

Regular Meeting Agenda

Visalia City Council



Mayor: Bob Link
Vice Mayor: Amy Shuklian
Council Member: Warren Gubler
Council Member: Mike Lane
Council Member: Steve Nelsen

Monday, March 15, 2010

VISALIA CONVENTION CENTER, 303 E. ACEQUIA, VISALIA CA 93291

Work Session 4:00 p.m.; Closed Session immediately following Work Session
Regular Session 7:00 p.m.

4:00 p.m. WORK SESSION AND ACTION ITEMS (as described)



1. Annual Report of the Visalia Parks and Recreation Foundation by Carol Lefson, Foundation Executive Director. **Receive public comment.**

4:10 p.m.

2. Presentation of the 2009 Visalia Convention and Visitors Bureau (VCVB) Annual Report. **Receive public comment.**

4:40 p.m.

3. Receive the Mid-Year Financial Report and provide direction to staff as appropriate. **Receive public comment.**

5:00 p.m.

4. Discussion of possible economic stimulus actions the City of Visalia might take. **Receive public comment.**

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

6:00 p.m.

CLOSED SESSION (immediately following Work Session)

5. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of G.C. §54956.9)
Name of Case: Kuehn v. City of Visalia, TCSC #09-231447

6. *Item removed at the request of staff*

7. Conference With Real Property Negotiators (G.C. §54956.8)
Property: 3.43 acres located at the northeast corner of Road 68 and Caldwell Avenue, 6832 Avenue 280, APN 118-020-033
Under Negotiation: Potential Tenant
Negotiating Parties for City: Steve Salomon, Mike Olmos, Andy Benelli, Chris Tavarez
Negotiating Parties for Tenant: Nancy Salmon, Robert Linderman, Reverend Vartan Kasparian

8. Conference With Real Property Negotiators (G.C. §54956.8)
Property: Portions of APN: 119-010-021 and 118-020-037 (No Site Address Available)
Under Negotiation: Authority to negotiate rates, terms and conditions of potential lease
Negotiating Parties: Steve Salomon, Andrew Benelli, Jim Ross, Sue Shannon, Gary Birdsong, John Jones

7:00 p.m.

REGULAR SESSION

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION – Reverend Tom Buratovich, Visalia United Methodist Church

SPECIAL PRESENTATIONS/RECOGNITION

- Present Resolution of Commendation to Pastor Rich Hansen, First Presbyterian Church
- Presentation of donation to the City of Visalia by the Visalia Parks and Recreation Foundation (Vince A. Elizondo, Director of Parks and Recreation, and Carol Lefson, Foundation Executive Director)

PUBLIC COMMENTS - *This is the time for citizens to comment on subject matters that are not on the agenda that are within the jurisdiction of the Visalia City Council.*

This is also the time for citizens to comment on items listed on the Consent Calendar or to request an item from the Consent Calendar be pulled for discussion purposes. Comments related to Regular or Public Hearing Items that are listed on this agenda will be heard at the time that item is discussed or at the time the Public Hearing is opened for comment.

In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (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.

9. INFORMATION ITEMS – (No action required)

- a) Receive Planning Commission Action Agenda for the meeting of March 8, 2010.

10. CONSENT CALENDAR - *Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.*

- a) Authorization to read ordinances by title only.

- b) Approve the Waterways and Trails Master Plan and adopt the Mitigated Negative Declaration. **Resolution 2010-11 required.**
- c) Authorize the purchase of 43 copiers with maintenance contract to replace the leased copiers at various departments throughout the City.
- d) Authorization to lease two 30-foot hybrid-electric buses from the Livermore/ Amador Valley Transit Authority (LAVTA) for use in the Sequoia Shuttle internal route for the 2010 season (May 1 through September 30) at a total cost of \$44,000 which will be funded through the Cooperative and Task Agreements with the National Park Service.
- e) Authorization to remove the informational item of the Planning Commission Action Agenda from future Council meeting agendas.
- f) Approve the recommended appointments of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne to the Waterways and Trails Committee.
- g) Approve request by MSJ Partners to initiate a second amendment to the Pre-Annexation Agreement pertaining to the 480 acre Vargas annexation, located along Plaza Drive north of Riggin Avenue.

REGULAR ITEMS AND PUBLIC HEARINGS - *Comments related to Regular Items and Public Hearing Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Mayor.*

- 11. Approval of the 2010-15 Mobile Home Park Master Lease and Memorandum of Understanding (MOU).

12. PUBLIC HEARING

- a) Adoption of Negative Declaration No. 2009-91, for the 2009 Housing Element Update (GPA 2009-03). **Resolution No. 2010-12 required.**
- b) Adoption of the 2009 Housing Element Update, General Plan Amendment GPA 2009-03. **Resolution No. 2010-13 required.**

- 13. *Approve request from staff to cancel the public hearing until further notice (Continued from 2/16/10 and 3/1/10)*

PUBLIC HEARING - Introduction of Ordinance for a Development Agreement for Tentative Parcel Map No. 2006-09: A request by Di Mello Toscana Inc. to enter into a Development Agreement with the City of Visalia related to the required infrastructure improvements for Tentative Parcel Map No. 2006-09, which divides 9.76 acres into nine parcels. The site is located on the north side of Goshen Avenue, approximately 850 ft. east of Shirk St. APNs: 077-720-001 thru 007, 077-730-001 and 077-730-002.

CLOSED SESSION REPORT (if any)

Upcoming Council Meetings

- Monday, April 5, 2010, 3:00 p.m. Joint Meeting with Planning Commission, Visalia Convention Center, 303 E. Acequia
- Monday, April 5, 2010, Work Session 5:00 p.m.; Regular Session 7:00 p.m., Visalia Convention Center, 303 E. Acequia
- Monday, April 19, 2010, 4:00 p.m. Work Session; Regular Session 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.

The City's newsletter, Inside City Hall, is published after all regular City Council meetings. To self-subscribe, go to http://www.ci.visalia.ca.us/about/inside_city_hall_newsletter.asp. For more information, contact Community Relations Manager Nancy Loliva at nloliva@ci.visalia.ca.us.

*A quote from
Visalia's past:*

"There was something doing at the Santa Fe depot this morning. The agent, the warehouse man, all of the telegraph operators, and even the baggage man, were jumping around and ejecting excited and incoherent sentences in a manner that would make the wooden actors in a puppet show ashamed of themselves. All the excitement was caused by the unexpected discovery of a young alligator in a refrigerator car." Visalia's Tulare County Times, April 18, 1912



City of Visalia

Resolution

Resolution of Commendation

Reverend Dr. Richard P. Hansen

Whereas, Reverend Hansen has served as a Senior Pastor at the First Presbyterian Church for 22 years and will be leaving Visalia to accept a three-year mission assignment in Ethiopia; and

Whereas, Reverend Hansen has strived to carry out the mission of First Pres to become a church family of authentic disciples of Jesus Christ where all are embraced in love, equipped for ministry, and sent out to serve; and

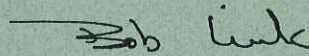
Whereas, Reverend Hansen became a catalyst for multi-church partnerships in Visalia, evident through initiating the Downtown Community Good Friday Service and led the effort for First Pres to purchase and renovate a 100-year old Visalia landmark and transformed it into 210, which provides programs and activities for youth and adults in our community; and

Whereas, Reverend Hansen has encouraged his congregation's involvement with the Visalia Rescue Mission, Adopt-A-School Program, local and international mission outreach and service by members extending to Germany, Guatemala, Egypt and China; and

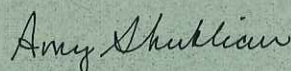
Whereas, Reverend Hansen's leadership has demonstrated that when people work together for a common goal and regardless of their faith preference, they can achieve results which benefit the entire community.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Visalia, does hereby commend and thank Reverend Dr. Richard P. Hansen for his service to his church and to the community, and wish the very best for him in his future endeavors.

