Clerk):** 7h

**Agenda Item Wording:** Authorize the Recordation of the Final Map for Phase 1 of Plaza Business Park (Tentative Parcel Map 2008-03) located east and west of Plaza Drive between Hurley and Crowley Avenues (7 lots), authorize the City Manager to execute the Subdivision and Reimbursement Agreements, (subject to City Attorney approval as to form) and authorize the amendment of Landscape and Lighting District No. 08-04 for Conditional Use Permit No. 2007-39. (Resolution No's 2009-11 & 2009-12 required.) APN: 081-020-067, 070

**Deadline for Action:** N/A

**Submitting Department:** Community Development Department/  
Engineering Division

**Contact Name and Phone Number:**

Chris Young, Assistant Community Dev. Director: 713-4392  
Adrian Rubalcaba, Associate Engineer: 713-4271

**Department Recommendation and Summary:**

**Background**

One of the City's CIP projects provides street improvements on Plaza Drive between the Highway 198 and Goshen Avenue (this includes the section between Crowley and Hurley Avenues). These improvements are identified in the Circulation Element of the City's General Plan. This CIP project is under design with a construction start date estimated to be in January, 2011.

The Plaza Business Park master planned development fronts both sides of Plaza Drive between Crowley and Hurley Avenues. Thru this reimbursement agreement, the developer has agreed to make improvements that include the Plaza Drive frontages (between Crowley and Hurley). Also, included in this project are the full street improvements to Crowley Avenue (between Plaza and Neeley) and additional improvements called for by the City's stormwater and wastewater master plans. Improvements that are the City's responsibility (per the City's TIF program) will be funded out of Measure R Regional Sales Tax Fund (\$1.8 million) and the Stormwater Fund. The Measure R Funding was programmed for the City's CIP project. The developer's contribution for this project is estimated to be \$323,000 (improvements identified by the TIF program as being the developer's responsibility).

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 \_\_\_\_\_  
(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

Several advantages to having the developer construct this portion of the City's Plaza Drive improvements are listed below:

- The City is able to take advantage of the current competitive bidding climate
- Construction for this section of Plaza is completed at one time with minimal disruption to the public
- This portion of the City's project will be constructed 18 months sooner.

**Reimbursement Agreement**

Staff recommends that City Council authorize the City Manager to execute the reimbursement agreement subject to City Attorney approval as to form. In accordance with adopted Resolution No. 2008-58 (adopting the revised transportation impact fee program), the City will reimburse the Developer for a portion of the improvements made to Arterial or Collector streets and for some right-of-way dedications.

This project will include the installation of full-width street improvements on Plaza Drive, (between Hurley and Crowley Avenues) complete full-width street improvements to the west portion of Crowley Avenue (between Plaza Drive and Neeley Street) and install traffic signals and associated improvements at the intersection of Crowley Avenue and Plaza Drive. This project also includes storm drainage master planned improvements, sanitary sewer over-sizing, median and median landscaping, and street lights. The following table summarizes the project's revenues and expenditures related to the development impact fee program:

<b>Plaza Business Park</b>		
<b>Development Impact Fee Component</b>	<b>Revenues</b>	<b>Expenditures</b>
Estimated Transportation Impact Fee (TIF) to be Paid*	\$ 2,209,679	
Total to Date TIF Paid by Project	\$ 211,416	
Total Right-of-Way Acquisition Cost		\$ 542,282
Total Estimated Arterial/Collector Construction Costs		\$ 1,246,758
Total Storm Drain Master Plan Improvements		\$ 552,454
Total Sanitary Sewer Over-sizing		\$ 2,847
<b>Total TIF Revenues/Expenditures:</b>	<b>\$ 2,421,095</b>	<b>\$ 2,344,341</b>
<b>Estimated TIF Revenue less Expenditures:</b>	<b>\$76,754</b>	

\*Note: Impact Fees are fees charged to a developer on a project and are not collected until building permits are pulled. Staff anticipates receiving the fees associated with this project over a ten to fifteen year span.

The reimbursement agreement for Tentative Parcel Map 2008-03 was reviewed by the Development Reimbursement Review Committee (DRRC) on April 1, 2009. The DRRC is comprised of staff from the Public Works and Finance Departments. The DRRC reviewed the reimbursement agreement to ensure that the costs are reasonable as compared to the City's costs for comparable capital projects and also compared to a unit construction cost schedule focused on the Visalia construction market prepared for the City by an engineering consultant.

**Final Map for Tentative Parcel Map No. 2008-03**

Staff recommends that the City Council authorize the recordation of the final map for Tentative Parcel Map 2008-03 containing seven parcel that are zoned as Business Research Park. Tentative Parcel Map 2008-03 includes a land division of an existing 8.27 acre remainder parcel

of PM 4901, located west of Plaza Drive (between Crowley and Hurley Avenues) into three parcels with a 4.41 acre remainder parcel. It also includes a land division of 17.83 acres of Parcel 3 of PM 4325, (located east of Plaza Drive between Crowley and Hurley Avenues) into four parcels with an 11.80 acre remainder parcel. On May 5, 2008, Council authorized recordation of Parcel 1 of PM 4901, currently being developed by Fresno Pacific University and located at the northeast corner of Neeley Street and Crowley Avenue. The Planning Commission approved this Tentative Map on February 25, 2008.

***Landscape & Lighting District No. 08-04, Plaza Business Park***

Staff recommends that City Council adopt Resolution No. 2009-11 Initiating Proceedings to amend Assessment District No. 08-04, Plaza Business Park; adopt the Engineer's Report as submitted; and adopt Resolution No. 2009-12 confirming the Engineer's Report, ordering the improvements and levying the annual assessments.

Landscape & Lighting District No. 08-04 was adopted by Council on May 5, 2008 and was formed for all of the area that comprises the proposed Plaza Business Park. The District consisted of the Fresno Pacific parcel, the remainder parcel on the west side of Plaza and also the two existing parcels on the east side of Plaza Drive (north and south of Hurley). Only the Fresno Pacific parcel was assessed at the time of adoption. The amendment is to include the other parcels created within the District. The assessment is based on parcel size so that the creation of any new parcels will pay a respective share of the total assessment. This structure will allow the District to operate and be solvent with or without the development of the other parcels.

In the past the City of Visalia has allowed the developers of subdivisions to form assessment districts under the Landscape and Lighting Act of 1972, and now under Proposition 218, districts may be formed (in-lieu of using homeowners associations) for the maintenance of common features such as landscaping, irrigation systems, street lights, trees on local streets and pavement 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.

**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.

On September 7, 2004, Council approved the Street Maintenance Assessment Policy establishing guidelines and processes for placing street maintenance costs into assessment districts.

CEQA document 2007-96 was adopted per City Council Resolution 2008-28.

**Committee/Commission Review and Actions:**

On February 25, 2008, Planning Commission approved Tentative Parcel Map 2008-03. The tentative map will expire on February 25, 2010.



On October 22, 2007, Planning Commission approved Conditional Use Permit No. 2007-36 allowing a two-phased building of a private college classroom for Fresno Pacific University.

On April 1, 2009, the Developer Reimbursement Review Committee reviewed and recommended for approval the reimbursement agreement for the reimbursable public improvements associated with Phase 1 of the Plaza Business Park.

**Alternatives:** N/A

**Attachments:** Location Map; Owner Disclosure; Final Parcel Map; Resolution Initiating Proceedings; Clerk’s Certification; Resolution Ordering the Improvements; Exhibits “A”, “B”, “C”, “D”

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

“I hereby move to authorize the recordation of the Final Map for Tentative Parcel Map 2008-03, and to authorize the City Manager to execute the Subdivision and Reimbursement Agreement, subject to City Attorney approval as to form.”

“I further move to adopt Resolution No. 09-11 Initiating Proceedings to amend Assessment District No. 08-04, Plaza Business Park; adopt the Engineer’s Report as submitted; and adopt Resolution No. 09-12 confirming the Engineer’s Report, ordering the improvements and levying the annual assessments.”

**Copies of this report have been provided to:**

***Environmental Assessment Status***

**CEQA Review:**

Required?	Yes	X	No	Mitigated Negative Declaration City’s CIP Plaza Drive Project (October 2006)
				Mitigate Negative Declaration for Plaza BRP (October 2007)

Review and Action: Prior:  
Required:

**NEPA Review:**

Required?	Yes	X	No	Finding of No Significant Impact (October 2006)
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Review and Action: Prior:  
Required:

RESOLUTION NO. 09-11

RESOLUTION INITIATING PROCEEDINGS TO AMEND  
ASSESSMENT DISTRICT 08-04  
PLAZA BUSINESS PARK  
(Pursuant to Landscape and Lighting Act of 1972)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council proposes to amend 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 street lights, pavement on local streets, and any other applicable equipment or improvements.
2. The district shall remain designated as Assessment District No. 08-04, City of Visalia, Tulare County, California, and shall include the land shown on the map designated "Assessment Diagram, Assessment District No. 08-04, City of Visalia, Tulare County, California", which is on file with the City Clerk and is hereby approved and known as "Plaza Business Park".
3. The City Engineer of the City of Visalia is hereby designated engineer for the purpose of these 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. 08-04  
PLAZA BUSINESS PARK  
(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. 08-04, City of Visalia, Tulare County, California" confirmed by the City Council of the City of Visalia on the 6th day of April, 2009 by its Resolution No. 09-\_\_\_\_\_

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

RESOLUTION NO. 09-12

RESOLUTION ORDERING IMPROVEMENTS FOR  
ASSESSMENT DISTRICT NO. 08-04  
PLAZA BUSINESS PARK  
(Pursuant to the Landscape & Lighting Act of 1972)

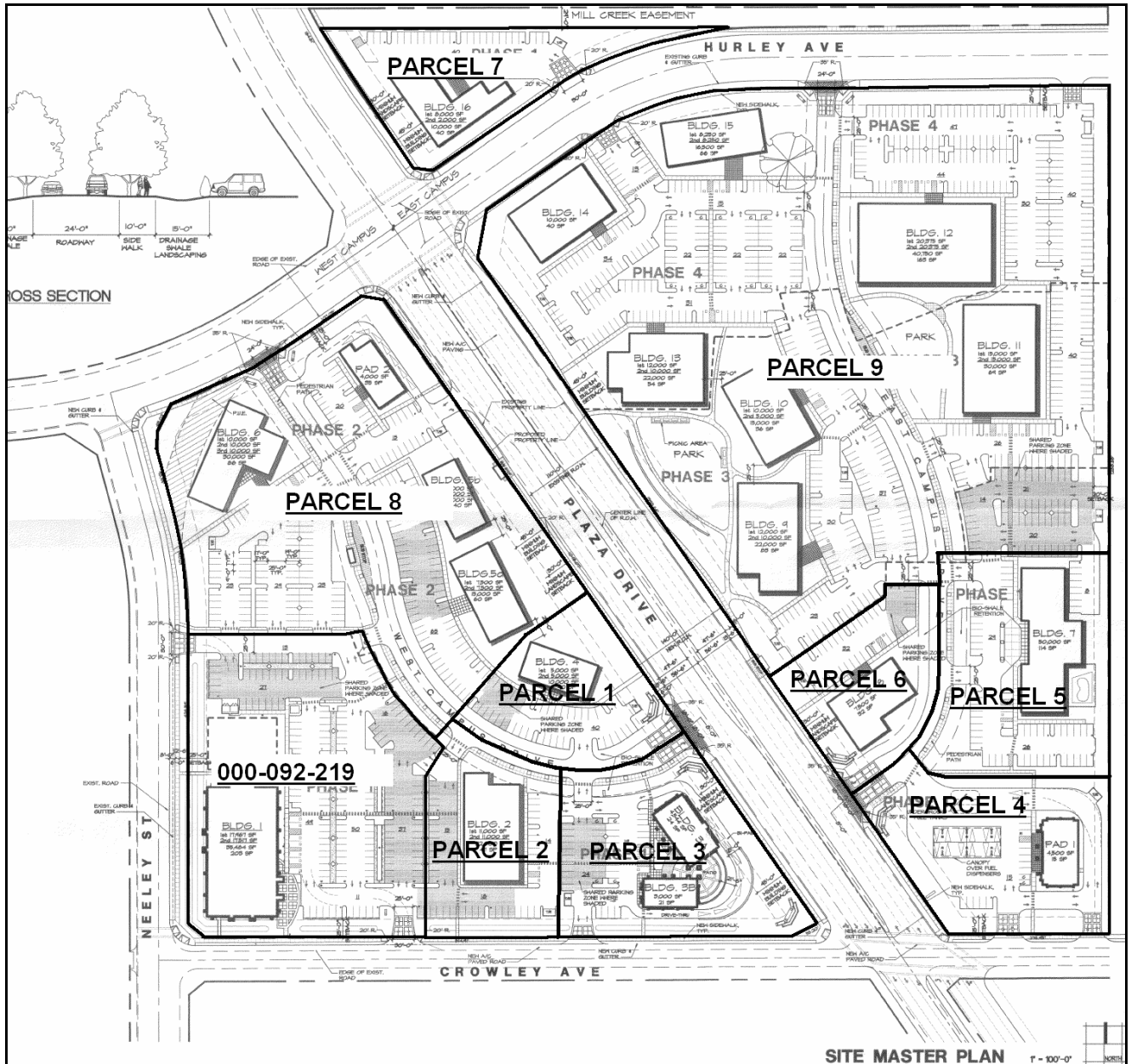
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council adopted its Resolution Initiating Proceedings for Assessment District No. 08-04, City of Visalia, Tulare County, California, and directed the preparation and filing of the Engineer's Report on the proposed amendment.
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 amendment of said 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 amendment of the assessment district described in the Resolution Initiating Proceedings and in the Engineer's Report.
5. The City Council hereby confirms the diagram and the assessment contained in the Engineer's Report and levies the assessment for the fiscal year 2009-10.
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 - Street Light Location Diagram
    - Exhibit C - Tax Roll Assessment
    - Exhibit D - Engineer's Report

PASSED AND ADOPTED

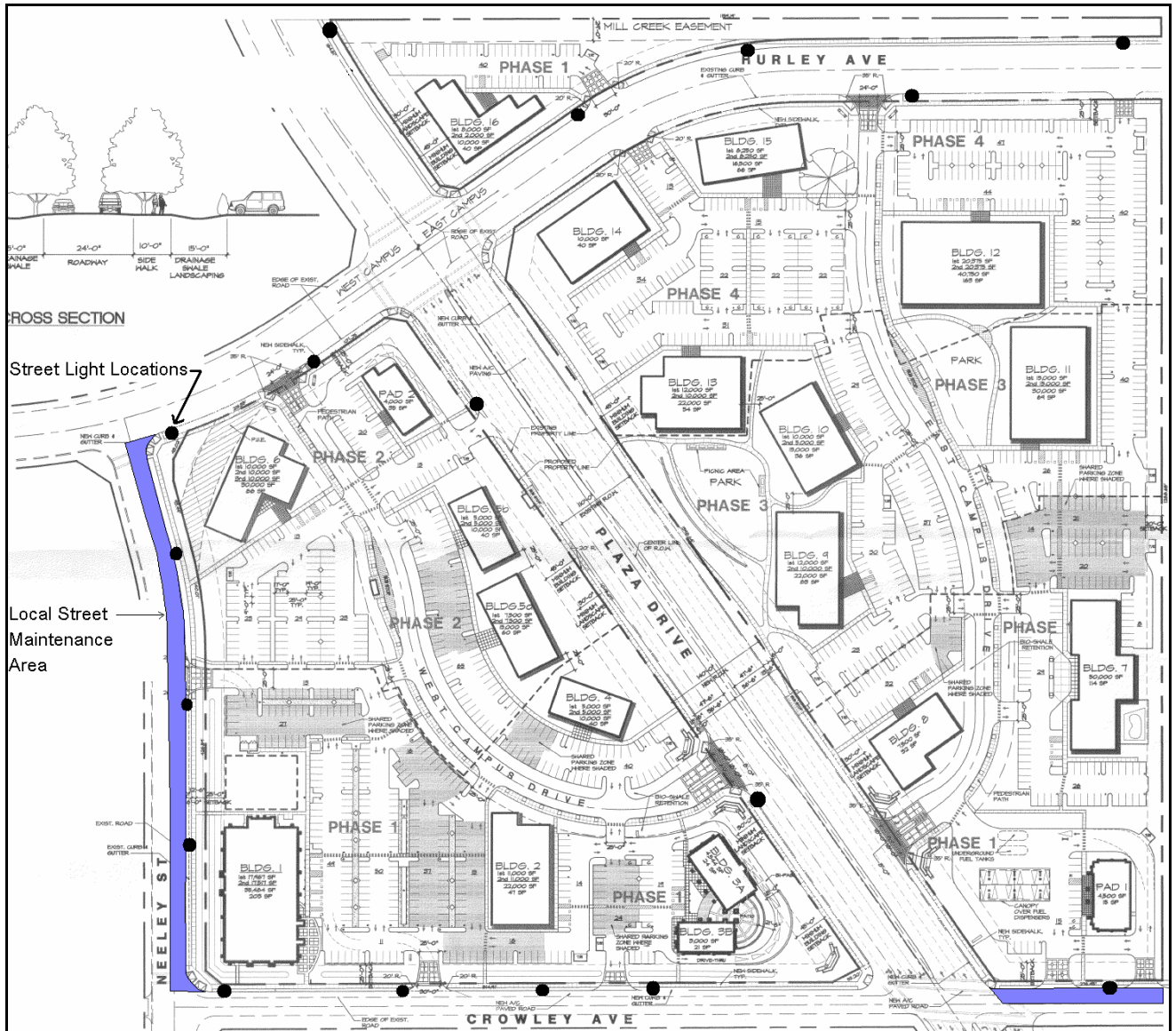
# Exhibit "A"