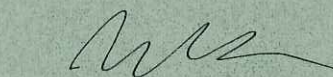
Dated: March 15, 2010



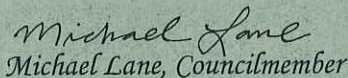
Bob Link, Mayor



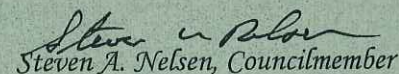
Amy Shuklian, Vice-Mayor



E. Warren Gubler, Councilmember



Michael Lane, Councilmember



Steven A. Nelsen, Councilmember

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording: Annual Presentation by the Visalia Parks & Recreation Foundation.

Deadline for Action: N/A

Submitting Department: Parks & Recreation

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

Department Recommendation:

Accept the City staff report and the annual report by the Visalia Parks and Recreation Foundation.

Summary Report:

On August 3, 2009, the City Council approved a new Cooperation Agreement between the City of Visalia and the Visalia Parks and Recreation Foundation.

The new agreement is for five years, which can be renewed annually thereafter for a term of up to ten years.

As part of the new agreement, the Foundation will provide the City with annual accountability reports. This will include an annual presentation to both the Parks and Recreation Commission and the Visalia City Council. This provides the Commission and the Council with the ability to assess the overall effectiveness of the Foundation in serving the City and the community.

Background Information:

In 1985, the Visalia Parks and Recreation Foundation was formed for the purpose of assisting and promoting public parks and recreation and for community enhancement for the City of Visalia.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 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.

Historically, the Foundation has had roughly 18 to 22 volunteer Board Members that carry out the mission of the Foundation. In an effort to be more effective, the City has funded a part-time Executive Director to work with the Board to accomplish their various goals. The two most recent Executive Directors were Leslie Caviglia and Thora Guthrie. In November of 2008, after a competitive recruitment process, the Foundation hired the current Director Carol Lefson

The City funding comes from an annual payment of \$30,000 to the Foundation, paid quarterly. The funding is allocated in the general fund budget of the Parks and Recreation Department. The funding has been in place for the past 9 years.

Over the years, the Foundation has raised millions of dollars in cash or in-kind contributions for various Parks and Recreation Department programs or services. Examples include corporate sponsorships for the new Visalia Riverway Sports Park; the construction of the Leathers, Inc. playground project at Riverway --- now called the Jim Byrd Playground; the dog parks in Plaza Park and Seven Oaks Park; various improvement projects in parks and along the riparian areas adjacent to our waterways.

More recently, the Foundation, with the assistance of community volunteers and City staff, coordinated the annual Fourth of July Fireworks show at the Giant Chevrolet Mineral King Bowl. The Foundation has been raising monies for this annual event for many, many years.

Prior Council/Board Actions: On August 3, 2009, the City Council approved a Cooperation Agreement with the Visalia Parks & Recreation Foundation.

Committee/Commission Review and Actions: None

Attachments:

Recommended Motion (and Alternative Motions if expected):

That the City Council accept the City staff report and the annual report by the Visalia Parks and Recreation Foundation.

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: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Presentation of the 2009 Visalia Convention and Visitors Bureau (VCVB) annual report.

Deadline for Action: N/A

Submitting Department: Administration

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

Department Recommendation

It is recommended that the City Council discuss the 2009 annual report with the representatives from the Visalia Convention and Visitors Bureau.

Summary:

The City of Visalia funded the Visalia Convention and Visitors Bureau (VCVB) in 2009-2010 with \$239,000 in funding, and also provided in-kind services including office space, phone, access to office equipment and technical support. One VCVB employee operates out of the City office, and a second has her office in Davis, and only uses the City office infrequently. In addition, the organization raised an additional \$94,000 in co-op advertising, co-op tradeshow and gross event revenues. The attached annual report provides a comprehensive overview of the results and activities of the Bureau.

This investment by the City has resulted in more than \$1.5 million in direct revenue in convention center, hotel, catering and other revenues that can be specifically attributed to the VCVB sales efforts. With a return of more than five times the City's investment, it would appear the VCVB is now providing a substantial return.

In addition to the direct revenue, the VCVB has also calculated the economic impact of their work. In 2008, the HVS (a consulting firm that specializes in hospitality industry economics) report commissioned by the City of Visalia, the Visalia Economic Development Corporation, Downtown Visalians and the VCVB, was presented to the Council. The HVS study provided economic impact projections based on the findings about the Visalia hospitality industry. Typically, delegate spending in Visalia tends to be less than other destinations that may have more of a holiday/vacation reputation. The HVS study indicated that average overnight delegate spending in Visalia is \$236.49, and day delegate spending is \$45.03. These and other economic factors in the report were used to develop the economic impact figures cited in the VCVB report. The highlights of the successes the two staff members and the all-volunteer board have produced in the past year include the following:

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

Finance

City Atty

City Mgr

*Booked 10 events that will result in 22,405 delegates who will have 11,882 room nights in Visalia resulting in an estimated \$1.5 million in specific revenue from hotel room costs, catering, facility fees and other direct spending, and \$5.5 million in economic impact in the community. Many of these events will be held in Visalia over the next 3 years

*Booked events in previous years that were held in 2009 that resulted in an estimated \$2.8 million in overnight delegate spending, generating an estimated \$2.4 million in day trip delegate spending, and \$157,000 event organizer spending

*Developed a sales contact list with more than 3,000 potential lead contacts

*Redesigned and maintained the website which resulted in 500 requests for information from 37,183 visits with 85% of those visits coming from first-time visitors

*Responded to a total of 2,264 requests for information from print advertising, the majority of those resulting from a co-op ad in the California Visitors Guide

*Developed a welcome program for large events that includes welcome signs in business windows and discount coupons to local businesses

*Serviced 8 events in Visalia. Services vary depending on the event but can include concierge services at the event, welcome information, registration assistance and other services

*Attended 4 convention tradeshows that resulted in 36 leads and 3 tourism tradeshows that resulted in an estimated 10,000 visitor contacts.

*Responded to 61 media inquiries and hosted 3 media tours including representatives from Frommers, a freelance writer for Californiaweened.com and writer for Italian off road magazines and website

*Contracted to host the Outdoor Writers Association Annual Conference in Visalia. An estimated 40 outdoor writers will attend the 3 day conference in Visalia

Department Discussion:

Staff believes the VCVB has made significant progress in the past year. After several years of struggling to get established as a new, independent organization, hire the right staff mix and become financial solvent, they appear on much more solid ground.

The Board has hired Aaryn Skaggs as the Convention Sales Manager. She is located and operates out of the Sacramento area. She has a strong hospitality sales background and is conveniently located near many of the association headquarters in the state. She was hired in August, 2008, and had an impressive first year of sales. It usually takes at least a couple of years to develop relationships with meeting planners so first year sales were expected to be somewhat sluggish. The fact that she was able to secure 10 sales in the first year was significant, and she continues to provide local hotels and the convention center with new leads on an almost weekly basis. In addition, both the VCVB Board and City staff believe she has developed an impressive contact list that will serve the organization well in the future.

Erin Cappuccino is located in Visalia and services the conventions and tourists that come to Visalia. In addition, she provides support to the sales efforts. She is directly responsible for servicing such events as the Fan Fest in late April which will bring 3,000 to town for two nights, the Amgen bike race which will have thousands of people lining the streets, and Jobs Daughters in June, which will bring more than 2,500 people to Visalia for three nights.

The City Council has two members on the VCVB Board, Vice Mayor Amy Shuklian who also sits on the Executive Committee, and Council Member Mike Lane, who replaced Greg Collins on the Board. The remaining Board members are currently the same as those listed in the report. The Board will hold elections for new Board Members and Officers later this spring and the new Board will assume their duties on July 1, 2010.