## Assessment Diagram Assessment District No. 08-04 City of Visalia, Tulare County, California



# Exhibit "B"

## Street Light Locations Assessment District No. 08-04 City of Visalia, Tulare County, California



**PLAZA BUSINESS PARK**

**Exhibit "C"**

Tax Roll Assessment  
Assessment District No. 08-04  
Plaza Business Park  
Fiscal Year 2008-09

<u>APN #</u>	<u>Assessment</u>	<u>Lot #</u>	<u>District</u>
000-092-219	\$922.71	08-0401	Plaza Business Park
To Be Assigned	\$0.00	08-0402	Plaza Business Park
To Be Assigned	\$0.00	08-0403	Plaza Business Park
To Be Assigned	\$516.72	08-0404	Plaza Business Park
To Be Assigned	\$292.03	08-0405	Plaza Business Park
To Be Assigned	\$306.63	08-0406	Plaza Business Park
To Be Assigned	\$461.40	08-0407	Plaza Business Park
To Be Assigned	\$404.35	08-0408	Plaza Business Park
To Be Assigned	\$559.87	08-0409	Plaza Business Park
To Be Assigned	\$305.36	08-0410	Plaza Business Park

## **Exhibit "D"**

Engineer's Report  
Assessment District No. 08-04  
Plaza Business Park  
Fiscal Year 2008-09

### General Description

This Assessment District (District) is located east and west of Plaza Drive, north of Crowley Avenue. Exhibit "A" is the Assessment Diagram for Assessment District 08-04. This District includes the maintenance of pavement on local streets, street lights and any other applicable equipment or improvements. The total number lots within the district are 20.

### Determination of Benefit

The street lights provide safety and visual impressions for the area. 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 street lights 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. Because of the large variation in size of each building relative to the lot frontage and parcel size, each lot will be apportioned based on its net site square footage. All lots within the District are part of a single business park master plan and will benefit proportionally from the public street lights located around the perimeter. All lots will also benefit proportionally from the adjoining local streets that provide circulation around the business park.

### Estimated Costs

The estimated costs to maintain the District includes the costs to maintain street lights, 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  
Assessment District No. 08-04  
Plaza Business Park  
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.	0	\$0.180	\$0.00
Shrub Area	Sq. Ft.	0	\$0.180	\$0.00
Water	Sq. Ft.	0	\$0.050	\$0.00
Electricity	Sq. Ft.	0	\$0.008	\$0.00
Trees In Landscape Lots	Each	0	\$25.00	\$0.00
Trees In Local Street Parkways	Each	121	\$25.00	\$3,025.00
Street Lights	Each	18	\$105.00	\$1,890.00
Chip Seal (15 year cycle)	Sq. Ft.	27,960	\$0.190	\$354.16
Crack Seal ( 8 year cycle)	Sq. Ft.	27,960	\$0.02933	\$102.52
Reclamite (6 year cycle)	Sq. Ft.	27,960	\$0.0211110	\$98.38
Overlays (10 year cycle)	Sq. Ft.	27,960	\$0.65	\$1,817.40
Project Management Costs	Lots	19	\$18.00	\$342.00
TOTAL				\$7,629.46
10% Reserve Fund				\$762.95
GRAND TOTAL				<b>\$8,392.40</b>
COST PER SQ. FOOT				<b>\$0.00649</b>
<b><u>West Campus</u></b>	<b><u>Sq. Footage</u></b>			<b><u>Proportional Assessment</u></b>
APN:000-092-219	142,145			\$922.71
Parcel 1	44,988			\$292.03
Parcel 2	47,237			\$306.63
Parcel 3	71,080			\$461.40
Parcel 8	198,395			\$1,287.84
<b><u>East Campus</u></b>				
Parcel 4	62,291			\$404.35
Parcel 5	86,249			\$559.87
Parcel 6	47,042			\$305.36
Parcel 7	79,602			\$516.72
Parcel 9	513,838			\$3,335.48
TOTAL	1,292,867			

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:

$$A_{max} \text{ for any given year "n"} = (\$8,392.40) (1.05)^{(n-1)}$$

## Exhibit "D"

Engineer's Report  
Assessment District No. 08-04  
Plaza Business Park  
Fiscal Year 2008-09

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.

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 \$9,147.72 [a 9% increase over the base year estimated cost of \$8,392.40]. The maximum annual assessment for year four is \$9,715.25 [ $A_{\max} = (\$8,392.40) (1.05)^{(4-1)}$ ]. The assessment will be set at \$9,147.72 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 \$9,483.41 [a 7% increase over the previous year assessment and a 13.0% increase over the base year estimated cost of \$8,392.40]. 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 \$189.67 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 \$9,715.25 [ $A_{\max} = (\$8,392.40) (1.05)^{(4-1)}$ ]. The year four assessment will be set at \$9,483.41 plus the deficit amount of \$189.67 which equals \$9,673.08 [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 \$9,147.72 [a 9% increase over the base year assessment of \$8,392.40] and damage occurred to the masonry wall raising the year five expenses to \$11,160.21 [a 22% increase over the previous year assessment]. The year five assessment will be capped at \$10,062.49 (a 10% increase over the previous year) and below the maximum annual assessment of \$10,201.01 [ $A_{\max} = (\$8,392.40) (1.05)^{(5-1)}$ ]. The difference of \$1,097.72 is recognized as a deficit and will be

**Exhibit "D"**

Engineer's Report  
Assessment District No. 08-04  
Plaza Business Park  
Fiscal Year 2008-09

carried over into future years' assessments until the masonry wall repair expenses are fully paid.

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.

---

Date

# City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7i

**Agenda Item Wording:** Authorization to direct the City Attorney to draft the appropriate amendment to Ordinance 07-13 to suspend any Council salary increases slated to go into affect during the 2009-2010 budget year.

**Deadline for Action:** N/A

**Submitting Department:**

**Contact Name and Phone Number:** Council Member Greg Collins

### Department Recommendation

It is recommended that the Council direct the City Attorney to draft the appropriate documentation to suspend the Councilmember salary increases slated to go into affect during the 2009-2010 budget year.

### Department Discussion

Given that the Council is asking employees to forego compensation increases in 2009-2010, Council Member Greg Collins is asking the City Council to consider taking a similar action with regards to the salary increases that would be due any Council Members elected in November, 2009. The increase suspension would only be for the 2009-2010 budget year. Any further suspension would take additional Council action.

In June, 2007, at the recommendation of the Citizens Advisory Committee, the City Council approved the first increase to Council compensation since 1991. The Council salaries were raised from \$500 to \$800, with the elimination of a \$60 stipend. In addition, an automatic inflator that is compounded annually based on the California Consumer Price Index (CPI) was added. According to the current ordinance, after the November, 2009 election, the three newly elected Council Members would be eligible for \$800, plus an automatic compounded inflator based on the California CPI. Based on the California CPI for 2007 and 2008, the increase would be approximately \$26.40 (3.3%) for 2007 and \$28.93 (3.5%) for 2008 for a total of approximately \$855.32.

Since City Charter prohibits Council Members from raising their own salaries, only the Council members that were elected in November, 2007, (Council Members Link and Shuklian) receive the \$800. They will not receive any further increase unless they are reelected in 2011.

### For action by:

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

### For placement on which agenda:

Work Session  
 Closed Session

### Regular Session:

Consent Calendar  
 Regular Item  
 Public Hearing

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

### Review:

**Dept. Head** LBC 33009

**Finance**

**City Atty**

**City Mgr**

If the Council chooses to implement an ordinance that would eliminate the raises for the 2009-2010 budget year, the Council Members elected this November would receive a total of \$560/mo in compensation for the budget year, and the Council Members whose terms end in 2011 would continue to receive \$800.

In light of the fact that Council is asking employees to not accept the 4% raise that many are entitled to this budget year per the current contract, I am asking Council Members to accept the same limitations they are asking of staff.

**Prior Council/Board Actions:**

July 16, 2007 – Adopted new Council salary as recommended by the Citizens Advisory Committee.

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

<p><b>Recommended Motion (and Alternative Motions if expected):</b></p> <p>I move to authorize the City Attorney to draft the appropriate amendment to Ordinance 07-13 to suspend any Council salary increases slated to go into affect during the 2009-2010 budget year.</p>
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<p style="text-align: center;"><b><i>Environmental Assessment Status</i></b></p> <p><b>CEQA Review:</b></p> <p><b>NEPA Review:</b></p>
--

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

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7j

**Agenda Item Wording:** Authorization to submit letter signed by the Mayor submitting comments to the California High Speed Rail Authority for High-Speed Train alignment in the Tulare County region and subsequent station near Highway 99.

**Deadline for Action:** April 10, 2009

**Submitting Department:** Community Development

**Contact Name and Phone Number:**

Michael Olmos, Assistant City Manager, 713-4332  
Mario Cifuentez, Airport Manager, 713-4480  
Chris Tavarez, Management Analyst, 713-4540

**Recommendation:**

That the Mayor be authorized to submit a letter to the High Speed Rail Authority supporting a rail alignment and station stop along Highway 99.

**Background:**

In 2008 voters approved a bond that has enabled the High Speed Rail Authority (HSRA) to begin implementation of the proposed rail system from Northern California to Southern California.

The Central Valley portion of the High Speed Train system will most likely be one of the first segments built, and will be utilized as the "trial" segment for equipment and operations. Currently the HSRA is in process of the scoping portion for the Environmental Impact Report (EIR) for the Merced-to-Bakersfield section of the proposed High-Speed Train (HST) system. The HSRA is accepting comments on the project that will be considered in the EIR process.

The EIR process is to explore in a public setting the effects of the proposed project on the physical, human, and natural environment. On March 24<sup>th</sup> the HSRA held a public scoping meeting at the Visalia Convention Center. Impact areas to be addressed include "transportation impacts; safety and security; land use and zoning; land acquisition, displacements, and relocations; agricultural land impacts; cumulative and secondary impacts; cultural resource impacts, including impacts on historical and archaeological resources and parklands/recreation areas; neighborhood compatibility and environmental justice; and natural resource impacts including air quality, wetlands, water resources, noise, vibration, energy, wildlife and ecosystems, including endangered species". Measures to avoid, minimize, and mitigate adverse impacts will be identified and evaluated. The public comment period is scheduled to close on April 10, 2009.

**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 \_\_\_\_\_ 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 Attorney Review.

City staff has met several times in recent months with representatives of URS Corporation, consultants on the high speed train system for HSRA. We have discussed the growing regional interest in the high speed train project, especially in potential station locations in our region. We are also discussing preparation of transit oriented development (TOD) concept plans for a station location(s) in our region.

The City has remained actively engaged with the HSRA and their consultants in their work to choose a rail alignment and station location to serve the Tulare-Kings County region. Other affected jurisdictions, including the City of Tulare, County of Tulare and Tulare County Association of Governments (TCAG) are becoming more engaged in the process and a strong regional collaboration is taking shape.

City staff met recently with representatives from TCAG, City of Tulare, and the County to establish ideas for regional support of recommending an alignment in Tulare County near Highway 99 as an optimal alignment for a station location, though the importance of the an alignment that establishes the possibility of a station location in the Tulare/Kings County area is the foremost priority.

TCAG will be voting on a letter to be drafted to the High Speed Rail Authority at their April 2009 meeting to express support for an alignment in Tulare or Kings County and support for a station in our area. The intent is to express the support of an alignment that would support a future station site at least in the Hanford-Visalia-Tulare area with a high recommendation to look at Visalia-Tulare as the optimal sites.

Attached is a draft letter to be sent to the High-Speed Rail Authority to express the City of Visalia's strong support for an alignment and future station site near Visalia possibly inside the City's Urban Development Boundary. Staff seeks input from Council on the draft letter and authorization for the Mayor to sign the final letter to be sent to the High Speed Rail Authority before the public comment period for the current phase of the project ends on April 10, 2009.

**Prior Council/Board Actions:**

n/a

**Attachments:**

'A' – Copy of Notice of Preparation of a Project Environmental Impact Report  
Draft Letter of Support to High-Speed Rail Authority

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

I move to authorize the mayor to sign the letter of support to be submitted during the EIR scoping process by April 10, 2009 to the High-Speed Rail Authority to express the City of Visalia's strong support for a rail alignment that would accommodate a future station site in the Tulare-Kings Region near Highway 99.



***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*)  
none

Copies of this report have been provided to:



## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

SCH 2009021107

### NOTICE OF PREPARATION

**FROM:** Mehdi Morshed  
Executive Director  
California High-Speed Rail Authority  
925 L Street, Suite 1425  
Sacramento, CA 95814

**SUBJECT:** Notice of Preparation of a Project Environmental Impact Report / Environmental Impact Statement (EIR/EIS) for a Merced to Bakersfield High-Speed Train system

The California High-Speed Rail Authority (Authority), as the Lead Agency for the California Environmental Quality Act (CEQA) process for a proposed California High-Speed Train (HST) system, is issuing this Notice of Preparation of a Project EIR/EIS for the Merced to Bakersfield section of the proposed HST system.

This NOP initiates the State CEQA process and the preparation of an Environmental Impact Report/Environmental Impact Statement for the Merced to Bakersfield section of the proposed California High-Speed Train System. The Authority is issuing this NOP to solicit public and agency input into the development of the scope of the EIR and to advise the public that outreach activities will be conducted by the Authority and its representatives in the preparation of the combined EIR/EIS. The Federal Railroad Administration (FRA), an operating administration with the United States Department of Transportation, will serve as federal lead agency for the federal environmental review process complying with the National Environmental Policy Act (NEPA). The FRA has responsibility for oversight of the safety of railroad operations, including the safety of any proposed high-speed train system. The FRA will publish a Notice of Intent (NOI) in the *Federal Register*, announcing the agency's intention to initiate the federal environmental review process for this section of the HST project.

The Authority and the FRA completed a Final Statewide Program EIR/EIS in August 2005 as the first-phase of a tiered environmental review process for the proposed California HST system. The Authority and the FRA completed a second program EIR/EIS in July 2008 to identify a preferred alignment for the Bay Area to Central Valley section of the HST system. The Bay Area to Central Valley HST Program EIR/EIS identified a preferred alternative through the Pacheco Pass with San Francisco and San Jose termini, as well as preferred corridor alignments and station location options. The alignment selected with the second program EIR/EIS uses the Union Pacific (UPRR) railroad corridor through the portion of the Central Valley studied (just north of Madera to just south of Stockton). The Burlington Northern Santa Fe (BNSF) is the preferred alignment from Madera to Bakersfield, as selected with the Statewide Program EIR/EIS. Tiering from the two program EIR/EISs, the Authority and the FRA will prepare a project EIR/EIS for the Merced to Bakersfield section of the HST.

**DATES:** Written comments on the scope of the Merced to Bakersfield HST project EIR/EIS should be provided to the Authority at the earliest possible date but not later than April 10, 2009. Public scoping meetings are scheduled from March 18 to March 26, 2009 as noted below.

**ADDRESSES:** Written comments on the scope should be sent to Ms. Carrie Pourvahidi, Deputy Director, ATTN: Merced to Bakersfield HST Project EIR/EIS, California High-Speed Rail Authority, 925 L Street, Suite 1425, Sacramento, CA 95814, or via email with subject line "Merced to Bakersfield HST" to: [comments@hsr.ca.gov](mailto:comments@hsr.ca.gov). Comments may also be provided orally or in writing at the scoping meetings.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carrie Pourvahidi at (916) 324-1541 or at the above noted address.

**SUPPLEMENTARY INFORMATION:** The California High-Speed Rail Authority (Authority) was established in 1996 and is authorized and directed by statute to undertake the planning and development of a proposed statewide HST network that is fully coordinated with other public transportation services. The Authority adopted a Business Plan in June 2000, which reviewed the economic feasibility of an 800-mile-long HST system capable of speeds in excess of 200 miles per hour on a dedicated, fully grade-separated state-of-the-art track. The Authority released an updated Business Plan in November 2008.

In 2005, the Authority and FRA completed a Final Program EIR/EIS for the Proposed California High-Speed Train System (Statewide Program EIR/EIS), as the first phase of a tiered environmental review process. The Authority certified the Final Program EIR under CEQA and approved the proposed HST System, and FRA issued a Record of Decision under NEPA on the Federal Program EIS. This statewide program EIR/EIS established the purpose and need for the HST system, analyzed an HST system, and compared it with a No Project/No Action Alternative and a Modal Alternative. In approving the statewide program EIR/EIS, the Authority and the FRA selected the HST Alternative, selected certain corridors/general alignments and general station locations for further study, incorporated mitigation strategies and design practices, and specified further measures to guide the development of the HST system in site-specific project environmental review to avoid and minimize potential adverse environmental impacts. In the subsequent Bay Area to Central Valley HST Final Program EIR/EIS, the Authority and FRA selected the Pacheco Pass alternative to connect the Bay Area to the Central Valley.

The Merced to Bakersfield HST Project EIR/EIS will tier from the Final Statewide Program EIR/EIS and the Final Bay Area to Central Valley HST Program EIR/EIS in accordance with Council on Environmental Quality (CEQ) regulations, (40 CFR § 1508.28) and State CEQA Guidelines (14 C.C.R. §15168[b]). Tiering will ensure that the Merced to Bakersfield HST Project EIR/EIS builds upon all previous work prepared for and incorporated in the Statewide Program EIR/EIS and the Bay Area to Central Valley HST Program EIR/EIS.

The Project EIR/EIS will describe site-specific environmental impacts, will identify specific mitigation measures to address those impacts and will incorporate design practices to avoid and minimize potential adverse environmental impacts. The FRA and the Authority will assess the site characteristics, size, nature, and timing of proposed site-specific HST project sections to determine whether the adverse impacts are potentially significant and whether adverse impacts can be avoided or mitigated. This and other project EIR/EISs will identify and evaluate reasonable and feasible site-specific alignment alternatives, and evaluate the impacts from construction, operation, and maintenance of the HST system. Information and documents regarding this HST environmental review process will be made available through the Authority's Internet site: <http://www.cahighspeedrail.gov/>.

**Project Objectives/Purpose and Need:** The purpose of the proposed HST system is to provide a new mode of high-speed intercity travel that would link major metropolitan areas of the state; interface with international airports, mass transit, and highways; and provide added capacity to meet increases in intercity travel demand in California in a manner sensitive to and protective of California's unique natural resources. The need for a HST system is directly related to the expected growth in population, and increases in intercity travel demand in California over the next twenty years and beyond. With the growth in travel demand, there will be an increase in travel delays arising from the growing congestion on California's highways and at airports. In addition, there will be negative effects on the economy, quality of life, and air quality in and around California's metropolitan areas from a transportation system that will be come less reliable as travel demand increases. The intercity highway system, commercial airports, and conventional passenger rail serving the intercity travel market are currently operating at or near capacity, and will require large public investments for maintenance and expansion to meet existing demand and future growth.

**Alternatives:** Merced to Bakersfield HST Project EIR/EIS will consider a No Action or No Project Alternative and a HST Alternative for the Merced to Bakersfield corridor.

**No Action Alternative:** The No Action Alternative (No Project or No Build) represents the conditions in the corridor as it existed in 2007, and as it would exist based on programmed and funded improvements to the intercity transportation system and other reasonably foreseeable projects through 2035, taking into account the following sources of information: State Transportation Improvement Program (STIP), Regional Transportation Plans (RTPs) for all modes of travel, airport plans, intercity passenger rail plans, and city and county plans.

**HST Alternative:** The Authority proposes to construct, operate and maintain an electric-powered steel-wheel-on-steel-rail HST system, about 800 miles long, capable of operating speeds of 220 mph on mostly dedicated, fully graded-separated tracks, with state-of-the-art safety, signaling, and automated train control systems. As part of the Bay Area to Central Valley HST Program EIR/EIS, the Authority and FRA selected the Union Pacific (UPRR) railroad alignment through the portion of the Central Valley studied (just north of Madera and just south of Stockton) as the preferred alternative. This Project EIR/EIS will also evaluate the BNSF railroad alignment in this part of the Central Valley because of the uncertainty of negotiating with the UPRR for some of their right-of-way and will continue investigation of alignments/linkages to a potential maintenance facility at Castle AFB. The preferred BNSF alignment from Madera to Bakersfield was selected in the Statewide Program EIR/EIS. As defined in the Statewide Program EIR/EIS, this alignment utilizes the UPRR corridor through the urban area of Fresno, and requires a new high-speed alignment around the city of Hanford. Alignment alternatives will also be evaluated to serve a potential station in the Visalia/Hanford/Tulare area. The HST would operate at speeds up to 220 mph in the Central Valley on tracks separate from the existing BNSF and UP. Further engineering studies to be undertaken as part of this EIR/EIS process will examine and refine alignments in the BNSF and UP corridors. The entire alignment would be grade separated from existing roadways. In addition, alternative sites for right-of-way maintenance, train storage facilities, and a heavy maintenance and repair facility will be evaluated in the Merced to Bakersfield HST project area. See Figure A for a map of the Merced to Bakersfield section of the HST system.

The three preferred station locations selected by the Authority and FRA through the Statewide Program EIR/EIS and Bay Area to Central Valley HST Final Program-Level EIR/EIS will be evaluated in the Merced to Bakersfield HST Project EIR/EIS. These stations are downtown Merced, downtown Fresno, and downtown Bakersfield. Alternative station sites at or near the selected locations may be identified and evaluated. A potential HST station to serve the Visalia/Hanford/Tulare area will also be evaluated in this Project EIR/EIS.

**Probable Effects:** The purpose of the EIR/EIS process is to explore in a public setting the effects of the proposed project on the physical, human, and natural environment. The FRA and the Authority will continue the tiered evaluation of all significant environmental, social, and economic impacts of the construction and operation of the HST system. Impact areas to be addressed include transportation impacts; safety and security; land use and zoning; land acquisition, displacements, and relocations and cumulative and secondary impacts; agricultural land impacts; cultural resource impacts, including impacts on historical and archaeological resources and parklands/recreation areas; neighborhood compatibility and environmental justice; natural resource impacts including air quality, wetlands, water resources, noise, vibration, energy, wildlife and ecosystems, including endangered species. Measures to avoid, minimize, and mitigate all adverse impacts will be identified and evaluated.

**Scoping and Comments:** The Authority encourages broad participation in the EIR/EIS process during scoping and review of the resulting environmental documents. Comments and suggestions are invited from all interested agencies and the public to insure the full range of issues related to the proposed action and all reasonable alternatives are addressed and all significant issues are identified. In particular, the Authority is interested in determining whether there are areas of environmental concern where there might be a potential for significant site-specific impacts. In response to this NOP, public agencies with jurisdiction are requested to advise FRA and the Authority of the applicable permit and environmental review requirements of each agency, and the scope and content of the environmental information that is

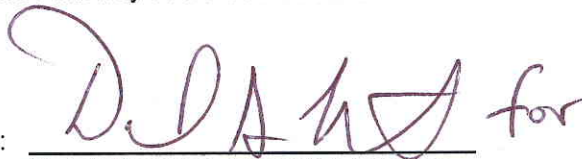
germane to the agency's statutory responsibilities in connection with the proposed project. Public scoping meetings have been scheduled as an important component of the scoping process for both the State and Federal environmental review. The scoping meetings described in this Notice will be advertised locally and included in additional public notification. Scoping meetings scheduled from 3:00 p.m. to 7:00 p.m. as follows:

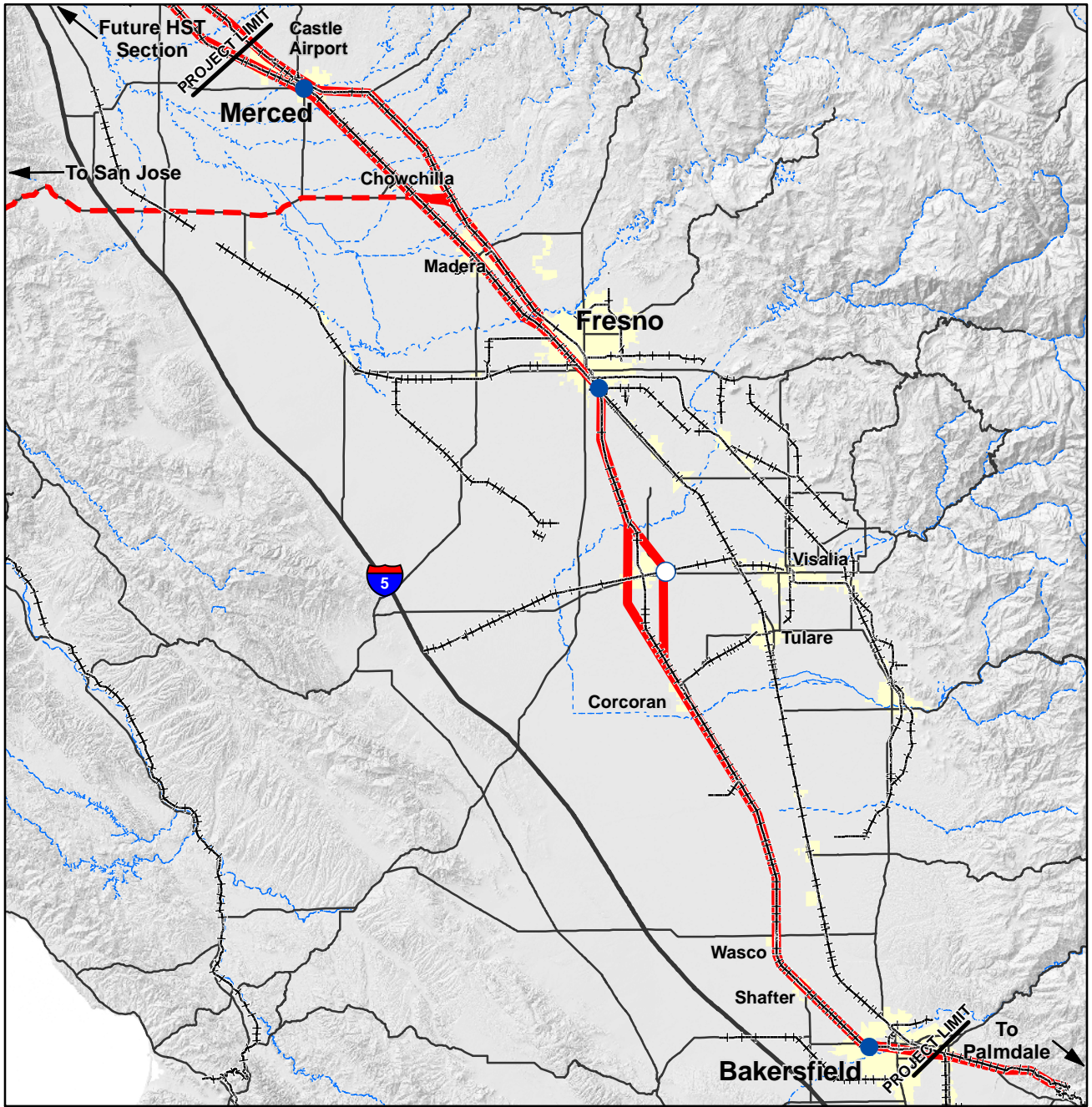
- March 18, 2009: Merced Community Senior Center, 755 W. 15<sup>th</sup> Street, Merced
- March 19, 2009: Madera County Fairgrounds, Madera, 1850 West Cleveland Avenue, Madera
- March 24, 2009: Visalia Convention Center 303 E. Acequia Avenue, Visalia
- March 25, 2009: Fresno Convention Center (Exhibit Hall), 848 M Street, Fresno
- March 26, 2009: Rabobank Theater, 1001 Truxtun Avenue, Bakersfield

Public agencies are requested to send their responses to this Notice of Preparation to the Authority at the earliest possible date but not later than April 10, 2009.

Please send your response and direct any comments or questions regarding this Project to Ms. Carrie Pourvahidi, Deputy Director of the California High-Speed Rail Authority at the address shown above.

Date: 02/23/09

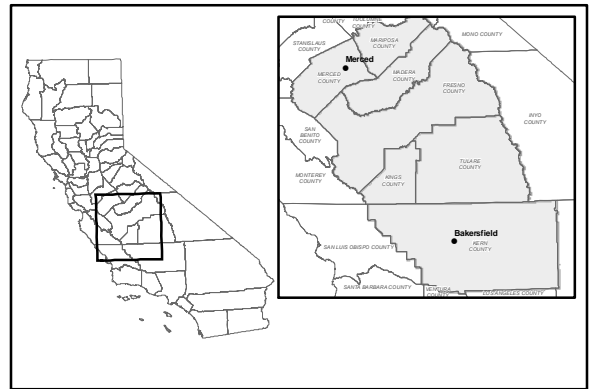
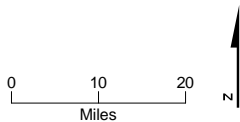
Signature:  for  
Mehdi Morshed, Executive Director



VICINITY MAP

LEGEND

- Preferred HST Station
- Potential Visalia/Hanford/Tulare Area HST Station
- HST Route Alternatives
- - - Link to Other HST Sections
- Interstate System
- State Route
- ++++ Railroad
- - - River
- County Line



**FIGURE A**  
**Merced to Bakersfield HST**  
**Project Section**

April 6, 2009

High Speed Rail Authority  
Attention: Merced to Bakersfield, California High- Speed Rail Authority  
925 L Street, Suite 1425  
Sacramento, CA 95814

SUBJECT: EIR - Merced to Bakersfield HST Scope Comments

Dear Ms. Carrie Pourvahidi,

The City of Visalia extends its greetings to the High-Speed Rail Authority and wishes to express our strong support for the development of a High-Speed Train in our region. We would like to urge strong consideration of a high-speed train alignment in the Tulare-Kings County region that could accommodate a future station along the Highway 99 corridor. The City of Visalia believes a future station location near Highway 99 and in the Tulare-Kings County region will most effectively serve the highest number of residents in our area and the City urges the HSRA to adopt an alignment to facilitate a station site.

An alignment along the 99 corridor has broad support in the Tulare County region and the cities of Visalia and Tulare have expressed their desire to work with the Authority to make an alignment and future station in Tulare County a reality. Our City has joined in cooperative efforts with other agencies in our County to support high-speed train development in our region. The cities of Visalia and Tulare have possible station locations in their growth boundaries under alternative alignments for a high-speed train as outlined by the Authority in their report titled 'Visalia-Tulare-Hanford Station Feasibility Study' dated August 1, 2007.

An alignment and station within Tulare County and along the State Route Highway 99 corridor is supported by (but not limited to) the following reasons:

#### Transportation Impacts / Social Justice

- Visalia is the central urban area in the mid San Joaquin Valley between Fresno and Bakersfield, smaller city residents in Tulare, Kings and even southern Fresno County are accustomed to traveling to Visalia for a broader range of services and resources.