Background:

In 2004, the City Council formed a task force to make a recommendation on how a VCVB should be organized and function. At the time, the convention sales end of the VCVB were handled out of the Convention Center, and the tourism activities were handled by the Chamber of Commerce. It was the consensus of everyone involved that the structure was not optimal. The task force recommended that a separate non-profit with an independent board be formed. In 2005, the VCVB operated as part of the Chamber while undergoing the organizational process. In 2006, it became a full-fledged non-profit corporation.

When the VCVB was first formed in 2005, the City funded the organization at \$279,000, which included \$239,000 for operational costs and \$40,000 for start up costs. It was noted in the original report that a higher level of funding would be needed as the organization matured and was able to assume a more aggressive sales strategy. However, City staff has not previously recommended a higher level of funding until there was a quantifiable sales activity that could be attributed to the Bureau's efforts. In the past year, staff has become very encouraged by the success the Bureau has documented, and the future sales plan in place which includes an aggressive sports marketing effort.

The Bureau will also end the 2009-2010 fiscal year on a positive note. For the last two years, the VCVB has run a deficit. This year, the Board was much more directly involved in the day-to-day fiscal operations and have eliminated the \$30,000 deficit with which they ended the 2008-2009 fiscal year. They have accomplished this by eliminating the Executive Director position and using a committee approach to manage the day-to-day operations, moving the Visalia offices in to City provided space, moving the tourism information center to the Convention Center, not raising salaries and keeping a very close watch on expenditures.

However, not having a lead staff person is taking its toll on the volunteer board and is not something that can be sustained. The Board will be looking at options for a staff-run operation. Most likely, it will not result in an Executive Director, but rather a Director of Sales and Marketing that handles operations but is also directly responsible for meeting their own sales goals. There are many markets, including the Bay Area and Los Angeles, which could be mined as part of a targeted sales effort if more staff was available.

City staff will be coming back to Council with budget recommendations as part of the 2010-12 budget process.

Prior Council/Board Actions:

2004 – Council formed a Task Force to consider how the VCVB should be organized
2005 – VCVB began formation of a separate organization under the auspices of the Chamber with a budget of \$279,000
2006- VCVB completed formation and was funded at \$239,000
2007-2010- VCVB was funded by the City at \$239,000 with more in-kind services added in 2009

Committee/Commission Review and Actions:

Alternatives:

Attachments:

2009 VCVB Annual Report

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

<i>Environmental Assessment Status</i>
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)*



VISALIA
CONVENTION & VISITORS BUREAU



ANNUAL REPORT 2009

ABOUT US

VISALIA CVB MISSION

The mission of the Visalia Convention & Visitors Bureau is to promote the city and region as a premier destination for both meetings and vacations. Visalia and the Sequoia Valley region represent one of the best and undiscovered values in the state in terms of a place to visit and conduct business. The Visalia CVB is committed to increasing the strength of this sector of the local and regional economy and to helping grow those businesses which cater to it.

TABLE OF CONTENTS

1. Message from the Chair
2. CVB Services
3. Sales: Program & Results
4. Sales: Projects & Events
5. Tourism
6. Membership
7. Public Relations

CVB STAFF

Sales Manager:
Aaryn Skaggs

**Tourism, Marketing & Events
Coordinator:**
Erin Capuchino



BOARD OF DIRECTORS

Our Board of Directors is comprised of business owners and professionals who have the experience and willingness to serve the community beyond the scope of their demanding work schedules. Their volunteer responsibility includes steering company policy, building relationships with local government, interpreting the needs and interests of the community to the Bureau and staff, and determining the future course of the Bureau's mission.

Executive Committee

Chairman: Joe Kuhn, Visalia Marriott

Vice Chair: Anil Chagan, Infinite Hospitality

Treasurer/Secretary: Wally Roeben, Visalia Convention Center

Past Chair: Samantha Rummage, Holiday Inn

Senior City Council Representative: Amy Shuklian

Board of Directors

Greg Collins – City Council

Roger Hurick - Adventure Park

Greg Kirkpatrick - Kirkpatrick Ag Group

Robert Lee - Lamp Liter Inn

Bob McKellar – McKellar Farms/Historic Seven Sycamore Ranch

Cathy Parker - Premier Color Graphics Inc.

Kathleen Remillard - Creative Center Foundation

Samantha Rummage – Holiday Inn Hotel

Sue Sa - Sue Sa's Creative Catering

Amy Shuklian - Visalia City Council

Tom Seidler - Visalia Rawhide

Mark Tilchen – Sequoia Natural History Association

Ad Hoc:

Leslie Caviglia - City of Visalia

CHAIR MESSAGE

LETTER FROM THE CHAIR

The Visalia Convention and Visitor Bureau experienced many changes in 2009, including cost containment moves, all while continuing to succeed in re-building and cultivating a base of exciting group and leisure leads.

This was also the first year that the VCVB completed the full year without an Executive Director. In continued efforts to reduce costs, the VCVB moved offices and maximized budgeted monies toward direct sales efforts and visitor recruiting. We also created a welcome center for visitors at our Convention Center.

Our Convention Sales Manager has led a strong push, remotely selling from the greater Sacramento area. Our local support team continues to seek out visitor information, while growing backing to bring in revenue opportunities from group business.

After just one year's effort of direct sales and marketing from Sacramento, we are already beginning to see results. Group leads have doubled, as well as booking opportunities presented to hotels. As we continue to shift and grow, having the city fund and support the sales and marketing efforts will be vital to both our longevity and the VCVB's success.

We also have our past Executive Director to thank, along with city volunteers, for putting our city on the map. Landing a start point for the Amgen California Tour created an opportunity for visitors to experience the charm and excitement Visalia can provide.

As the volunteer president for VCVB, I have come to realize, first-hand, the needs of a VCVB to succeed: A full-time Director with previous experience, additional sales manager to cast a wider net, stronger internet /social media presence, and larger support staff. We will continue to contact more groups to raise opportunities to expand our team and produce more visitors and groups to our city.

Having the Board continue to dedicate time and resources to support and drive the overall direction for the VCVB will bring even more successes on the horizon. Let us become more aware of the VCVB needs and develop our branding state wide....Visalia, the Jewel of the San Joaquin Valley.

Joe Kuhn
Board of Directors Chairman
Visalia Convention and Visitor Bureau
General Manager Visalia Marriott

CVB GROSS INCOME

City of Visalia: \$239,000

Membership: \$12,534.75

Tourism Ad Coops: \$17,960.00

Convention Sales Tradeshow Coops: \$3,733.10

Events: \$73,500

Total: \$94,032.85 (39% of COV Allocation)

2009 CVB SALES ECONOMIC IMPACT

Overnight Delegate Spending:

\$2,848,013.36

Day Trip Delegate Spending:

\$2,470,860.00

Event Organizer Delegate Spending:

\$157,200.00

Total:

\$5,477,073.36

(HVS Study 2008)

WWW.VISITVISALIA.ORG

The official Visalia CVB visitor information portal launched April 25, 2009. To date we have developed **530** pages. The website is designed for consumers, travel trade, meeting planners, members and media.

The site was completely re-designed and now showcases the city, our meeting venues, hotels, city wide calendar of events, restaurants, attractions and partners in the surrounding region. The site is interactive, and user friendly.

In 8 months the website has produced the following results:

Visits – 37,183

Page Visits – 127,975

New Visits – 85.02%

Requests for Information – 71

Visitor Guide Requests - 428

TRANSIENT OCCUPANCY

TAX COLLECTIONS

January 2009-November 2009:

\$1,847,223.95

Average Hotel Occupancy: 60.2%

Average Daily Rate: \$85.25

Visalia CVB | Annual Report ~ 2009 (1)

CVB SERVICES

The Visalia CVB assists meeting planners and group tour operators in finding the perfect fit for their next conference, meeting or special event. Our partnership ensures that each experience is a memorable one. To enhance future meetings and group tours, we offer the following services free of charge.