- Approximately 63% of the county's population consists of non-white state minority groups (US Census Bureau). Nearly 44% of the County's population speaks a language other than English at home.
- Nearly 62% of the county's population graduated high school versus 77% statewide and only about 11% have a Bachelor's Degree or higher compared to 26% statewide (US Census Bureau).
- Visalia has several public and private junior colleges and four-year colleges (and satellite campuses) that could benefit from high speed rail access.
- High speed rail would provide an affordable means to travel in California and will provide access to medical care, education, training and jobs to an underserved portion of California's population.
- Tulare County's population is over 430,000 and the population of Kings County is over 150,000, a station site nearest the highest regional population will attract the most users
- The Visalia/Tulare area has the largest populated urban area in the Tulare/Kings region with over 180,000 residents and is projected to be one of the fastest growing areas in California. The US Census Bureau estimates Tulare County grew 14.5% near double the state growth rate percentage of 7.9% from 2000 - 2007.
- The CA Department of Finance projects that in the year 2050, Tulare County will have over 1 million residents and Kings County will have over 350,000 residents.
- Residents in the region will be attracted to high-speed train use. Nearly 24% of Tulare County's population lives in poverty and many lack a safe and affordable way to travel throughout the state (US Census Bureau). The median income for the County is \$40,444, 32% below the state median income (2007 data).
- A 2007 Light Rail Feasibility Study was prepared by the Tulare County Association of Governments for system from Visalia to Tulare area that would link both cities. Tulare County has plans to look further towards development of a light rail system by as soon as 2030 in order to enhance the mobility of county residents. This proposed light rail system would help support the use of a high-speed rail system.

#### Land Use and Zoning / Land Acquisition

- The City Council of Visalia is willing to provide support and offer flexibility in local plans and zoning to support an alignment and station near Visalia.
- The City of Visalia owns some land that is available along one of the alternative alignments along Highway 99. Specifically, the City owns approximately 900 acres on the west side of Highway 99 and the Union Pacific Railroad line. This land contains the City's Wastewater Treatment Plant and agricultural uses. The City will make available up to 5 acres for a station site and rail line approaches on this property.
- The cities of Visalia and Tulare are centrally located along Highways 99 and 198 and will provide convenient station access for the entire region.



- Tulare County is a self-help region and has a mechanism to support transit development to the station (Measure R).

### Natural Resource Impacts

- Most alignment options in Tulare County impact fewer acres of farm land would be taken, which results in a lower overall disruption of farmland (Feasibility Study 8-1-07).
- Several alignment options in Tulare County pose the least threat to sensitive habitats (Feasibility Study 8-1-07).

### Air Quality / Resource Conservation

- The Southern San Joaquin Valley is continually challenged by poor air quality. Vehicle emissions comprise a high percentage of noxious chemicals that adversely affect our local air quality. The high-speed train will be a viable and attractive alternative to vehicle travel and has great potential to beneficially influence air quality. However, to do so, train stations must be located at sites that are accessible to and convenient for the greatest number of potential riders.
- In the Tulare-Kings region, the population is primarily concentrated on the east side of the San Joaquin Valley, in Tulare County (see attached population distribution map). A station site near Hanford, in Kings County, is least convenient to the majority of the regional population. Conversely, a station near Highway 99, in Tulare County, is convenient and accessible to the greatest amount of population in Tulare County, in addition to being accessible to population clusters in southern Fresno County and northern Kern County.
- Regional population clusters will be able to conveniently access a station along Highway 99 via Highway 198, Highway 99, Visalia Transit System, Tulare County and Kings County Transit systems, Visalia Airport, and planned future regional rapid bus and light rail systems. Therefore, to achieve the greatest benefit to regional air quality, the high-speed train alignment should facilitate a station location along the Highway 99 corridor in Tulare County.

A station along Highway 99 would provide a centralized location for cities within a 30 mile radius, easy freeway access, closest to the largest population clusters, help improve air quality and offer a convenient location that would offer residents of the surrounding areas a desirable and the most convenient location for a high speed rail station. Due to the above reasons that show a wide range of issues that support a station in this region, an alignment that would suit a future site makes sense from several standpoints when considering the population to be served in our area. When considering the best alignment for this HST project that will serve the state of California for such a long period of time, the positive impacts of taking into consideration an underserved population such as in Tulare-Kings Counties will outweigh any short term impacts. The baseline alignment that is currently shown in HSRA studies does not take into full consideration our

region's population needs. Those needs can be met by making an alignment near the higher density of population to the east Central Valley and solidifying a plan for the implementation of a station along that alignment in a future phase of the HST system.

This letter represents our City's support for an alignment in our region that will recognize our social and economic underserved population that will incorporate a potential future station site in Visalia or within Tulare County to serve this distressed population. We look forward to working with the Authority in any way possible on establishing a high-speed rail alignment and station in our region. We urge the Authority to carefully consider the alignment options in the Merced to Bakersfield EIR and take note of the strong support from our City and our neighbors.

If we can be of any assistance or should you like further feedback please let us know. Our primary contact on this project is Mike Olmos, Assistant City Manager, who can be contacted at (559) 713-4332 or [molmos@ci.visalia.ca.us](mailto:molmos@ci.visalia.ca.us).

Sincerely,

Jesús Gamboa  
Mayor, City of Visalia

Attachments:  
Map of Population Distribution  
Map of City of Visalia property along Highway 99

## City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7k

**Agenda Item Wording:** Acknowledge acceptance of an FAA Grant Agreement (AIP 24) in the amount of \$85,500 to fund an Update of the Airport Layout Plan and to prepare a Pavement Management Plan for the Visalia Municipal Airport.

**Deadline for Action:** N/A

**Submitting Department:** Administration - Airport

**Contact Name and Phone Number:** Mario Cifuentez, II  
713-4480

### Department Recommendation

City Staff recommends that Council receive this update and acknowledge acceptance of the Grant Agreement in the amount of \$85,500. This grant was awarded to the City as part of the airport's annual Entitlement grant. This grant will fund the development of a Pavement Management Program as required by the FAA for all airports receiving grant funds. Additionally, the grant will fund an update to the Airport Layout Plan. These projects have already been approved as part of the City's Capital Improvement Program for the Airport.

### Summary/Background

In February, the Federal Aviation Administration (FAA) made a grant offer to the Visalia Airport in the amount of \$85,500 for the above referenced projects at the airport. Congress has not passed a reauthorization of funding for the Airport Improvement Program in over 2 years now. Under the continuing resolution, which provides funding, Visalia had less entitlement funding available than we would have if a reauthorization bill was already approved. The FAA had previously directed all airports to submit project applications based on what is available to airports under the continuing resolution currently in place. Once the FAA received a notification of available funding, they were able to issue Grant offers to airports under the condition that the grant recipients could execute the documents within a very short timeframe to secure funding. The grant was accepted and the funding secured. Pursuant to the FAA's policy of funding 95% of eligible projects, the airport's financial responsibility is \$4,275, which comes from airport revenues and has already been allocated to the airport's capital improvement program.

As a condition of receiving grant funding, the Federal Aviation Administration requests that each Sponsor have an Airport Pavement Management Plan on file in order to budget

### For action by:

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

### For placement on which agenda:

Work Session  
 Closed Session

### Regular Session:

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 10

### Review:

**Dept. Head** LBC33009  
(Initials & date required)

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

**City Mgr** \_\_\_\_\_  
(Initials Required)

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airfield pavement maintenance programs. The last Pavement Management Plan for Visalia Municipal Airport was conducted in 1999. This project includes a full pavement evaluation with a Pavement Management Plan. The Pavement Evaluation Study will be performed to determine the existing condition of the pavements at this airport, to determine the soil and pavement section design parameters, to determine the remaining pavement life of each section of pavement, and to determine whether the distress that leads to failure of the pavement is surface and/or deep seated.

The test program will consist of the following:

- Pavement Condition Survey covering 100 percent of the pavements, including a calculation of the Pavement Condition Index (PCI) of each section.
- Test Borings where necessary to determine the soil profile at all sections of pavement.
- Falling Weight Deflectometer Tests on all pavement sections to provide data on uniformity of strength of a section of pavement and to enable determination of modulus of elasticity (E) of each layer of pavement section and subsoil. This will be used as input in the Fatigue Analysis program to determine the remaining life of the pavement section under forecast traffic and to determine the pavement maintenance or reconstruction requirements to extend the life of the pavement section.
- Using the Fatigue Analysis Program to determine the remaining life of the section, the cause of pavement distress, and prepare a Pavement Management Plan outlining the type of maintenance or reconstruction required, the approximate date this maintenance or reconstruction should be performed, and the approximate cost.

The last airport layout plan for the Visalia Municipal Airport was prepared in 1997. Changes in potential airline service, business aircraft activity and other general aviation activity at the airport indicate a requirement to update the Airport Layout Plan.

The Airport Layout Plan will be updated pursuant to FAA guidelines will include:

- a) Airport Layout Plan Update indicating all existing and future improvements at the airport
- b) Pavement Management Report Update
- c) Airport/Airline Feasibility Study
- d) Terminal Building Feasibility Study
- e) Baseline Environmental Study

The existing terminal building is too small to accommodate the current passenger loads and accompanying individuals during peak operations. It is proposed to retain the services of a qualified architect to evaluate the existing terminal, the forecast needs of the terminal, and the required expansion of the terminal and to prepare costs for each phase of expansion for budgeting purposes. The Pavement Evaluation/Pavement Management Program was already funded as a part of this same grant agreement. The Baseline Environmental Study will include enough field investigation and record search to provide guidance in determining what type of environmental study will be required. It will also determine the items in the Airport Layout Plan that may be environmentally sensitive and provide an estimate of cost to complete the environmental assessment.

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

Council has routinely authorized the acceptance of annual FAA grant agreements in the same manner.

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:** FAA Grant Offer & FAA Terms and Conditions for acceptance of Grant Agreement

**Recommended Motion (and Alternative Motions if expected):**  
Move to Acknowledge acceptance of the Federal Aviation Administration Grant Agreement for AIP 24 funding the Update of the Airport Layout Plan and the preparation of a Pavement Management Program for the Visalia Municipal Airport.

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

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

## City of Visalia Agenda Item Transmittal

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 7I

**Agenda Item Wording:** Authorization for the City Manager to negotiate final details and sign the Task Agreement with the National Park Service to operate the third season of the internal Sequoia Shuttle service at a reimbursement level that will compensate the City for the cost.

**Deadline for Action:** April 6, 2009.

**Submitting Department:** Administration – Transit Division

**Contact Name and Phone Number:**  
Monty Cox 713-4591

**Department Recommendation:** It is recommended that the City Council authorize the City Manager to negotiate final details and sign the Task Agreement with the National Park Service, which is needed to operate the third season of the internal Sequoia Shuttle service at a reimbursement level that will compensate the City for the cost.

**Summary/background:** The City of Visalia and the officials at the Sequoia Kings Canyon National Park (NPS) are prepared to operate the Sequoia Shuttle under the same basic agreement as during the first two successful seasons. The City and NPS worked for several years to implement a shuttle service that included a Gateway shuttle from the Valley floor to the National Park, operated directly by the City of Visalia; and, an internal park shuttle, operated by the City of Visalia through a cooperative agreement with the NPS. The City is reimbursed for all actual costs and overhead.

In the process of working on the internal shuttle, it was determined that one of the obstacles to the internal shuttle was the cost; and that the City could provide the service at a significantly lower cost than if the NPS contracted separately for the service. This was made more evident when considering there could be some economies of scale and shared resources if the Gateway and internal shuttles were operated by a single agency. In 2004, Council authorized staff to work with the NPS on an agreement for the City to operate the internal shuttle, if it was found mutually beneficial; and, in March 2007, Council approved the Cooperative Agreement and Task Agreement between the City and NPS for this purpose. In May 2008 Council approved the Task Agreement for the second season.

**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** LBC 4209  
(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 Cooperative Agreement is a multi-year document that will remain in effect as long as the City and the NPS mutually agree to continue the service. Each year, the National Parks will negotiate a new Task Agreement. The current Task Agreement, which includes specific details and expectations regarding the operation of the internal shuttle, and which may change from year to year, is effective May 1, 2009 and extends through October 15, 2009. The NPS will reimburse the City of Visalia five equal monthly payments totaling the actual cost for the City to provide the service. In 2007 the seasonal amount was \$660,315 and in 2008 it totaled \$669,655. For the 2009 season it is estimated that approximately \$735,000 will be needed to operate the internal shuttle. This amount is significantly higher than previous years due to an additional 7 days in the season. In addition to changes in the rates, the NPS requested some adjustments to the route schedules; however, the majority of the agreement will remain the same as in 2007, and 2008.

Service to the Sequoia Kings Canyon National Park was implemented in May 2007. The service ran Memorial Day weekend through Labor Day weekend for both seasons. Below are the statistics for the 2007 and 2008 seasons.

#### 2007 & 2008 Season Summary

- Ridership mimicked National Park visitorship, with highs on holidays and peak mid July to mid August.
- A total of 4,941 passengers took advantage of the gateway shuttle in 2007 and 5,430 in 2008. This equates to removing 3,457 vehicles from traveling the Generals Highway.
- External Shuttle averaged 30% capacity, in its first two years, allowing plenty of room for growth.
- A total of 141,724 passengers rode the internal shuttles during the 2007 season and 147,500 in 2008. This translates into removing 96,408 vehicles from the roads within the national park.

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

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

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

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

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

March, 2007 – Council approved Cooperative and Task Agreements for the 2007 season.

May 19, 2008 – Council approved the Task Agreement for the 2008 season.

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

**Alternatives:** None

**Attachments:** None

**City Manager Recommendation:**

**Recommended Motion (and Alternative Motions if expected):** I move to authorize the City Manager to negotiate final details and sign the Task Agreement with the National Park Service which is needed to operate the third season of the Sequoia Shuttle service.

***Financial Impact***

**Funding Source:** Grant Funded

Account Number:

**Budget Recap:**

Total Estimated cost:	\$ 0	New Revenue:	\$ 0
Amount Budgeted:	\$ 0	Lost Revenue:	\$
New funding required:	\$ 0	New Personnel:	\$
Council Policy Change:	Yes _____ No <u>X</u>		

***Environmental Assessment Status***

**CEQA Review:**

Required? No  
Review and Action: Prior:  
Require:

**NEPA Review:**

Required? No  
Review and Action: Prior:  
Require:



**Tracking Information:**

Copies of this report have been provided to:

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

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

**Agenda Item Wording:**

**a) General Plan Amendment No. 2008-11:** A request by Visalia Unified School District to amend the 129,000 Population Urban Development Boundary to include the project site, and to change the land use designation on the General Plan Land Use Map from Urban Reserve to Public Institutional on 160 acres to be developed in the future as a multi-school complex. Upon annexation, this site will automatically be zoned QP (Quasi Public).

**b) Annexation No. 2007-03 (Akers-Riggin NW):** A request by Visalia Unified School District to annex land and right-of-way totaling approximately 160 acres into the City limits of Visalia.

**c) Detachment of property from County Service Area No. 1.**  
The site is located on the northwest corner of Akers Street and Riggin Avenue. APN: 077-100-097, 098.

**Deadline for Action:** None

**Submitting Department:** Community Development – Planning

**Contact Name and Phone Number:**

Brandon Smith, AICP, Senior Planner 713-4636  
Paul Scheibel, AICP, Planning Services Manager 713-4369

**Recommendation:** The Planning Commission recommends that the City Council:

1. approve General Plan Amendment No. 2008-11 and
2. initiate proceedings on Annexation No. 2007-03 with the Tulare County Local Agency Formation Commission (LAFCo).
3. authorize the City Manager to enter into a Pre-Annexation Agreement between the City of Visalia and the Visalia Unified School District, subject to the terms discussed herein.
4. authorize detachment of the annexing property from County Service Area No. 1, in accordance with State and County requirements, and

The Planning Commission recommendation is based on the following findings:

**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.

- The General Plan Amendment and Annexation are consistent with the goals, objectives, and policies of the City's General Plan.
- The General Plan Amendment will assist the Visalia Unified School District in positioning land in Northwest Visalia for new school facilities to accommodate the projected growth demands of land within the 129,000 and 165,000 Population Urban Development Boundaries (UDBs).
- The expansion of the 129,000 Population UDB to include the project site would constitute orderly and efficient land use planning within Visalia's planning area, and the annexing land would be designated consistent with the General Plan Land Use Map of the City of Visalia.