CITY WIDE WELCOME PROGRAM

In an effort to increase business traffic and city wide awareness, the Visalia CVB and Downtown Visalia Alliance has joined forces in creating a Welcome Program for city wide conferences, meetings and events. This program compliments our small town hospitality while welcoming and encouraging conference and event attendees to shop, dine and experience Visalia's many unique and historical attributes.

The Visalia Welcome Program is our way of welcoming visitors and attendees to the City of Visalia. Conference attendees are welcomed with city wide welcome posters displayed in participating business windows. We provide discounts and coupons that encourage shopping, dining and the discovery of our participating partners while generating new business.

REQUEST FOR PROPOSALS

Meeting planners and group tour operators are encouraged to contact the CVB with all RFP needs. The CVB is the "one stop shop" for negotiating hotel rates, convention and meeting space rates, and catering services. RFP's can be submitted online at www.visitvisalia.org or via email, sales@visitvisalia.org.

SPECIALIZED GROUP ITINERARIES

The Visalia CVB assists in planning, organizing and negotiating special group packages. We offer a variety of tours including but not limited to, a tour around town in the Visalia Towne Trolley, shuttle to the Sequoias, historic dinner tour, arts and entertainment, and agricultural tours. We can also arrange golf packages or outdoor adventures.



PROMOTIONS & PUBLICITY

With advance notice, the Visalia CVB can send out press releases on the behalf of events to local and regional media outlets to increase event publicity. If preferred we can also assist in protecting conferences, meetings or special events from the media.

AIRPORT WELCOME & TRANSPORTATION

We can host a designated welcome area for group's at either the Visalia or Fresno Airport. The CVB can negotiate group transportation discounts to and from the airport and on Amtrak.

PLANNING ASSISTANCE & SUPPORT SERVICES

For special requests and interests, the Visalia CVB can assist, suggest or provide resources that will assure seamless events.

SALES

The Visalia CVB Sales team solicits group conventions, meetings, events and tour prospects to generate business opportunities on behalf of CVB members. The Sales team is a “one-stop-shop” for all meeting planner needs. Members who benefit from our lead generating activities primarily include Visalia CVB partner hotels, local catering companies, event venues, local restaurants, attractions and event service providers.

The CVB Sales team puts forward opportunities that represent higher spending and that fulfill the needs of members for off-peak business. The primary markets we target include:

- Agriculture & Environmental
- Association & Government
- Corporate
- Military & Fraternal organizations
- Sports Events
- Religious & Fraternal

Proactive sales efforts that we conduct to reach our markets include; sales calls, sales blitzes, trade shows, sales presentations, familiarization tours, e-newsletters, and direct marketing activities. 2009 was a year of continued market segment penetration and development, which resulted in expanded exposure and recognition of Visalia as a desirable convention, meeting, event, and sports destination.

CONVENTIONS & EVENTS CONTRACTED

- CalPERS Retirement Fair, 2009
- Hunter Douglas Windows, 2009
- Diocesan Congress, 2009
- Order of Eastern Star, 2010
- Champion Bowl, 2009
- Western Plant Health Association, 2009
- Rural Community Assistance Corporation, 2010
- Great Western Fan Festival, 2010
- Job’s Daughters Grand Bethel, 2010-2012
- Heart Works, 2010
- Diocesan Congress, 2010
- CA Association of High Twelve Clubs, 2010
- CA Optometric Association, 2011
- CA Square Dance Council, 2012



PERFORMANCE MEASURES

Leads Generated: 36

Leads Booked: 14

Attendees: 22,405

Booked Room Nights: 11,882

Projected Economic Impact:

\$5,500,000.00

SALES ACTUALIZED & PROJECTED BOOKED REVENUE

Attendees: 22,405

Peak Room Nights: 11,882

Convention Center Rev: \$263,581.02

Catering Rev: \$89,743.79

Hotel Room Night Rev: \$1,180,883.58

TOT Rev: \$117,284.87

Misc. Hotel Rev: \$136,826.26

Total Revenue: \$1,524,738.50

2009 CONTACTS

GENERATED

Government – 749

Religious – 50

Medical – 263

Sports – 499

Entire Sales Database – 3,046

SALES ADVERTISING PURCHASED

-Meetings & Conventions, Directory Listing (Online)

-MPI, Global Market Place (Online)

-Society of Government Meeting Professionals Sacramento (Online)

-Sports Events, Directory Listing

SALES PROJECTS

In conjunction with sales calls and trade shows, the Sales team was involved in several special projects and events as a means of generating lead opportunities, maintaining and increasing Visalia's presence in the market place. Among these special activities were:

- Aaryn Skaggs – Sacramento SGMP - Community Outreach Chair
- Association Resource Center – Meeting Planner Presentation
- CA State University Sacramento - Meeting Planner Presentation
- UC Davis - Meeting Planner Presentation

SPORTS MARKETING

- Industry and events research
- *Sports Travel Magazine*, directory listing
- Lead generation and development
- National Association of Sports Commissions, membership

SALES MEETINGS

These educational and informative meetings increase communications and encourage our partners to sell Visalia as a destination. The Sales department hosted 11 Sales Meetings at various partner properties with an average of 9 Sales Managers in attendance.

INDUSTRY MEMBERSHIPS

- CA Society of Association Executives (CalSAE)
- Hospitality Specialty Management International (HSMIAI)
- Meeting Professionals International (MPI)
- National Association of Sports Commissions (NASC)
- Religious Conference Management Association (RCMA)
- Western Association of CVB's (WACVB)

EDUCATIONAL EVENTS

- CalSAE Quarterly Meetings
- HSMIAI Quarterly Meetings
- MPI Quarterly Meetings
- Society of Government Meeting Professionals
- Joint Educational Conference
- Monthly Meetings

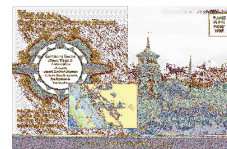
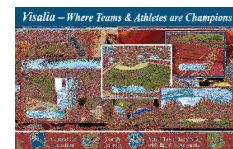
TRADE SHOW HIGHLIGHTS

The CVB exhibits at tradeshow to create awareness of our destination, make new contacts and enhance relationships with existing contacts. In 2009, the sales team participated in 4 tradeshow, resulting in 36 Leads being generated for our members.

- CalSAE Seasonal Spectacular
- Department of General Services Trade Show
- HSMIAI Affordable Meetings West
- Meeting Professionals International:
 - Sacramento & Sierra Nevada Chapter Trade Show
 - Southern CA Chapter Tradeshow

SALES POSTCARD DEVELOPMENT

The CVB has created sales postcards to be used for direct marketing. Postcards are used for trade show pre-mailings, and consistent promotion.