**Summary / Background:** The School District has planned for a new multi-school campus to be located on the northwest corner of Akers Street and Riggan Avenue (see location map attached as Exhibit "1"). The site would accommodate a new high school, middle school, and other support services which may include a sports stadium, performing arts center, and a library/learning center. An elementary school may also be added to the site if population demand necessitates additional facilities in the immediate future.

The School District purchased 160 acres at the northwest corner of Akers and Riggan for the school site in 2005. That same year, an Environmental Impact Report was prepared which evaluated impacts associated with the construction of a school complex. The Visalia Unified School District acted as the lead agency on the environmental document, and the Final EIR was adopted on May 24, 2005 by the Visalia Unified School District Board of Education.

In 2007, School District staff met with City staff to discuss entitling the property so that the School District can readily construct new facilities when population and growth demands necessitate additional school sites. The current land use designation for the site is Urban Reserve because the site lies outside of the current 129,000 Population Urban Growth Boundary. A General Plan Amendment is being processed simultaneously with the annexation to amend the UDB and to bring the property in under the appropriate land use designation of Public Institutional. Upon annexation, this site will automatically be zoned QP (Quasi Public).

If approved by the City Council, the annexation will move forward and will be reviewed by the Tulare County Local Agency Formation Commission for final approval.

**Site Description:** The project area is comprised of 160 acres of private property, mostly of which is owned by the School District. A three-acre well site near the southwest corner is owned by California Water Service Company. Areas on the perimeter, owned by either the School District or CRS Farming, will be dedicated for street and waterway rights-of-ways.

The north boundary of the annexation will be just south of Modoc Ditch. The Circulation Element has identified a collector-status street in this vicinity (Avenue 316 / Riverway Avenue). This will be constructed south of Modoc Ditch, inside the city limits. The west boundary of the annexation will align with the future Roeben Street, another collector-status street identified by the Circulation Element. Wutchumna Ditch transects the southern portion of the site from east to west, however this ditch is no longer in use and will be backfilled when the site is developed.

The site predominately contains land that is being farmed for row crops. An existing shed, eucalyptus trees, and kumquat tree are all located in the center of the site. To the north, west, and east is County jurisdiction that is under agricultural-related uses. Further to the east is residential development (including Shannon Ranch) and the new Village at Willow Creek shopping center (Lowe's). To the south inside City jurisdiction is Neighborhood Church, a former dairy, and single-family residences.

## **Analysis:**

### Annexation Outside of 129,000 Population UDB

The project will help poise the School District so that it can readily construct new facilities when population and growth demands necessitate additional school sites. The site will serve Northwest Visalia – an area which is and will continue to experience rapid residential growth. It is also underserved by junior high and high school facilities.

The site lies just outside of the current 129,000 Population Urban Growth Boundary – it is bordered on the south and east by this UDB. The adopted UDBs are intended to create phased concentric development limits in ten-year increments. Urban development is generally not permitted outside of the boundary that is current utilized. However, the Land Use Element allows for exceptions if certain finds can be made with respect to necessity and orderly planning.

Implementing Policy 6.2.6 states that annexation of land outside of the current Urban Development Boundary may be permitted only if:

- a. the proposal is required for orderly and efficient land use planning with Visalia's planning area, and
- b. the land is designated consistent with the City's Land Use Element Map.

The Planning Commission, in its review of the project, made findings in support of annexing outside of the 129,000 UDB for the school site. The annexation demonstrates orderly and efficient land use planning being that it provides a public service (availability of adequate school facilities) in the 129,000 and 165,000 UDBs without a risk of overcrowding in existing schools or disrupting the progression of residential development. The General Plan Amendment from Urban Reserve to Public Institutional ensures the land is designated consistent with the Land Use Element Map.

### Consistency with Annexation Policies

The proposed project would be the first one subject to the annexation policies accepted by the City Council on October 20, 2008 (see Exhibit "2"). Policies are enforced under the terms and conditions of the pre-annexation agreement.

### *Master Plan*

Policies 3 and 5 require development of a master plan incorporating best management practices for resource conservation; however requests by non-private parties are exempt from this requirement. The School District will still be developing a master plan on their own initiative prior to developing the site. Because development on the site will have multiple components and phases – much like the existing Golden West High School complex in Northeast Visalia – the District recognizes the need to resolve the anticipated issues related to on and off-site circulation and land use compatibility.

Staff anticipates the project will impact City growth, streets, and infrastructure, and is therefore requiring that a master plan be prepared and reviewed by the Planning Commission and City Council prior to development. The master plan is not being required prior to annexation since the School District is primarily focused at this time on entitling the site and is still assessing the exact needs for the area.

#### *Consideration of Institutional Uses*

Policy 6 allows consideration of institutional and other public uses as necessary to meet the needs of the existing community and growing population. The policy is intended for annexations which serve a public benefit to be considered on their own individual merit in the instance that they conflict with the new annexation policies for priority processing or contiguous growth.

Staff believes that the proposed annexation will provide a valuable service to the community, and findings can be made that the annexation constitutes orderly and efficient land use planning.

**Zoning designation on annexation site:** State law and the City's Zoning Ordinance require properties annexed into the city to be classified consistent with the City's adopted General Plan. The General Plan Amendment will replace the property's Urban Reserve designation with a pre-zoning of Public Institutional. Thus upon annexation and per the terms of the pre-annexation agreement, the entire site will come into the City limits with a Quasi-Public zone.

The Final EIR's project description for the complex references an eight-acre Neighborhood Commercial designation facing the intersection of Akers and Riggin. This commercial designation however is not part of the current application for General Plan Amendment. LAFCO law prohibits change of zones occurring on properties for two years after an annexation. If the District desires to change zoning on the property after this time, the request will come before the City Council as a public hearing item.

**Pre-Annexation Agreement:** Consistent with the City's current practices for annexations, City staff is recommending the School District enter into a Pre-Annexation Agreement which will memorialize conditions related to master planning development, pre-zoning, impact fees, and infrastructure. Development of the site will require significant overhead costs by the School District, primarily due to the improvement and construction of arterial and collector-status streets on all sides of the property. Staff from the City and VUSD has had several meetings in the past few months to discuss fees and obligations, and have mutually accepted the recommended terms of the agreement.

Visalia Unified School District has unique constraints regarding its funding of new school facilities, including payment of fees. Construction of new schools is very costly and relies heavily on State financial participation. As each school is designed, VUSD makes application to the State for financial participation for approximately half the total cost with the remainder funded primarily by locally-generated school fees from commercial, industrial, and residential development. State funds have limitations on expenditures for fees, and school fees are devoted as much as possible to actual construction. Therefore, recognizing the District's financial constraints, the pre-annexation agreement for this annexation defers the determination of most fees to the construction phase, and exempts certain fees based on the nature of the proposed use.

State law allows school districts to exempt themselves from local zoning laws for educational facilities. The School District could implement this exemption and construct the Akers/Riggin campus in the County. Rather, it has determined that it is in the best interest of the District and community to annex into the City, and City staff has worked with VUSD staff to resolve issues that would create a deterrent to annexation, including fee concerns.

The primary terms and conditions of the Pre-Annexation Agreement recommended for the VUSD annexation application are summarized as follows:

- Groundwater Acquisition – Persons seeking to annex into the City are required to dedicate surface water rights to the City, or pay in-lieu fees equal to \$1,035 per acre. The District chooses to retain existing water wells for irrigating the site's landscaping (consisting largely of athletic fields), but will be served potable water from California Water Service Company.

The District has researched but has not identified any water rights existing on their property that can be transferred to the City. An onsite, multi-use storm water facility will be provided on the site that can potentially be used by the City for groundwater recharge if located near a conveyance. The groundwater fee is recommended to be waived in light of funding constraints and the groundwater recharge option.

- General Plan Maintenance and Agriculture Land Mitigation Fees – The City recognizes that public schools are a service provided to residents as a result of residential and commercial growth under the General Plan.

As such, the City will exempt the District paying General Plan Maintenance Fees (typically assessed at \$329 per acre) and an Agriculture Land Mitigation Fee if later adopted by the City. As part of this process, the City has processed a General Plan Amendment (and paid required fees) to re-designate the site from Urban Reserve to Public Institutional.

- Master Development Plan – The District shall submit a master plan for the property in the form of a Conditional Use Permit application. The master plan shall be reviewed and approved by the Planning Commission and City Council prior to development.

Conditional Use Permits are typically reviewed and decided by the Planning Commission and are not considered by the City Council except on appeal or under exceptional circumstances. In this case, the size and magnitude of this future school complex warrants review and action by City Council on the CUP for a master plan.

- Storm Water Drainage – The District shall develop the site in accordance with a forthcoming update to the Storm Water Master Plan, and shall work with the City to develop a drainage master plan for the site. The District and the City will also work together to locate an anticipated multi-use water retention facility on the subject site. Storm water impact fees will be waived if the District provides an on-site basin for site and street runoff.

- Road Improvements – The District shall agree to dedicate sufficient right-of-way and construct street improvements. If the District pays traffic impact fees, the City will reimburse the construction of travel lanes, medians, turn pockets, traffic signals, and ditch crossings. If the District does not pay traffic impact fees, it will be responsible for paying any costs that are not funded by the State. Regardless, the District shall make a good faith effort to seek State funding to help aid improvements.

- Modoc Ditch – The District will pay appropriate waterway impact fees at time of development or, in lieu of, dedicate a riparian setback area on the site.
- Other Development Impact Fees - The District will be subject to other utility development impact fees relating to wastewater collection and treatment facilities, which will be deferred until the related portion of the property is developed.
- Non-public uses on site – If a portion of the property is later proposed and successfully rezoned to a non-institutional use such as commercial, such portion shall be subject to development impact fees in full.

**Environmental Findings:** When initiating an annexation, the Council is required to make an environmental finding in accordance with the California Environmental Quality Act (CEQA).

A Final Environmental Impact Report (EIR) has been prepared for the planned school complex, consistent with the California Environmental Quality Act (CEQA). The document is suitable for use with the Annexation and General Plan Amendment. The EIR concluded there will be significant environmental impacts resulting from the future development of the school complex. Significant environmental effects attributed from the loss of prime farmland and increase in air emissions will be unavoidable despite being mitigated to the extent possible. Significant environmental impacts to other fields will also be attributed by the project; however these impacts are able to be mitigated to a less than significant level.

The Visalia Unified School District acted as the lead agency on the environmental document, and the EIR has been certified by the Board of Education in 2005. The City Council would only need to use the adopted EIR for this project.

The Planning Commission has recommended that this EIR be used for this project and a finding be made that no new information has arisen since certification of the EIR that would alter its analysis of impacts or conclusions.

**Prior Council/Board Actions:** None.

**Committee/Commission Review and Actions:** On January 26, 2009, the Planning Commission on a 5-0 vote recommended that the City Council approve General Plan Amendment No. 2008-11 and find Annexation No. 2007-03 consistent with the General Plan.

**Alternatives:** None.

**Attachments:**

- Ownership Disclosure Form
- Resolutions
- Exhibit “1” – Location Map of Annexation Site
- Exhibit “2” – Annexation Policies accepted by City Council on October 20, 2008
- Planning Commission Staff Report from January 26, 2009
- **Aerial Photo (Colored map)**
- **General Plan Land Use Map (Colored map)**

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

I move to

- a) adopt Resolution No. 2009-09 approving General Plan Amendment No. 2008-11,
- b) adopt Resolution No. 2009-10 initiating Annexation No. 2007-03 and authorizing the detachment of property from County Service Area No. 1, and
- c) authorize the City Manager to enter into a Pre-Annexation Agreement between the City of Visalia and the Visalia Unified School District, subject to the terms discussed herein.

***Environmental Assessment Status***

**CEQA Review:** An Environmental Impact Report (EIR) has been prepared for use with this project, consistent with the California Environmental Quality Act (CEQA). The Visalia Unified School District acted as the lead agency on the environmental document. The Final EIR was adopted on May 24, 2005 by the Visalia Unified School District Board of Education.

**NEPA Review:** None

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



RESOLUTION NO. 2009-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA APPROVING GENERAL PLAN AMENDMENT NO. 2008-11: A REQUEST BY VISALIA UNIFIED SCHOOL DISTRICT TO AMEND THE 129,000 POPULATION URBAN DEVELOPMENT BOUNDARY TO INCLUDE THE PROJECT SITE, AND TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION ON 160 ACRES FROM URBAN RESERVE TO PUBLIC INSTITUTIONAL, LOCATED ON THE NORTHWEST CORNER OF AKERS STREET AND RIGGIN AVENUE. APN: 077-100-097, 098.

**WHEREAS**, General Plan Amendment No. 2008-11 is a request by Visalia Unified School District to amend the 129,000 Population Urban Development Boundary to include the project site, and to change the General Plan land use designation on 160 acres from Urban Reserve to Public Institutional, located on the northwest corner of Akers Street and Riggan Avenue. APN: 077-100-097, 098; and

**WHEREAS**, the Planning Commission of the City of Visalia, after ten (10) days published notice, held a public hearing before said Commission on January 26, 2009; and

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

**WHEREAS**, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on April 6, 2009; and

**WHEREAS**, the City Council of the City of Visalia finds the general plan amendment to be in accordance with Section 17.54.080 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Visalia makes the following specific findings on the General Plan Amendment described herein, based on the recommendation of the Planning Commission of the City of Visalia and based on evidence presented:

1. That the proposed General Plan Amendment is consistent with the goals, objectives, and policies of the General Plan, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
2. That the proposed General Plan Amendment will assist the Visalia Unified School District in positioning land in Northwest Visalia for new school facilities to accommodate projected growth demands of lands within the 129,000 and 165,000 Population UDBs.
3. That the proposed Public Institutional land use designation would be compatible with the adjacent land uses.
4. That the expansion of the Urban Development boundary to include the project site is consistent with Policy 6.2.6 of the General Plan Land Use Element based on the following:
  - a. the proposal is required for orderly and efficient land use planning with Visalia's planning area, and

- b. the land is designated consistent with the City's Land Use Element Map.
- 5. That the Environmental Impact Report prepared and certified for the Northwest School Complex (SCH#2004081022) addresses the impacts of the proposed General Plan Amendment.
- 6. That no new information has arisen since certification of the Environmental Impact Report that would alter its analysis of impacts or conclusions as to affects and required mitigation.

**BE IT FURTHER RESOLVED** that the City Council of the City of Visalia approves the General Plan Amendment described herein, in accordance with the terms of this resolution under the provisions of Section 17.54.070 of the Municipal Code of the City of Visalia and based on the above findings.

**BE IT FURTHER RESOLVED** that the official General Plan Land Use Map of the City of Visalia is hereby amended to show said property changes as illustrated in Exhibit "A" attached hereunto.

RESOLUTION NO. 2009-10

A RESOLUTION OF APPLICATION BY THE CITY OF  
VISALIA REQUESTING THE TULARE COUNTY LOCAL  
AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS  
FOR ANNEXATION NO. 2007-03 (AKERS-RIGGIN NW) AND DETACHMENT OF  
PROPERTY FROM COUNTY SERVICE AREA NO. 1

**WHEREAS**, the City Council of the City of Visalia desires to initiate proceedings for annexation to said city of territory illustrated on the attached location map attached herein as Exhibit "1"; and

**WHEREAS**, the Council of the City of Visalia desires to annex said territory to the City of Visalia for the following reasons: The annexation will contribute to and facilitate orderly growth and development of both the City and the territory proposed to be annexed; will facilitate and contribute to the proper and orderly layout, design and construction of streets, gutters, sanitary and storm sewers and drainage facilities, both within the City and within the territory proposed to be annexed; and will provide and facilitate proper overall planning and zoning of lands and subdivision of lands in said City and said territory in a manner most conducive of the welfare of said City and said territory; and

**WHEREAS**, this proposal is made pursuant to the Cortese-Knox-Hertzburg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code of the State of California; and

**WHEREAS**, the territory proposed to be annexed is uninhabited; and

**WHEREAS**, the Visalia Planning Commission reviewed this proposal on January 26, 2009, and found it to be consistent with the General Plan; and

**WHEREAS**, the City Council hereby makes the following findings with regard to the project:

1. The annexation is consistent with the policies and intent of the General Plan.
2. That the Final Environmental Impact Report prepared and certified for the Northwest School Complex (State Clearinghouse No. 2004081022) addresses the impacts of the proposed Annexation.
3. That no new information has arisen since certification of the Environmental Impact Report that would alter its analysis of impacts or conclusions as to affects and required mitigation, and that no additional mitigation measures are required.