TOURISM

TRADE SHOWS & INDUSTRY EVENTS

- California Travel Industry of America, Beyond on the Gateways Conference
- Bay Area Travel Show
- LA Times Travel Show

INDUSTRY MEMBERSHIPS

- Arts Consortium
- California Travel & Tourism Association
- California Travel Industry of America
- National Tour Association
- Sequoia Valley Visitors Council
- Tulare County Historical Society

CITY WIDE EVENTS SERVICED THROUGH CVB SERVICES

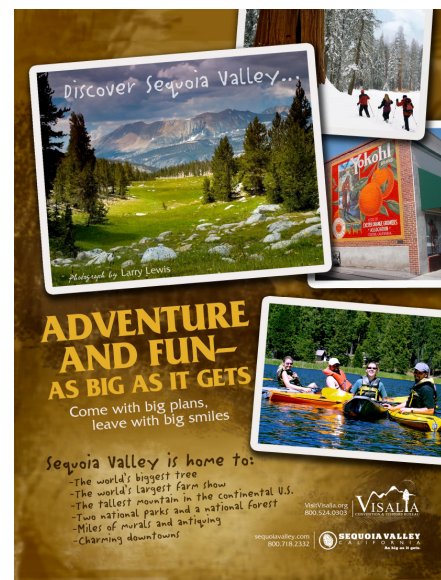
- AMGEN Tour of California
- California Gourd Society
- California Order of Eastern Star, Grand Chapter Session
- Champion Bowl 2009
- Diocese of Fresno
- Great Western Fan Festival
- International Dairy Association
- Job's Daughters, Grand Bethel

TOURISM ADVERTISING & DIRECT VISITOR INQUIRIES

- CA Visitors Guide (Co-op) – 1,056
 - Sequoia Valley Visitor Guide
 - Sunset Magazine, "Visit the Sequoias" – 860
 - National Geographic Traveler – 348
- Total Visitor Inquiries – 2,264**

RETURN ON INVESTMENT TOTAL VISITOR INQUIRIES:

Website Requests – 583
Advertising Direct Visitor Inquiries – 2,264
Total Visitor Inquiries – 2,847



MEMBERSHIP

MEMBERSHIP OVERVIEW

The Bureau enjoys a mutually beneficial collaborative relationship with our 36 member partners. In marketing Visalia as a destination, we provide a service to all of our members, keeping Visalia in the spotlight with the traveling public. We also refer member businesses to visitors, media, film, travel trade and meeting professionals on a daily basis.

PUBLICATIONS: Itinerary Rack Cards:



MEMBER MARKETING OPPORTUNITIES:

Throughout the year, the Bureau offers a diversity of marketing opportunities to our membership including:

Members are the first referral for visitor inquiries

Participation in familiarization (fam) tours for meeting planners, tour operators and media

- Cooperative advertising opportunities in electronic and print media
 - Sales leads for group business
- Participation in local networking functions
 - Enhanced web listings

Members are highlighted through links in social media daily

- Access to promotional and tradeshow opportunities

MEMBERSHIP BY CATEGORY

Attractions – 11

Caterers – 1

General Business – 2

Hotel/Lodging – 11

Meeting Venues – 2

Non-Profits – 7

Restaurants – 2

Total Members- 36

Membership Revenue - \$12,534.75

Official Visitors Guide:



PUBLIC RELATIONS

OVERVIEW

The Visalia CVB works with media outlets and representatives in various markets to build and maintain awareness of Visalia as a travel destination. The CVB establishes and maintains relationships with media and supplies the media with up-to-date information, editorial content, ideas and imagery in hopes of capturing free media coverage.

MEDIA RELATIONS

2009 California Travel & Tourism Commission
Media Leads: 61

FAMILIARIZATION TOURS

On behalf of the Visalia CVB and its members, media visits are secured across various markets to promote the destination, and to increase exposure through editorial coverage. Member support has proven valuable in showcasing the best that Visalia has to offer.

The Bureau hosted 3 media tours:

- Chris Peterson, Frommers update and the Ramble California: The Wanderer's Guide to the Offbeat, Overlooked and Outrageous.
- Cary Ordway, freelance writer for Californiaweekend.com. In addition, Cary's column is sent to 62 newspapers.
- Gisuy Concina, represents Italian off road magazines and website.

MEDIA EVENTS

In 2009 the Visalia CVB contracted to host the Fall 2010 Outdoor Writers Association Annual Conference. The conference anticipates over 60 writers for the three day conference. Our partner hotels, Visalia Convention Center, attractions, and restaurants will be hosting the group's stay, meals and off-site tours. Throughout their stay the writers will have a hands on experience of Visalia and Tulare County. In return we anticipate media coverage in local, regional and nationally recognized publications.

FREE EDITORIAL COVERAGE

Convention Sales:

- Association News*, "Golden California" May 2009
- Annual Directory Listing, *Meetings & Conventions*
 - Meetings Focus*, "Grand Central" 12/2009
 - Smart Meetings*, Online Directory Listing

Tourism:

- The Blend*, Online Travel Magazine
 - Sunset*, "Quick Weekend Escapes"
 - The Week*, "Leisure Food & Drink", 12/ 2009
- The New York Times*, "Laos and Portugal in Basque Country", 12/2009

Estimated Value - \$23,779

SOCIAL NETWORKING

Facebook
Myspace
Twitter
Linkdin

E-COMMUNICATIONS

The Bureau utilized html format e-newsletters to communicate regularly with meeting planners and potential visitors. The email communications build brand loyalty as well as compliment the Bureau's advertising campaign and public relations outreach. Generally, the content promoted venues, attractions, restaurants, upcoming events and special promotions

E-NEWSLETTERS

Convention Sales:

E-Newsletters Distributed – 14
Audience – 28,347
Opens – 3,158
Unique Clicks – 214

Tourism:

E-Newsletters Distributed – 14
Audience – 17,780
Opens – 4,052
Unique Clicks – 1,516



(559) 334-0141

www.visitvisalia.org

City of Visalia Agenda Item Transmittal

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 3

Agenda Item Wording: Mid-year Report

Deadline for Action: None

Submitting Department: Administrative Services

Contact Name and Phone Number: Eric Frost, Administrative Services Director x4474; Renee Nagel, Finance Manager x4375; Gus Aiello, Finance Manager x4423

Department Recommendation:

That the City Council receive the Mid-year Financial report and:

- 1) Direct staff to prepare a General Fund Budget for Fiscal Year 10/11 which anticipates a \$2.5 million deficit due to lower actual sales tax revenues in Fiscal Year 09/10.
- 2) Use Measure T fund balance to fund this year's Police Measure T budget.
- 3) Advance up to \$400,000 to the Building Safety Fund for Fiscal Year 09/10 in order to maintain current level of services.
- 4) Direct staff to review with Council the options available to the City if the State discontinues providing State Transit Assistance monies, approximately \$1 million a year
- 5) Provide direction to staff as appropriate.

Discussion:

General Fund

December 7, 2009, Finance was asked to evaluate the City's General Fund and estimate the future budget. At that time, Finance estimated next year's General Fund Budget would have a deficit over this year's budget by \$1.5 million. On February 2, 2010, Finance updated that estimate, recommending that the City add \$500,000 to that deficit number in anticipation to potential State Take-aways, leaving a planning number of \$2 million as next year's deficit number.

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.

This section reviews the current status of the City's General Fund and suggests a further revision to the estimated deficit by another \$500,000 for next year due to continued declines in General Fund revenues.

Beginning with the 2008/09, the general economic decline has made management of City's budget an effort in reduction. For fiscal year 2008/09, the City reduced positions and saved approximately \$2.8 million. At the May 18, 2009 Council meeting, the City Council was presented with Table I, General Fund Budget – Revised, showing a \$5.7 million deficit for FY 2009/10. In response to that deficit, the City Council implemented a number of budget control measures to close the budgetary gap. Table II, Budget Solutions, details the actions taken to close the FY 2009-10 deficit.