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

1. That the Final Environmental Impact Report prepared and certified for the Northwest School Complex (State Clearinghouse No. 2004081022) is being used as the applicable environmental document for this annexation, in compliance with the California Quality Environmental Act.

2. That the potential environmental effects of the proposed annexation have been reviewed and the Environmental Coordinator of the City of Visalia has determined that the project falls within the scope of issued and impacts addressed in the Final Environmental Impact Report prepared and certified for the Northwest School Complex (State Clearinghouse No. 2004081022), and further, that no additional mitigation measures are required.
3. Application is hereby made to the Executive Officer of the Local Agency Formation Commission, County of Tulare, State of California, as proposed in the Proposal Questionnaire for "Annexation No. 2007-03 (Akers-Riggin NW)".
4. Proceedings shall be taken for this annexation proposal pursuant to Title 5, Division 3, Part 3 of the California Government Code and other relevant provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
5. In conjunction with the proceedings being taken for this annexation proposal, application is also hereby being made to the Executive Officer of the Local Agency Formation Commission, County of Tulare, State of California, for detachment from County Service Area No. 1.
6. The City Clerk of the City of Visalia is authorized and directed to file a certified copy of this resolution with the Executive Officer of Tulare County LAFCO.
7. The applicant(s) shall enter into a Pre-Annexation Agreement with the City which memorializes the required fees, policies, and other conditions applicable to the annexation. The Pre-Annexation Agreement is attached herein as Exhibit "2". The agreement is subject approval as to form by the City Attorney and subject clerical and form modifications as approved by the City Manager.

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** April 6, 2009

**Agenda Item Number (Assigned by City Clerk):** 9

**Agenda Item Wording:** Mid-year Financial Report – Public Hearing on Staff Recommendations

**Deadline for Action:** None

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Eric Frost, Administrative Services Director x4474

**Department Recommendation:** That the City Council

1. conduct a public hearing; and,
2. consider the revised staff recommendations in Table IV and approve Management Recommendation #1-8

**Summary/background:** At the March 16, 2009 City Council meeting, staff presented the current fiscal position of the City and the expected fiscal outlook for next year. The good news is that this fiscal year's forecast is not too bad. Without any actions, the City's General Fund was expected to have a \$600,000 deficit.

Since that time, the City has received its March Sales Tax clean-up. The November 15 to February 15 quarter was worse than expected by about \$300,000. As a result, the City's General Fund deficit will probably be closer to \$900,000 rather than \$600,000. Table I, General Fund Budget - Revised, shows the General Fund projected results for this fiscal year as presented originally on March 16, 2009 with the updated sales tax data.

The purpose of this report is to recap the recommendations, provide additional information as appropriate and seek direction from the City Council concerning fiscal affairs. The task is not easy. It is not fun to make decisions which will mean lower levels of service or capital spending. But the City cannot avoid the general tough times. The Council's continued efforts to grapple with the City's fiscal affairs, however, have made the current economic downturn less painful than what is being experienced by many other municipalities.

**For action by:**

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

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

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

**Review:**

**Dept. Head** \_\_\_\_\_  
**(Initials & date required)**

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

**City Mgr** \_\_\_\_\_  
**(Initials Required)**

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

Table I  
General Fund Budget - Revised  
All Amounts in Millions

	<i><b>Budget</b></i> <i><b>08/09</b></i>	<i><b>Projected</b></i> <i><b>08/09</b></i>	<i><b>Change</b></i>
Revenues	\$ 54.8	\$ 54.3	\$ (0.5)
Operating Expenditures	66.6	64.6	(2.0)
Less: Allocations	<u>(13.8)</u>	<u>(13.8)</u>	<u>0.0</u>
Net Operations	52.8	50.8	(2.0)
Available for Capital and Transfers	2.0	3.5	1.5
Less: Transfers	(3.1)	(3.2)	(0.1)
Capital Net	(1.1)	(1.1)	0.0
Mid-year Appropriation, SPCA Project	<u>(0.6)</u>	<u>(0.1)</u>	<u>0.5</u>
Surplus/(Shortfall)	\$ (2.8)	\$ (0.9)	\$ 1.9

Although this year's operating results are not expected to meet Council's objective of a balanced budget, the City is doing better than many other communities. The operating loss can be absorbed by emergency cash reserves and management does not recommend any additional fiscal actions this year.

The next challenge facing the City is how to deal with next fiscal year's budget. Two –thirds of the City's General Fund revenues come from property tax and sales tax. Staff presented revenue forecasts for these two revenue sources in the March 16 presentation. Since that time, the quarterly sales tax clean-up payment has come in \$300,000 less than expected. As a result, future sales tax revenue estimates need to be lowered by \$300,000. Table II, Cumulative Effects of Sales and Property Tax Projections - Revised, shows the budget impact imposed by declining revenues on the General Fund.

Table II  
Cumulative Effects of Sales and Property Tax Projections

Sales and Property Tax		
	2008-09 Projected	2009-10 Projected
Budget	41,604,660	42,678,830
Straight	41,604,660	41,604,660
Projected	40,755,000	39,578,000
Difference from Budget		
Budget	-	-
Straight	-	(1,074,170)
Projected	(849,660)	(3,100,830)

The City has a two year budget. The second year assumed \$3.1 million more in revenues than the City will actually receive. In addition, the City has other cost pressures that are widening the revenue/expenditure gap. As a result, staff now projects the 2009/10 budget will have a \$4.5 million gap, which includes the most recent sales tax data.

Although the City has taken steps this year to solve this budget shortfall, these efforts are insufficient. Over 25 vacancies, lower fuel cost and Recreation's reworking of their senior meals, brochures and volunteer program, reduced late night hours at the Police Station, and prompt closing of the permit desk are expected to save the City substantial monies next year, as shown in Table III, General Fund – Revised forecasts 2009/10. Despite these changes, the remaining shortfall is estimated at \$4.5 million, which includes the updated sales tax numbers from March.

Table III  
General Fund Budget - Revised  
All Amounts in Millions

	<u>Projected</u> <u>08/09</u>	<u>Revised</u> <u>Budget</u> <u>09/10</u>	<u>Change</u>
Revenues	\$ 54.3	\$ 52.3	\$ (2.0)
Operating Expenditures	64.6	68.4	3.8
Less: Vacances		(2.3)	(2.3)
Recreation Changes		(0.2)	(0.2)
Fuel Savings		(0.3)	(0.3)
Allocations	(13.8)	(13.8)	0.0
Net Operations	<u>50.8</u>	<u>51.8</u>	<u>1.0</u>
Available for Capital and Transfers	3.5	0.5	(3.0)
Less: Transfers	(3.2)	(3.3)	(0.1)
Retiree Health Care	(0.5)	(0.5)	0.0
Increase PERS Costs	0.0	(0.6)	(0.6)
Capital Net	(1.1)	(0.6)	0.5
New Capital	<u>(0.6)</u>	<u>0.0</u>	<u>0.6</u>
Surplus/(Shortfall)	\$ (1.9)	\$ (4.5)	\$ (2.6)

The table includes two management recommendations to fund a \$500,000 retiree health prefunding payment next year and a \$600,000 contribution for increased PERS costs. The remaining gap is 8.7% of the General Fund's operating expenditures.

***The size of the projected deficit warrants the City Council to declare a fiscal emergency.*** This will allow the City to make cuts in the General Fund without violating the maintenance of effort requirements imposed by Measure T, the public safety sales tax.

The City does have General Fund reserves. One solution to the budget problem is to use the General Fund Emergency Reserves, \$14 million. The problem with this strategy is that reserves are one-time monies being used to solve an ongoing problem. This year we expect to use about \$1 million. Next year the proposed solution uses \$2 million. If we have another difficult year and we continue this trend, the City would use \$3 million. The \$14 million quickly shrinks to \$8 million. ( $\$14 - \$1 - \$2 - \$3 = \$8$ ). At some point you must stop using reserves and you must cut costs to make the budget balance. The blessing of reserves is that it allows the City some time to deal with fiscal problems and helps avoid costs associated with borrowing when the City has no working cash.

Management continues to promote a plan that tries to balance the need to lower costs while making cuts that the organization can sustain. However, as the new fiscal realities become apparent, the City will eventually need to make revenues and expenditures equal each other. A plan that uses reserves without an end is a plan that leads to fiscal disaster.

### **General Fund Capital Improvement Projects (CIP) Budget**

To deal with the budgetary shortfall, Council has already authorized the General Fund to freeze \$722,550 in the current year budget. The Council has one additional option to freeze capital this year. The City is about to begin the Miki City Park project. This \$274,500 General Fund contribution towards the park was originally recommended by management to be frozen. However, it appeared that Miki dignitaries were coming to Visalia and it was felt to be important to proceed ahead with this project.

Plans have now changed. Miki City representatives are not coming this summer. As a result, the park project may not have the same urgency and it may be wise to wait on this project because it not only will be costly to build but also costly to maintain.

Management's General Fund recommendations are:

***Management Recommendation #1: Retain frozen all frozen 08/09 projects and freeze the Miki City Park project, an additional \$274,500.***

***Management Recommendation #2: Direct staff to work on management recommended budget saving options in the General Fund as outlined in Table IV. Items marked with an asterisk (\*) would require no further action. Non-asterisk items will need to be brought back to Council to finalize before the beginning of next fiscal year.***

Finance has developed a list of potential budget options to bridge this gap in Table IV, General Fund Budget Solutions. This list has been expanded and revised since March 16, 2009. Because it will take time to develop these options, management asks that Council direct staff on which options to pursue. ***Shaded items are new alternatives.***



Table IV

<b>Budget Solutions - In Millions - Continued</b>		<u>Option</u>	<u>Mgt Rec.</u>
<i>Items in order of dollar value</i>			
<i>New Items since the 3/16/09 Council meeting are shaded</i>			
<i>* - Items requiring no further Council action if approved tonight</i>			
<b>1</b>	<p><b>Ask for Wage Concessions - 4% = \$1.2 million</b></p> <p>The City is obligated by contract to 4% wage increases for next year for most of its employees. The City could ask for a deferral or concession of all or part of this increase. All but Group A and non-represented have contracts. This action is subject to negotiations, requiring the City to meet and confer.</p>	1.20	1.20
<b>2</b>	<p><b>Furloughs - Safety and Non-Safety</b></p> <p><b>Furlough Non-Public Safety 10 days - Thanksgiving/Christmas/New Years \$0.5 million</b> A number of agencies have instituted non-paid furloughs in an effort to save money. Closing the City except for essential services saves about \$50k a day.</p> <p><b>Public Safety Furloughs - 80 hours - \$0.7 million</b> Public Safety could not all be furloughed at the same time. Furloughing front-line providers would be avoided. Changes in minimum staffing would be considered. The City could require that rolling furloughs be made in public safety, to be taken in reduced shifts over some period of time. Each 8 hour day saves the General Fund \$70k.</p>	1.20	
<b>2a</b>	<p><b>Alternative Budget Reductions Developed by Departments</b> - The City may be able to ask departments for alternative budget cuts which may achieve the same level of savings as salary concessions or furloughs. These actions probably will include layoffs and reorganizations but may be more effective than furloughs and are yet to be fully identified.</p>	1.20	
<b>3</b>	<p><b>Use some reserves for operating costs</b></p> <p>The City has fully funded its emergency reserves at \$14 million. The purpose of these reserves is to handle one-time shocks and unanticipated shortfalls. Although some of these monies could be used to bridge the funding gap, reserves cannot provide ongoing funding. Changes in revenues or expenditures need to be made to bring the budget into balance. Also, the reserves may be needed if fiscal conditions worsen.</p>	1.00	1.00 *
<b>4</b>	<p><b>Use some reserves for retiree health care contribution</b></p> <p>The long-term value of making annual prefunding contributions will save the City money. The City makes current contributions of \$2.7 million a year for retiree health care. This additional \$500,000 contribution will go towards prefunding. Actuarial studies recommended making an annual prefunding payment of at least \$2 million.</p>	0.50	0.50
<b>5</b>	<p><b>Reduce capital funding by an additional \$500,000</b></p> <p>The Council froze \$722,500 of capital funding last year. The Council could freeze an additional \$500,000 for this next fiscal year beyond current amounts which could be determined prior to the start of the new fiscal year.</p>	0.50	0.50 *
<b>6</b>	<p><b>Continued reorganizations due to retirements and other vacancies</b></p> <p>The City has held open a number of positions. Continued work in this area can save money.</p>	0.45	0.45 *
<b>7</b>	<p><b>Reorganize departmental management</b></p> <p>Several options, although not optimal, exist to reorganize the City's management structure. However, the reorganizations require reduced management with remaining managers carrying a heavier workload.</p>	0.25	

**Budget Solutions - In Millions - Continued**

*Items in order of dollar value*

**New Items since the 3/16/09 Council meeting are shaded**

**\* - Items requiring no further Council action if approved tonight**

	<u>Option</u>	<u>Mgt Rec.</u>
<p><b>8 Return all of VLF to General Fund for 09/10 only because of Stimulus money</b>                      The City several years ago devoted all of its remaining Vehicle License Fees to street work. This fiscal year, 1/2 of the VLF monies was returned to the General Fund. The City could return all the VLF fees as of next year but does not make this recommendation because of ongoing road needs. The money needs to be spent of streets in order to avoid deterioration of road quality and to meet the City's Maintenance of effort for Measure R money. This year the stimulus money allows some of these monies to be put back to the General Fund.</p>	0.20	0.20 *
<p><b>9 Leave open two police officer positions in the General Fund, to be filled by Measure T</b>                      In lieu of further furloughs in Public Safety, leave open two General Fund Police Officer positions and have them fill two open Measure T positions. This action will require that the City Council declare a fiscal emergency by a 4/5ths vote.</p>	0.20	0.20
<p><b>10 Review Non-personnel Operating Accounts</b>                      Direct management, in cooperation with the various departments, to reduce operating accounts within their budget.</p>	0.10	0.10 *
<p><b>11 Increase the use of Abandoned Vehicle Money</b>                      All car registrations in Tulare County are assessed \$1 a year to assist in abating abandoned vehicles. The City receives a portion of this money but is required to use this money on abating abandoned vehicles. Personnel otherwise funded from the General Fund could be assigned to this activity, reducing General Fund cost.</p>	0.10	0.10 *
<p><b>12 Discontinue Loop Bus</b>                      The loop bus connects at-risk youth to recreation centers but they could be discontinued.</p>	0.10	
<p><b>13 Increase Fire inspection fees</b>                      minimal fee of \$20 a year would provide the City with additional resources to help conduct these inspections.</p>	0.10	
<p><b>14 Increase Recreation Program Fees</b>                      The Recreation Department could evaluate all their fees and seek greater cost recovery.</p>	0.10	0.10
<p><b>15 Proceed with the closing of old Soroptimist Park</b>                      Soroptimist park is scheduled to close as Imagine U museum develops the park into a children's museum. The park continues to require maintenance. That effort could be stopped as the park is intended to close at some point. To close the park, approximately \$50,000 will need to be used from reserves to complete the demolition and closure of the park.</p>	0.05	0.05 *
<p><b>16 State Lobbyist Contract</b>                      The City could discontinue its State lobbyist contract.</p>	0.05	0.05 *
<p><b>17 Adopt a JPA approach to Haz Mat in the County</b>                      The City staffs a hazardous materials team. The team responds to all County needs. The City could seek to have all jurisdictions support some of the preparation efforts.</p>	0.05	0.05 *

<b>Budget Solutions - In Millions - Continued</b>		<u>Option</u>	<u>Mgt Rec.</u>
<i>Items in order of dollar value</i>			
<i>New Items since the 3/16/09 Council meeting are shaded</i>			
<i>* - Items requiring no further Council action if approved tonight</i>			
<b>18</b>	<b>Sell naming rights to the Convention Center</b> Many cities sell naming rights to arenas. The City could seek such advertising for the Convention Center.	0.05	0.05 *
<b>19</b>	<b>Charge parking for entertainment events at Convention Center</b> Many convention centers charge event parking. Although attractive, management does not recommend this approach because it may give Indian Gaming facilities one more edge.	0.05	
<b>20</b>	<b>Charge site plan review fees</b> Many cities charge for site plan review, reducing reliance solely on building permit revenues.	0.05	
<b>21</b>	<b>Cut Street Tree Trimming by 20%</b> Until several years ago, the City trimmed street trees on an as needed basis. Now, the City budgets almost \$125k annually for tree trimming. If the budget was cut by 20%, the 10 year street tree trimming cycle would be extended to a 13 year cycle.	0.03	
<b>22</b>	<b>Charge medical insurance for medical assists</b> The Fire Department responds to medical calls. Some cities charge a medical assist fee to insurance carriers for this service.	0.03	0.03 *
<b>23</b>	<b>Rework the Special Events process to either reduce City costs or charge small fees</b> The City spends a significant amount of staff time and resources on special events. Some cities charge an application fee and ask event sponsors to share City costs.	0.03	
<b>24</b>	<b>Cut Youth Grants by 10%</b> The City makes various contributions of \$167,330 to youth oriented community service grants. These grants could be reduced.	0.02	
<b>25</b>	<b>Reduce mowing in parks to every two weeks</b> The City either mows parks every week or every other week. The most used parks are mowed every other week. The City parks used for athletics are mowed weekly. The Sports park is mowed twice a week. The City could reduce all park mowing to every other week, but this would reduce the parks athletic use.	0.02	
<b>26</b>	<b>Reduce VEDC Contract by 20%</b> This money is for the Visalia Economic Development Committee. This contribution could be reduced.	0.01	0.01
		Total	<u><u>4.59</u></u>

Finally, the last of the General Fund management recommendations grapples with the expected increase in PERS costs. The stock market has had a 50% loss in equity from its high in 2007. If the City's PERS assets have declined only 40%, the City is still looking at an \$80 million loss in pension value. The City will need to make this up over time. This is made up by assessing the City higher annual contributions.

These contributions are necessary to assure that all pensions are funded. To begin preparing for this increased cost, management has made recommendation #6, namely:

**Management Recommendation #3: Set-aside \$600,000 towards the expected increase in PERS costs for FY 2010/11.** Although the City will not have to

immediately pay more towards PERS costs next year, it will for FY 2010/11. \$600,000 is a down payment to a much larger number that will be determined through the actuarial process next year.

### **Possible Actions**

In addition to Management Recommendations above, staff would like Council to review and consider possible actions as listed below. Staff will bring these items back for further discussion and action before July 2009.

- ***Declare a fiscal emergency by a 4/5 vote, allowing the City not to maintain the Maintenance of Effort requirement with Measure T.*** The City receives money from the Measure T Public Safety Sales Tax. The measure requires that the City do the following:

The City Council will not use public safety revenue measure funds to replace General Fund dollars budgeted for normal operations at the previous year's service levels. In the event of an economic emergency, the City Council may only alter this provision by a supermajority (4/5<sup>th</sup>) vote.

Because it is uncertain if the City will be able to maintain funding levels, this action will allow the City to take appropriate budget actions as outlined in the ballot measure.

- ***Reinstate the General Fund retiree health care prefunding of \$500,000 for fiscal year 08/09 and 09/10.*** Beginning several years ago, the City began setting aside money each year to prefund future costs for providing the City's share of retiree health care. One of the money saving steps taken at budget time was to suspend this payment. However, if the Council desires to provide this benefit, the best way to fund retiree health care is to prefund the expense. The advantage of prefunding is that the eventual cost of this benefit will be 70% supported by interest earnings. To delay funding will eventually increase the cost of this benefit. Therefore, management recommends making this contribution and increasing the amount over time to meet a substantial portion of the prefunding obligation. At the same time, Council needs to clearly state that such reserve amounts are based upon the sole discretion of City Council and does not change its underlying right or policy to revise retiree health care contributions from year to year.

This recommendation deals with a difficult, long-term challenge. The City's Administrative Policy 301 states:

Retirees and their dependents are eligible for medical and vision at a cost determined each year by the City.

Unlike a pension benefit, the City chooses to contribute to retiree health care but are not obligated. The policy guarantees access for retirees to the City's health plan. However, the policy does not guarantee that the City will contribute to the retirees' health payment.

The City spends roughly \$1,000 a month per health plan participant. Retirees contribute varying amounts based upon age and dependents but average about \$200 a month. Thus, the City's contribution per retiree has grown from no contribution when the City began

allowing retiree participation in the early 1980s to the current monthly contribution of some \$800 a month, which also includes a vision plan benefit.

In comparing the City's benefit level to other local communities, Visalia's contribution is much higher than other jurisdictions as shown on Chart I, Comparison of Retiree Health Benefits - 2005.

The City's policy grants retirees access to the City's health plan. The policy also allows the City to set the price. If the City Council wishes to assure that both current retirees and current employees who hope to be retirees have the current level of benefit, the City needs to either be prepared to pay for ever increasing health costs or seek methods to efficiently pay for this benefit.

The best practice is to prefund the benefit. In other words, to set-aside resources today that will pay for the benefits in the future. The long-term practice of setting aside benefits in this manner has shown that eventually 70% of the cost of this benefit could come from interest earnings.

To achieve this benefit, the City needs to fund an actuarial determined payment called the ARC (Annually Required Contribution). Depending upon the benefit assumption, the City would need to pay in addition to the \$2.6 million in annual health care costs another \$2 and \$6 million more a year to meet this commitment.

Chart I  
Comparison of Retiree Health Benefits - 2005  
Comparison of Retiree Health Benefits  
Surrounding Agencies

	Agency	1. Agency provides Retiree Health	2. Agency contributes to Retiree Health.	3. Monthly contribution @ 20 years of service	Note
1	Clovis	Yes	No	-	
2	Fresno	Yes	No	-	
3	Kings Co.	Yes	No	-	
4	Porterville	Yes	No	-	
5	Tulare	Yes	No	-	Except for pre-1984
6	Tulare Co.	Yes	No	-	
7	Kern Co.	Yes	Some	446	By bargaining unit
8	Bakersfield	Yes	Yes	140	
9	Fresno Co.	Yes	Yes	160	
10	Hanford	Yes	Yes	56	
<b>11</b>	<b>Visalia</b>	<b>Yes</b>	<b>Yes</b>	<b>715</b>	<b>Requires PERS Retirement.</b>
					Requires 15 years of service.
12	VUSD	Yes	Some	775	VUSD contribution ends at Medicare Age
13	KDHCD	No	-	-	

This funding challenge may be addressed by the following possible action, which will be brought back for future discussions:

- **Adopt a policy of not increasing City Retiree Health Care contributions and clearly state this is an optional benefit the Council awards.** For 2009, the City's health plan's monthly cost increased. The Council considered whether or not to increase its contribution towards this increased health plan cost. In the end, the City did not increase its contribution to retiree health care premiums. Instead, retirees paid the increased cost. As the City struggles with its finances, optional benefits are difficult to offer. Therefore, the City must honor its commitment to provide access to the City's health plan; the retiree health care contribution, however, is an optional benefit the City has contributed towards which the City may not be able to continue into the future.

### **Special Revenue Funds.**

This section of the report examines Special Revenue funds, namely:

- Redevelopment
- Capital Funds affected in the current year by the change in revenues

### **REDEVELOPMENT**

The Redevelopment Fund has two issues to resolve in the short-run: 1) issue debt for the Central Redevelopment Project Area before the final debt issuance date passes this coming November; and, 2) make ERAF payments as required by the first State budget this year.

**Central District's Debt Issuance Period.** In redevelopment, a project area is born, has a useful life and then is closed down unless extended by a project area study. One of the final stages of a project area is signaled when its debt issuance period ends. When this date passes, the area may no longer spend new tax increment money except to retire existing debt. The Central RDA is approaching the end of its debt issuance period. The Agency needs to issue debt for an appropriate project by November 2009.

**State Take-away Impact.** On September 23, 2008, the Governor signed the State Budget for 2008-09. The Budget includes a total state-wide \$350 million Education Reimbursement Augmentation Fund (ERAF) shift from redevelopment agencies for the fiscal year of 2008-09. Similar to the previous ERAF shifts for the fiscal years of 2003-04, 2004-05, and 2005-06, this shift is for one year but future shifts are possible. These funds also do not represent a loan to the State.

The Agency will incur a total ERAF payment obligation of \$446,867 under the approved 2008-09 State Budget, based on the 2006-07 fiscal year's tax increment (information provided by the California Redevelopment Association based on information provided by the State Department of Finance). The ERAF payment will be allocated from the four project areas. Only the East Visalia Project Area will require the Agency to borrow Low/Mod funds to cover its' pro rata share for 2008-09 ERAF and to be repaid by 80 percent funds within ten years.

Table V – Low and Moderate Redevelopment Districts

EAST LOW/MOD - 1902	2008-09	2009-10
Carryover Funds (Prior Years)	293,621	187,102
Tax Increment	328,340	334,906
Expenditures	(434,859)	(59,343)
Amount Available for Projects	187,102	462,665

MOONEY LOW/MOD - 1912	2008-09	2009-10
Carryover Funds (Prior Years)	503,535	559,051
Tax Increment	549,117	560,099
Expenditures	(493,601)	(647,944)
Amount Available for Projects	559,051	471,206

DOWNTOWN LOW/MOD - 1922	2008-09	2009-10
Carryover Funds (Prior Years)	43,334	62,032
Tax Increment	50,593	51,605
Expenditures	(31,895)	(32,271)
Amount Available for Projects	62,032	81,366

CENTRAL LOW/MOD - 1932	2008-09	2009-10
Carryover Funds (Prior Years)	240,531	(237,232)
Tax Increment	733,922	748,600
Expenditures	(1,211,685)	(797,241)
Amount Available for Projects	(237,232)	(285,873)

Total Available for all Areas		729,364
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Future State General Fund budget deficits could give rise to future ERAF payment legislation affecting redevelopment agencies, which could be material to the Agency and its ability to conduct its redevelopment activities. There is no way to predict whether the State Legislature will, in future years, enact legislation requiring shifts of tax increment revenues to the State or to schools, whether through an arrangement similar to ERAF or by any other arrangement. It is also not known whether any future shifts in revenue would be limited. For example, pre-existing agreements between redevelopment agencies and school districts, community college districts and county superintendents of schools may off-set shifts.

Table VI – Project Area ERAF Payments

Project Area / Funding	Payment Amount
East (low/mod funds)	\$126,055
Mooney (regular funds)	125,644
Downtown (regular funds)	33,099
Central (regular funds)	162,069
Total ERAF Payment	\$446,867

#### **Management Recommendation #4:**

- A. Direct staff to bring back a tax-exempt project for the Central project area to maximize the debt capacity of the Central RDA project area.
- B. Authorize staff to pay the ERAF payment in the amount of \$446,867 to the County by April 15, 2009.

#### **Transportation Impact Fees**

The Transportation Impact Fee fund is currently projected to have a shortfall of \$800k by the end of 2009/10. Taking into consideration contractual commitments and the timing of the various projects, staff is recommending all Traffic Signals with more than 50% of their funding coming from transportation impact fees be postponed until 2010/11. This will balance the current 2-year budget. The projects originally proposed for delay are listed below.

- Install Traffic Signal Demaree & Mill Creek, \$300,000
- Traffic Signal Ben Maddox & Douglas, \$150,000 (09/10) and \$150,000 (10/11)
- Traffic Signal at Houston Ave. & Mooney Blvd, \$270,000
- Portable Traffic Signal, \$120,000

As an alternative to the original recommendation, management now proposes the City be willing to advance up to \$1 million to the Transportation Impact Fee Fund from the General Fund to assure these projects continue forward. Because projects typically take longer to develop than is anticipated, the actual cash advance may be less. In any event, the City may need to delay projects in the future to ensure the repayment of this General Fund advance.

***Management Recommendation #5: Authorize up to \$1 million cash advance from the General Fund to the Transportation Impact Fee Fund to assure the timely completion of currently authorized Transportation Impact Fee projects.***

#### **ENTERPRISE FUND EVALUATIONS**

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

However, the accounting for enterprises must:

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

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



In this abbreviated report, only those enterprises with a recommendation are discussed, namely Transit, Solid Waste and Waste Water. Airport, Convention Center, Valley Oaks Golf, Storm Water and Building Safety are discussed fully in the March 16, 2009 Council transmittal.

## **TRANSIT**

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

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

The City's Transit operation remains financially sound because of significant federal and state funding it receives. Without these funds, Transit would not be able to operate or replace its capital assets. Transit receives grants and subsidies which pay approximately 80% of its operating costs. Nevertheless, as long as Transit continues to receive adequate operating and capital funding from state and federal grants, the fund will remain healthy.

Table VII, Transit, projects the fund to exceed the budgeted amount for total revenues as both fares were above budget and we are reporting grant revenues for this year for projects that have been budgeted and carried over from a prior year.

Recent actions by the State of California have taken State Transit Assistance money from local agencies. In Visalia's case, this operating revenue was around \$1 million a year for the last two years. No money is lost this year. Next year the revenue will be cut in half and then be cut totally by the following year and thereafter. The cut, then, does not have an immediate impact on Visalia. Rather, Local Transportation Funds (LTF) which were previously available for capital projects will now be used for operations. Capital projects in the future will either take longer to fund or will need to be smaller.

In contrast, the Transit operation is in line to receive approximately \$2.6 million for Transit projects from the Federal stimulus package. These monies will assist the enterprise to continue with their projects, at least in the short-term.

The net outcome of these changes is that Transit should consider the relative benefits of a fare box change. Such increases must be small, but still could help the operation be less dependent upon LTF funds, freeing those funds for capital projects.