Table I
From May 18, 2009 City Council Meeting
General Fund Budget - Revised
All Amounts in Millions

	<i>Projected 08/09</i>	<i>Revised Budget 09/10</i>	<i>Change</i>
Revenues	\$ 53.2	\$ 50.6	\$ (2.6)
Operating Expenditures	64.6	68.4	3.8
Allocations	<u>(13.8)</u>	<u>(13.8)</u>	<u>0.0</u>
Net Operations	50.8	54.6	3.8
Less: Vacances		(2.3)	(2.3)
Recreation Changes		(0.2)	(0.2)
Fuel Savings		<u>(0.3)</u>	<u>(0.3)</u>
Net Operating Expenditures	50.8	51.8	1.0
Available for Capital and Transfers	2.4	(1.2)	(3.6)
Less: Transfers	(3.2)	(3.3)	(0.1)
Retiree Health Care	0.0	0.0	0.0
Increase PERS Costs	0.0	(0.6)	(0.6)
Capital Net	(1.1)	(0.6)	0.5
New Capital	<u>(0.1)</u>	<u>0.0</u>	<u>0.1</u>
Surplus/(Shortfall)	\$ (2.0)	\$ (5.7)	\$ (3.7)

Attachments #1 and #2 show the positions that have either been deleted or frozen during this process. Nineteen (19) positions will be deleted from next year's budget, representing \$1.2 million in cost. Another 25 positions are frozen representing \$2.4 million in cost. The loss of these positions is hard to sustain. The problem is that the City cannot afford these positions at this time. Note, that 2 of the 19 deleted positions and 12 of the 25 frozen positions are public safety positions, reflecting Council's emphasis on providing public safety. At the same time, Public Safety uses 75% of General Fund's taxes.

As difficult as the May 18, 2009 proposed actions were, the City's General Fund deficit was mostly closed. The plan called for using \$1 million in reserves for operations. Thus, the expected General Fund deficit for this year would have been at least \$1 million.

Table II
From July 15, 2009 Council Meeting for General Fund FY 2009/10

<i>Budget Solutions - In Millions</i>	Council Action	On-going	One-time
<i>Council Authorized Items from May 18 & June 15 Session</i>			
Use some reserves for operating costs	1.00		1.00
Reduce capital funding by an additional \$500,000	0.50		0.50
Proceed with the closing of old Soroptimist Park	0.05	0.05	
State Lobbyist Contract	0.05	0.05	
Increase the use of Abandoned Vehicle Money	0.10	0.10	
Return all of VLF to General Fund for 09/10 only because of Stimulus money	0.20		0.20
Increase Recreation Program Fees	0.10	0.10	
Reduce VEDC Contract by 20%	0.01	0.01	
Adopt a JPA approach to Haz Mat in the County or discontinue the program	0.09	0.09	
Rework Major Contracts	0.30	0.30	
Program Changes	0.20	0.20	
Reduced Tree Trimming Contract	0.03	0.03	
Leave open two police officer positions in the General Fund, to be filled by Measure T	0.20		
Total	2.83	0.93	1.70
Targeted layoffs, reorganizations and other measures	3.00	3.00	
Grand Total	5.83	3.93	1.70

Table III
General Fund Summary
All Amounts in Millions

GENERAL FUND SUMMARY	2007-08 ACTUALS	2008-09 ACTUALS	2009-10 BUDGET	2009-10 PROJECTION	Change 2009/10 Budget to Projected
RESOURCES					
REVENUES					
Non Departmental	50.2	48.9	55.0	45.5	(9.5)
Administration	0.0	0.0	0.0	0.0	0.0
Administrative Services	0.3	0.3	0.1	0.1	0.0
Community Development	1.2	0.7	0.9	0.5	(0.4)
Economic & Housing	0.1	0.1	0.1	0.2	0.1
Fire	0.2	0.1	0.1	0.1	0.0
Parks & Recreation	1.6	1.3	1.4	1.4	0.0
Police	2.8	2.9	2.4	2.9	0.5
Public Works	0.0	0.1	0.1	0.1	0.0
OPERATING REVENUES TOTAL	56.3	54.4	60.0	50.9	(9.1)
CAPITAL IMPROVEMENT GRANTS					
TOTAL REVENUE	56.3	54.4	60.0	50.9	(9.1)
EXPENDITURES					
OPERATING EXPENDITURES					
Non Departmental	0.1	0.5	0.0	0.3	0.3
Administration	3.7	3.4	4.0	3.5	(0.5)
Administrative Services	4.2	3.8	4.0	3.9	(0.1)
Community Development	9.2	8.6	9.0	8.4	(0.6)
Economic & Housing	1.0	1.1	1.3	1.2	(0.1)
Fire	10.9	11.3	11.9	11.0	(0.9)
Parks & Recreation	9.3	9.2	9.7	9.1	(0.6)
Police	24.6	25.6	26.6	25.2	(1.4)
Public Works	2.4	2.3	1.9	2.0	0.1
TOTAL OPERATING EXPENDITURES	65.5	65.8	68.4	64.4	(4.0)
Less: Reimbursements	(16.1)	(14.1)	(14.0)	(14.8)	(0.8)
Net Operating Expenditures	49.3	51.7	54.3	49.7	(4.6)
Available for Capital and Transfers	7.0	2.7	5.7	1.2	(4.5)
CAPITAL IMPROVEMENT PROJECTS	(3.6)	(4.7)	(0.9)	(0.7)	0.2
INTERFUND TRANSFERS	(3.1)	(3.1)	(3.1)	(3.1)	0.0
SURPLUS/(SHORTFALL)	0.3	(5.0)	1.7	(2.6)	(4.3)

Even with diligent efforts, the deficit is larger than \$1 million for a variety of reasons. Finance's current projection is that the General Fund deficit for FY 2009/10 will be \$2.6

million, as shown in Table III, General Fund Summary. The slippage in the budget execution is due to a number of factors, including:

- \$1,000,000 due to planned use of emergency reserves:
- \$500,000 further decline in the City's Sales Tax as forecasted by the City's Sales Tax consultant, Muni-Services;
- \$1,100,000 due to a variety of smaller reasons, including:
 - Less than anticipated savings from lay-offs and retirement incentive programs due to the additional time required to implement budget actions;
 - Increased utilities costs;
 - Increased operational costs as new facilities such as parks come on line;
 - Not all cost savings items were able to be implemented; and, and,
 - Increased expenditures in Council priority areas such a Police.

Nevertheless, the additional \$1.6 million negative variance looks favorable when compared to the more difficult and challenge mid-year deficits faced by other jurisdictions.

Note that Departmental projected expenditures are down \$4 million compared to budget. The problem is that even with those reductions, revenues are down even more, \$9.1 million when budget is compared to projections for 2009/10. The largest decline is in Non-departmental revenues or taxes. In the end, this leaves the City with a \$2.6 million deficit this year in the General Fund for FY 2009/10.

Although departmental expenditures are down dramatically compared to budget, the projected expenditures in FY 2009/10 are only down \$1.1 million compared to FY 2007/08. The reason that expenditures are not down more is that for the last three years, employee contracts have generally called for 4% wage increases each year. Each 4% pay increase meant an additional \$1.2 million in General Fund costs.

So even after cutting and freezing positions as outlined in attachments #1 and #2, the City's net budget position remains in a difficult position. Given this forecast, the Council might ask:

What is the appropriate response?

This question is somewhat difficult because the amount of savings that could have been achieved this year was partially blunted because it took time to implement the budget saving alternatives approved by Council. As a result, the better question might be:

Has there been any further development in the City's revenue picture that has changed the FY 10/11 General Fund Budget forecast?

The answer is yes. At the February 2, 2010 Council Meeting, Finance projected the General Fund deficit for FY 2010/11 at \$2 million given then current trends. Since the, Finance staff reviewed with the City's Sales Tax consultant developments in sales tax.

After conferring with Muni-Services, Finance staff reduced this year's sales tax forecast by \$500,000. The next data point for the City will be the sales tax clean up payment for March, which includes taxable sales from October to December. If that clean-up does not show improvement, Finance recommends lowering next year's projected sales tax revenue by \$500,000 to reflect the lower level of sales tax, increasing next year's deficit by \$500,000.

As a result, the Council might ask:

What is the forecast for next year, particularly given the projection of a further \$500,000 decline in sales tax revenues? What should Council direct staff to do now?