Table VII  
**Transit**  
 FY 08-09

<b><u>OPERATIONS</u></b>	<b><u>Budget</u></b>	<b><u>Projected</u></b>
<b><u>REVENUES</u></b>		
Operating Revenues	\$ 2,085,500	\$ 2,311,000
Non Operating (Grants, Reimburse., etc.)	12,280,760	15,676,520
	<b><u>14,366,260</u></b>	<b><u>17,987,520</u></b>
<b><u>EXPENSES:</u></b>		
Personnel	(391,040)	(385,000)
Operations & Maintenance	(6,572,860)	(6,453,000)
Depreciation	(700,300)	(700,000)
Allocated Costs	(630,290)	(555,000)
	<b><u>(8,294,490)</u></b>	<b><u>(8,093,000)</u></b>

**CURRENT YEAR RESOURCES**

<b>AVAILABLE FOR CAPITAL</b>	<b>\$ 6,071,770</b>	<b>\$ 9,894,520</b>
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**CASH AVAILABLE FOR CAPITAL ASSETS**

Beg. Capital Asset Cash	(28,986)	(29,000)
Add: Curr. Yr. Net Oper. Resources Avail.	6,071,770	9,894,520
Add: Depreciation Transfer	700,300	700,000
Add: Grant Funding - Prior Yr. Capital	4,868,975	-
Less: Capital Purch. - Curr. Yr.	(6,708,590)	(2,097,000)
Less: Capital Purch. - Prior Yr. Rollover	(4,868,975)	(8,449,000)

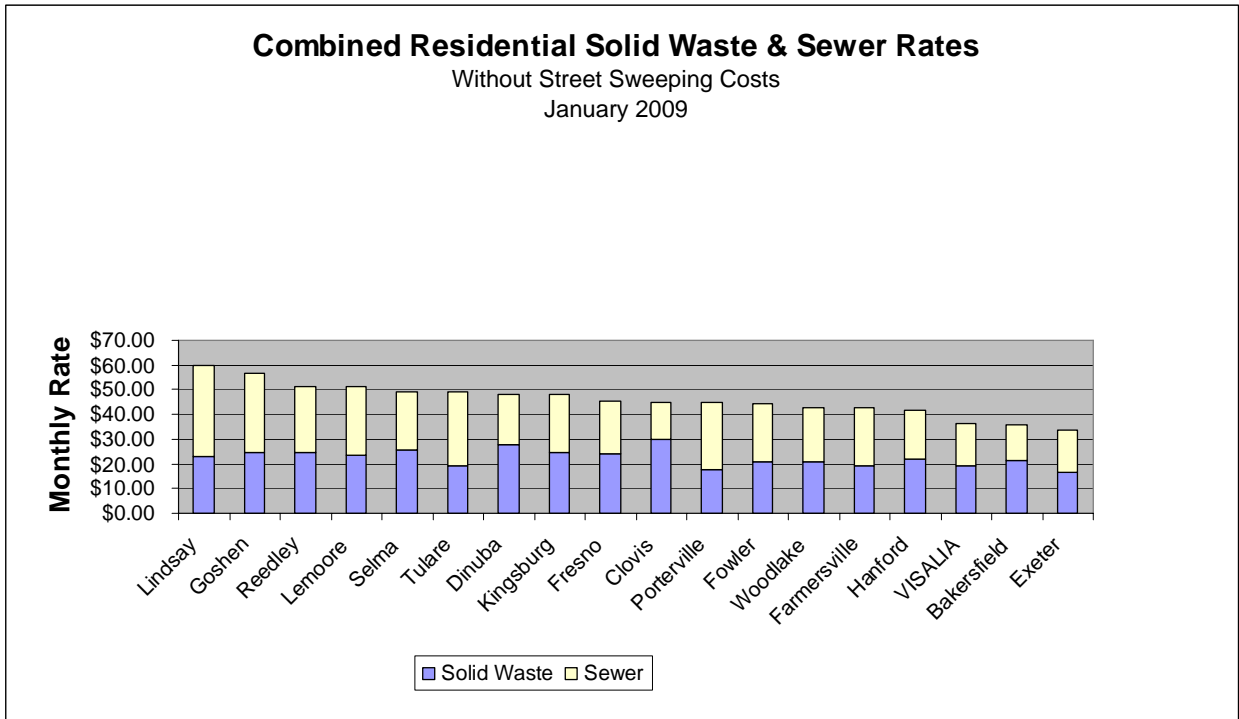
<b>ENDING CAPITAL ASSET CASH</b>	<b>\$ 34,494</b>	<b>\$ 19,520</b>
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***Management Recommendation #6: Direct staff to return to Council with various fare box and other possible alternatives now that State Transit Assistance monies will be taken by the State of California.***

**UTILITY ENTERPRISES**

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

**Chart II**



**Solid Waste**

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

**Comment: Need to accumulate working capital and revise commercial recycling rates**

Solid Waste is currently projected to meet the objective of covering operating costs as shown on Table VIII Solid Waste for the current year, but cash from operations is currently not sufficient to purchase equipment. Last fiscal year the fund borrowed over \$900k from the general fund for capital purchases. Although it is currently projected to repay it by the end of this fiscal year, this is due to capital purchases budgeted for the current year not occurring until next fiscal year. The fund is projected to have \$510k of cash at year end, but this is only temporary as the fund will probably need to borrow from the general fund as the next year and the following four years have capital purchases averaging over \$3.4 million. If capital purchases continue to take longer to acquire, the fund may not need a cash advance.

Staff's review of the operating divisions show the fund is operating at a break-even position. This year, revenues are down somewhat from budget due to reduced commercial revenues, mainly in the roll-off division related to decreased construction. Compared to budget, operating costs are up as Solid Waste uses more CNG. At the same time, allocated fuel costs are down compared to budget.

**Table VIII  
Solid Waste  
FY 08-09**

<u><b>OPERATIONS</b></u>	<u><b>Budget</b></u>	<u><b>Projected</b></u>
<u>REVENUES</u>		
Charges & Fees	\$ 15,376,580	\$ 14,982,000
 <u>EXPENSES</u>		
Personnel	(4,353,670)	(4,141,000)
Tipping Fees	(3,996,000)	(3,789,000)
Operations & Maintenance	(383,530)	(730,000)
Fleet Costs	(2,608,810)	(2,151,000)
Allocated Costs	(2,179,790)	(1,895,000)
	<u><b>(13,521,800)</b></u>	<u><b>(12,706,000)</b></u>
<b>OPERATIONS</b>	<u><b>1,854,780</b></u>	<u><b>2,276,000</b></u>
 <u><b>OTHER / NON-OPERATING</b></u>		
Revenues - Penalties & Misc.	551,190	608,000
Revenues - Grants	123,600	470,000
Expense - Depreciation	(933,000)	(1,097,000)
Expense - Debt Service	-	(35,000)
	<u><b>(258,210)</b></u>	<u><b>(54,000)</b></u>
<b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>	<u><b>\$ 1,596,570</b></u>	<u><b>\$ 2,222,000</b></u>
 <u><b>CASH AVAILABLE FOR CAPITAL ASSETS</b></u>		
Beginning Capital Asset Cash (Loan)	0	(910,000)
Add: Curr. Yr. Resources Available	1,596,570	2,222,000
Add: Depreciation Transfer	933,000	1,097,000
Less: Capital Purchases Authorized - Curr. Yr.	(1,620,870)	(748,000)
Less: Capital Purchases Authorized - Prior Yrs.	(1,404,435)	(1,151,000)
	<u><b>\$ (495,735)</b></u>	<u><b>\$ 510,000</b></u>

The concern, however, is that the fund does not have any working capital and must rely on cash advances from the General Fund. A 10 percent working cash reserve would require the fund to repay its current advance of \$1 million and accumulate another \$2 million. Scheduled rate increases will help the fund accumulate cash. One more reason to accumulate cash would be for renovations or expansion of the current Corporation Yard or relocation to a new facility. This is a long-term issue and deserves thoughtful discussion.

Another issue concerns commercial recycling. Currently the City charges for commercial recycling containers. The rates are at a reduced amount to encourage recycling. The private sector has started distributing recycling containers to business without charge (allowed by State law) and has reduced the amount of service being provided by the City. The City is currently reviewing options to determine if Solid Waste should provide commercial recycling

containers at a lower or no cost and package those rates with other commercial rates. The alternative is to allow some commercial recyclables to be processed by other parties.

A major factor in determining rates is the costs for tipping fees. As these are approximately 1/3 of the total costs, any significant increase would need to be promptly passed on through to the rate payers via a special rate adjustment. There are no firm proposals to increase tipping fees, only discussions that the County of Tulare might raise its landfill fee. If the County of Tulare's Landfill Division or other tipping fees (e.g. recyclables and green waste) were to increase, staff would return with the effects on operations.

***Management Recommendation #7: Direct Staff to recommend Solid Waste rates and fees which:***

- 1) Accumulate sufficient working capital and other capital monies for ongoing operations; and,***
- 2) Revise commercial recycling rates to encourage more commercial recycling.***

**WASTEWATER**

***Covering operations: Yes***  
***Meeting debt service: Yes***  
***Meeting capital needs:***  
***Current year - Yes***  
***Future years - No***  
  
***Comment: Implement a multi-year rate increase to fund the required expansion of the plant.***

As shown in Table IX Wastewater, total revenues and expenses are slightly above budget as net income is projected to be \$1.5 million. Wastewater currently projects a fiscal year-end cash balance of \$13.5 million. Most of this money is for clean water improvement as required for the National Pollution Discharge Elimination System (NPDES) permit. Eventually, these improvements may cost as much as \$50 to \$60 million.

Revenues continue to grow as new homes come on line and large businesses use the treatment plant. The major difference in the budget to projected income statement is due to a new debt service payment. When the budget was prepared, one bonded debt service was removed, but a section 108 governmental loan was not included. Thus, the budget was substantially less than what is projected.

**Table IX  
Wastewater  
FY 08-09**

<b><u>OPERATIONS</u></b>	<b><u>Budget</u></b>	<b><u>Projected</u></b>
<b><u>REVENUES</u></b>		
Charges & Fees	<b>\$ 11,278,560</b>	<b>\$ 11,800,000</b>
<b><u>EXPENSES</u></b>		
Personnel	(2,428,240)	(2,305,000)
Operations & Maintenance	(3,309,820)	(3,092,000)
Allocated Costs	(1,280,745)	(1,548,000)
	<b>(7,018,805)</b>	<b>(6,945,000)</b>
<b>OPERATIONS</b>	<b>4,259,755</b>	<b>4,855,000</b>
<b><u>OTHER / NON-OPERATING</u></b>		
Walnuts (Net) & Misc. Revenues	798,390	436,000
Depreciation Expense	(2,280,950)	(2,372,000)
Debt Service Expenditures	(776,978)	(1,426,000)
	<b>(2,259,538)</b>	<b>(3,362,000)</b>
<b>CURRENT YEAR RESOURCES AVAILABLE FOR CAPITAL</b>	<b>\$ 2,000,217</b>	<b>\$ 1,493,000</b>
<b><u>CASH AVAILABLE FOR CAPITAL ASSETS</u></b>		
Beginning Capital Asset Cash	10,529,426	10,529,000
Add: Curr. Yr. Resources Available	2,000,217	1,493,000
Add: Depreciation Transfer	2,280,950	2,372,000
Less: Capital Purchases Authorized - Curr. Yr.	(3,588,300)	(878,000)
Less: Capital Purchases Authorized - Prior Yrs.	(9,995,137)	(1,359,000)
<b>ENDING CAPITAL ASSET CASH</b>	<b>\$ 1,227,156</b>	<b>\$ 13,516,000</b>

Wastewater's major issue is the large capital expenditures required for their NPDES permit, with early estimates ranging between \$50.0 and \$60.0 million. The City is in the process of awarding a design contract within a few weeks of which approximately \$5.0 million is currently estimated to be spent by 2010. Construction would then occur in 2011 and 2012. To prepare for this project, the City needs to adjust its rates to support the appropriate debt service.

The City will utilize Revenue Bonds or a State loan program to fund the improvements. Either way, the City will be required to maintain a cash flow of 125% of the operating and maintenance costs including debt service. To obtain the bonds, it will be necessary to already have implemented a rate structure sufficient to cover the new debt. Table X, Wastewater's Potential Rate Increase provides two funding scenarios: a \$60 and a \$50

million project. Since the fund has set aside some \$10 million in cash, the debt issue will be between \$40 and \$50 million in order to meet the typically required rate covenant.

Table X

**Wastewater's Potential Revenue / Rate Increase**

	<u>(In Millions)</u>	
	<u>\$50.0</u>	<u>\$40.0</u>
<b>Debt Issue</b>		
<b>Expenses</b>		
Debt Service:		
2003 Bonds	\$ 1.4	\$ 1.4
New Debt (based on 6.0% for 20 years)	4.3	3.4
<b>Total Debt Service</b>	<u>5.7</u>	<u>4.8</u>
Operations	<u>6.9</u>	<u>6.9</u>
<b>Total Expenses Excluding Depreciation</b>	<u>\$ 12.6</u>	<u>\$ 11.7</u>
<b>Rate Covenant (Required)</b>	<u>125%</u>	<u>125%</u>
<b>Revenue</b>		
Required Revenue	15.8	14.7
Current Projected Revenue	<u>11.8</u>	<u>11.8</u>
<b>Additional Revenue Needed - \$</b>	<u><b>\$ 4.0</b></u>	<u><b>\$ 2.9</b></u>
<b>Additional Revenue Needed - %</b>	<u><b>33.9%</b></u>	<u><b>24.6%</b></u>
<b>Rate Increase - %</b>		
Required Revenue (New Debt) / Divided by 3 Yrs.	11.3%	8.2%
Existing 5.0% Increase (3 Yrs. Remaining)	<u>5.0%</u>	<u>5.0%</u>
<b>Revised 3 Year Rate Increase - %</b>	<u><b>16.3%</b></u>	<u><b>13.2%</b></u>

In discussions with the Waste Water Treatment Plant Manager, Jim Ross, he believes the required cash flows will be as follows:

FY 09/10	\$ 6 million	Mainly for design
FY 10/11	25 million	Begin construction
FY 11/12	\$19 million	Complete construction
Total	\$50 million	

This low end estimate still requires issuing a revenue bond sometime in FY 10/11. As a result, the City needs to put into place a rate structure which will support this amount of debt. **Staff recommends that Council direct staff to bring back a three year rate proposal for implementation this July which will assure the City can support the lower end of the projected capital project cost.**

***Management Recommendation #8: Bring back to Council a rate proposal designed to support the low end of the projected treatment plant NPDES project, implemented over three years.***

**Summary**

The breadth and scope of events in the larger world are impacting Visalia and all local governments. The extent of these recommendations is far reaching. However, Visalia is striving to grapple not with this year's fiscal challenges nor just next year's challenges to be, but long-term issues stretching many years into the future. Because of this effort, Visalia is better able to handle difficult times.

**Prior Council/Board Actions:** Council reviewed this item at their March 16, 2009 meeting.

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

<p><b>Recommended Motion (and Alternative Motions if expected):</b> Receive the budget report and act upon management's recommendations listed below:</p>
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***Management Recommendation #1: Retain frozen all frozen 08/09 projects and freeze the Miki City Park project, an additional \$274,500.***

***Management Recommendation #2: Direct staff to work on management recommended budget saving options in the General Fund as outlined in Table IV. Items marked with an asterisk (\*) would require no further action. Non-asterisk items will need to be brought back to Council to finalize before the beginning of next fiscal year.***

***Management Recommendation #3: Set-aside \$600,000 in FY 2009/2010 towards the expected increase in PERS costs for FY 2010/11.***

**Management Recommendation #4:**

- a) Direct staff to bring back a tax-exempt project for the Central project area to maximize the debt capacity of Central RDA.
  
- b) Authorize staff to pay the ERAF payment in the amount of \$446,867 to the County by April 15, 2009.

***Management Recommendation #5: Authorize up to \$1 million cash advance from the General Fund to the Transportation Impact Fee Fund to assure the timely completion of currently authorized Transportation Impact Fee projects.***



**Management Recommendation #6:** Direct staff to return to Council with various fare box alternatives now that State Transit Assistance monies will be taken by the State of California.

**Management Recommendation #7:** Direct Staff to recommend Solid Waste rates and fees which:

- 1) Accumulate sufficient working capital and other capital monies for ongoing operations; and,
- 2) Revise commercial recycling rates to encourage more commercial recycling.

**Management Recommendation #8:** Bring back to Council a rate proposal designed to support the low end of the projected treatment plant NPDES project, implemented over three years.

Staff recommends to bring these items back for more in depth discussion before July 2009:

- ***Declare a fiscal emergency by a 4/5ths vote, allowing the City not to maintain the Maintenance of Effort requirement with Measure T.***
  
- ***Reinstate the General Fund retiree health care prefunding of \$500,000 for fiscal year 08/09 and 09/10.*** At the same time, Council needs to clearly state that such reserve amounts are based upon the sole discretion of City Council and does not change its underlying right or policy to revise retiree health care contributions from year to year.
  
- ***Adopt a policy of not increasing Retiree Health Care contributions and clearly state this is an optional benefit the Council awards year to year.***

***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:

## Leslie Caviglia

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**From:** tetsuo\_kurahashi@city.miki.hyogo.jp  
**Sent:** Tuesday, March 31, 2009 10:30 PM  
**To:** bplink@sbcglobal.net; Leslie Caviglia  
**Subject:** Spring Greeting from Miki

The spring has come to Miki and we are looking forward to seeing the cherry blossoms soon. I hope you also have a beautiful spring season in California. The nature of the world shows us its seasonal faces as usual in spite of the economic depression prevailing over the world including Japan.

Thank you again for the visit of Visalia students delegation to Miki last summer. I wonder if we could treat them so well enough to make them feel satisfactory. I still appreciate you for keeping on our sister city exchange programs which has been kept over forty years.

However I have to tell you the bad news about exchange programs now. Mayor Yabumoto and the city council made up their mind to suspend our sister city programs for the purpose of diminishing the deficit of city government finance caused by the economic depression covering the world. We hope that our exchange programs with Visalia and Corowa will begin as soon as possible in the future. And I ask you to tell information to your Mayor and other staffs.

Hoping your happy days at the office and at home.

倉橋 哲雄  
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Director of Miki International Association  
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