Staff recommends that the City's efforts be directed towards reducing next year's budget rather than taking additional steps now. The next data point for forecasting next year's budget will be the March Sales Tax receipts. The March payment will provide sales through mid-December and will be the last new tax information the City will receive before the end of June. **Therefore, Staff recommends preparing a General Fund Budget for FY 2010/11 that addresses closing the FY 2009/10 \$2.5 million deficit.** This actions means it will be very difficult to fill any frozen positions.

MEASURE T FUND EVALUATION

Introduction

In 2004, City of Visalia voters approved a measure to increase sales tax by ¼ cent. This is known as Measure T and the sales tax revenues are earmarked for public safety. Since it began in 2004, Measure T has increase public safety within Visalia. Some of the highlights to date are:

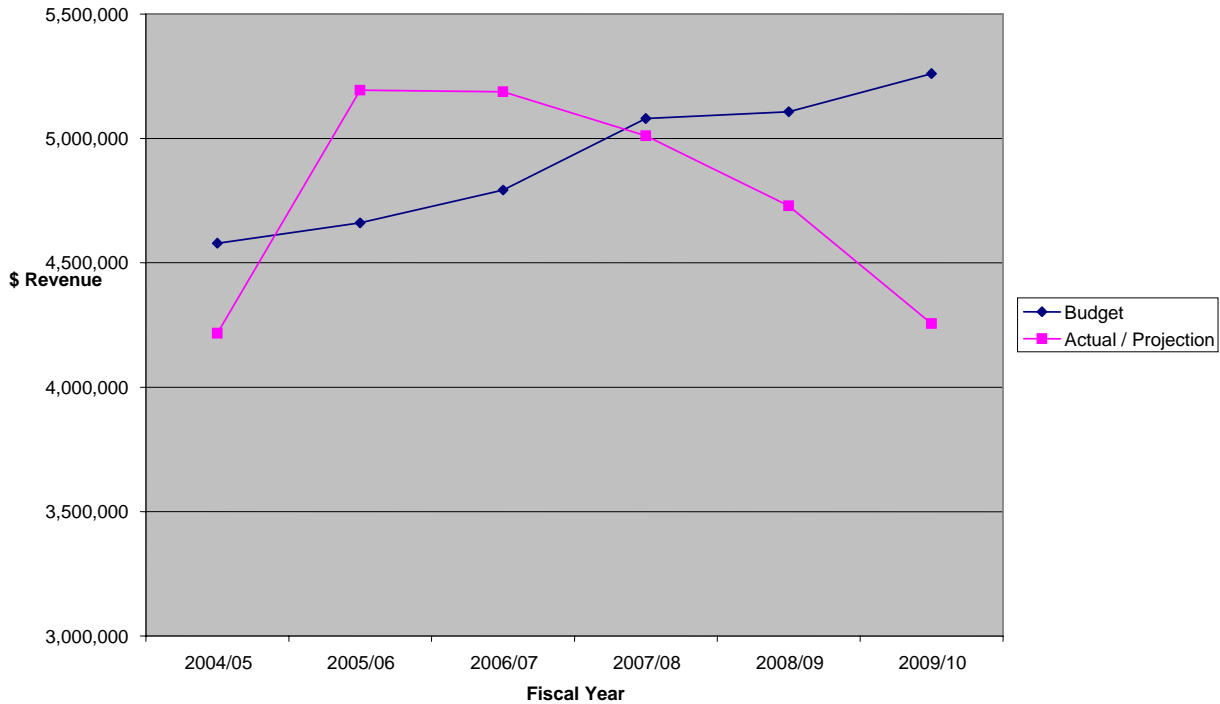
- Two Police precincts
- 24 Police Officers and vehicles
- 4 Firefighters
- New Fire Station and Training Facility
- New Fire apparatus

From an implementation perspective, Measure T has done well since inception. However, the downturn in the economy resulting in decreased sales tax has had its impact on the Measure T funds.

Revenues

Chart I – Total Measure T Revenue, displays all Measure T revenues since inception of the plan. It can be seen the first year came in under budget, followed by two years of being over budget and then again under budget again beginning in fiscal year 2007/08.

**Chart I
Total Measure T Revenue**



The economy's downturn continues to impact the sales taxes revenue. As a result, the expenditure plan will need to be adjusted, now or in the future.

2009/10 Income Statement

For fiscal year 2009-10, revenues are projected to be \$1,249,000 less than budget. Expenses are also projected to come in under budget by \$144,000. **Chart II – Measure T Summary for 2009-10 (000's)** provides detail on the budget and projections for the current year operations expenses.

Chart II - Measure T Summary for 2009 - 10 (000's)

	Police		Fire		Total Measure T		Over / (Under) Budget
	Budget	Projection	Budget	Projection	Budget	Projection	
Revenue	\$3,185	\$2,554	\$2,320	\$1,702	\$5,505	\$4,256	\$(1,249)
Expenditures	\$3,130	\$3,066	\$616	\$536	\$3,746	\$3,602	\$144
Net	\$55	\$(512)	\$1,704	\$1,166	\$1,759	\$654	\$(1,105)

Police

Fiscal year 2009-10 revenues do not support its expenditures. Chart II indicates a projected loss of \$512,000 due to decreased revenues.

This deficit will need to be paid for from available fund balance. **Chart III - Police Fund Balance**, displays the current projection for the Police Measure T fund balance. As of June 30, 2009, Police had a fund balance of \$2.3 million. The capital budget this fiscal

year of \$1.1 million reduces that the available fund balance to \$1.2 million. At the projected loss rate of \$512,000 per year, Police will exhaust its fund balance in 2.4 years.

Chart III - Police Fund Balance (millions)

Fund Balance at 6/30/09	2.30
Fund Balance dedicated to Public Safety Building	(0.93)
Fund Balance dedicated to Police Vehicles	(0.16)
Available for Current Operations	1.21
Annual Deficit	0.50
Years of Funding	2.41

If revenues do not recover sufficiently within the next two years, the operating portion of Measure T will need to be reduced to available revenues.

Fire

Although Fire Measure T has experienced decreased revenues the last two fiscal years, the reserve cash is \$1.2 million higher than the original Ballot Measure T plan. This is partly due to not having to pay its share of the 911 Dispatch capital project.

In fiscal year 2012/13, the plan calls for a new Fire station and 14 Firefighters. Current year revenues in excess of expenditures are projected to be \$1.2 million. If a Firefighter costs \$100,000 per year, the current revenues can only support 12. The Fire Chief has proposed pursuing a grant which pay for firefighters for the next two years. The grant, however, requires that the employed firefighters be kept on at least one year after the grant ends. The Fire Chief has recommended pursuing a grant for 10 firefighters. This level of commitment appears appropriate given that the sales tax measure’s revenues are less than the original plan.

Further, the Measure T plan calls for building a new Fire Station in the Southeast section of Visalia. Fire has accumulated sufficient resources to build a new station, despite a decline in revenues recently. The question that the Fire Chief is asking is whether or not the Southeast section of town is the appropriate place to build a new station.

Because the City responded to a need to provide better service to the eastern section of Visalia when California Department of Forestry (CDF) stopped providing service from their Lovers Lane and Walnut station, the City now leases a facility at that CDF facility. As a result, the Southeast of Visalia is fairly well covered. Conversely, portions of the Southwest of Visalia could stand for improved coverage. As a result, the Fire Chief is discussing building a Fire Station in the Southwest of Visalia instead of the Southeast to best serve all of Visalia.

Conclusion

Police Measure T needs to limit capital items to a minimum. The fund is deficit spending with an outlook that can only support 2.4 years of such expenditures. Staff will monitor this fund and if revenues worsen, additional cost saving measures should be taken.

Fire Measure T has accumulated resources in anticipating of building a new Fire Station and hiring 14 new firefighters. The Fire Chief has recommended pursuing a grant to hire

those firefighters now. However, Measure T can not fully support 14 firefighters. As a result, only 10 are proposed to be hired if the grant application is successful.

Recommendation: Authorize the use of Measure T Police fund balance to support current operating costs.

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 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. Replace capital assets.

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 to replace capital assets.

BUILDING SAFETY

Covering operations:	No
Meeting budget objective:	Yes
Meeting debt service:	N/A
Meeting capital needs:	Yes

Comment: *Temporary loan required from General Fund*

The Building Safety division was changed to an enterprise fund at the beginning of fiscal year 2008-09, better enabling the City to monitor Building Safety's self-sufficiency. In prior years, Building Safety was accounted for as part of the General Fund. The activity's accumulated revenues less expenditures were reported as part of the General Fund's fund balance. These accumulated gains or losses are now reported in this fund. Building Safety, as of June 30, 2009, had accumulated a \$376,682 loss.

Heading in to fiscal year 2009 – 10, the division anticipated a loss. This loss is a direct result of the sour economy. There are fewer permit applications being processed than in the past. In light of the current economy, the division implemented cost control measures beginning in fiscal year 2007 – 08 which continue today. From a peak in 2005/2006 of 20 employees, the division now operates with 8 employees. Three other positions have been temporarily assigned to other tasks in the City in a cost saving effort.

The Building Safety revenues are projected to be down by \$1.1 million compared the FY 09/10 budget originally prepared as the second year of a two year budget. Expenses are also projected to be down by \$1.2 million, as shown in Table VI, Building Safety. This is a reflection of the continuing downturn in the economy, resulting in lower residential and commercial building permits. With these adjustments, the fund is expected to operate at a \$400,000 loss this fiscal year.

Table IV

Building Safety

Fiscal Year 09/10

(All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 2.5	\$ 1.4	\$ (1.1)
Non-operating (Grants, Reimbursements, etc.)	0.0	0.1	0.1
	<u>2.5</u>	<u>1.5</u>	<u>(1.0)</u>
<u>Expenses</u>			
Personnel	1.4	1.0	(0.5)
Operations and Maintenance	0.2	0.1	(0.2)
Depreciation	0.0	0.0	0.0
Capital Outlay	0.1	0.0	(0.1)
Allocated Costs	1.3	0.8	(0.5)
	<u>3.1</u>	<u>1.9</u>	<u>(1.2)</u>
<i>Current year resources available for capital</i>	(0.6)	(0.4)	0.1

CASH AVAILBE FOR CAPITAL ASSETS

Beginning Capital Asset Cash	(0.3)	(0.3)	0.0
Add: Curr. Year Net Op. Resoucrs	(0.6)	(0.4)	0.1
Add: Depreciation	0.0	0.0	0.0
Less: Capital Purchases	0.0	0.0	0.0
Ending Capital Cash	<u>\$ (0.9)</u>	<u>\$ (0.7)</u>	<u>\$ 0.2</u>

Although City Management has discussed further reducing costs, the current level seems to be exceptionally low and further reductions in service would potentially hamper the building industry. Because the City wishes to encourage development, management has not made additional recommendations to reduce Building Safety funding. This action will mean that the General Fund will need to advance the Building Safety Fund \$400,000 for fiscal year 09/10.

Recommended Action: Authorize the advance of \$400,000 to the Building Safety Fund for this fiscal year.

Continue to monitor the fund and its performance measures on a monthly basis to assure the division is providing timely service and is making progress toward reducing its dependency upon General Fund advances. Find ways to provide services which are supportive of the building industry without increasing costs.

CONVENTION CENTER

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

Consider Table V, Convention Center. The Convention Center operation is treated as an enterprise even though its revenues do not cover operating costs, debt service or capital purchases. While it can be argued the operation should not be accounted for in this manner, the fund is accounted for as an enterprise because it supplies a service that is based upon user fees and the City wants the operation to be as self-sufficient as possible.

The financial statement evaluation does not reflect the Convention Center's positive financial impact on other local businesses. HVS International quantified this economic impact in their market study completed in 2008. It found that the Convention Center annually generated approximately \$24.6 million of economic stimulus in the local economy. Visitors come to the Center, stay the night in the local hotels, eat in Visalia's restaurants, and shop with the local merchants, benefiting the local economy.

With a down economy, revenues are projected to also be down 6% from budget. With corresponding cuts in labor costs, the Center is projected to meet its budget goals for FY 09-10. The main reason the center has been able to keep revenues from falling more than 6% is by focusing the marketing efforts on the value Visalia offers. The economic environment plays to Visalia's strengths, which are a central location within California and low costs. Dollars tend to go farther in Visalia than they do in some of the more glamorous and scenic destinations. The Center has also found ways to reduce labor costs as revenues have declined including two staff layoffs. Personnel costs are down by \$500,000 in FY 09-10 compared to budget.

Some long-time clients may leave the Convention Center as they seek their own facilities. A local church, currently using the Center was to have left this last summer but at the last moment decided to remain. Another large client, University of Phoenix, has taken out a building permit to construct their own facility. They are expected to remain at the Center for one additional year but

expect to open a facility of their own in the summer of 2011. Staff has begun the process of replacing this client as they look for other educational institutions that do not currently have a presence in the local market.

Table V

Convention Center

Fiscal Year 09/10

(All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 3.6	\$ 3.4	\$ (0.2)
Transfers In	2.8	2.3	(0.5)
Non-operating (Grants, Reimbursements, etc.)	0.0	0.0	0.0
	<u>6.4</u>	<u>5.7</u>	<u>(0.7)</u>
<u>Expenses</u>			
Personnel	2.4	1.9	(0.5)
Operations and Maintenance	3.6	3.5	(0.2)
Depreciation	0.5	0.5	(0.0)
Capital Outlay	0.0	0.0	(0.0)
Allocated Costs	0.4	0.4	0.0
	<u>7.0</u>	<u>6.2</u>	<u>(0.7)</u>
<i>Current year resources available for capital</i>	(0.6)	(0.6)	0.0

CASH AVAILBE FOR CAPITAL ASSETS

Beginning Capital Asset Cash	0.1	0.1	0.0
Add: Curr. Year Net Op. Resoucrs	(0.6)	(0.6)	0.0
Add: Depreciation	0.5	0.5	(0.0)
Less: Capital Purchases	0.0	0.0	0.0
Ending Capital Cash	<u>\$ (0.0)</u>	<u>\$ (0.0)</u>	<u>\$ 0.0</u>

Another measure of how the Convention Center is operating is to consider their General Fund support of operations. Although the General Fund does purchase their capital and pay the Center's debt, the amount of General Fund revenues being used to support operations has declined over time, as shown in Table V - a, General Fund Operating Subsidy.

Table V - a
General Fund Operating Subsidy

Strategy	Measure	Actual 2007-08	Actual 2008-09	Projected 2009-10	
Reduce the Convention Center's reliance on the General Fund.	General Fund contribution as a percentage of total operating expenses.	Operating Expense	\$3,246,407	\$2,916,753	\$2,831,924
		Gen. Fund Contribution	\$866,105	\$808,852	\$682,792
		Percentage	27%	28%	24%

Finally, the method to evaluate the Center is to monitor its occupancy. Table V - b, Center Occupancy, shows the Center's Occupancy over the last several years. This year, the center's occupancy has declined 3 percentage points, leading to the lower revenues.

Table V - b
Convention Center Occupancy

Visalia Convention Center

Based Upon Square Footage Rented

Facility Space	Occupancy Trends			
	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Charter Oak Ballroom	57%	59%	61%	55%
Downstairs Meeting Rooms	50%	49%	51%	54%
Upstairs Meeting Rooms	47%	54%	57%	65%
Exhibit Hall	33%	46%	49%	44%
TOTAL FACILITY OCCUPANCY	40%	50%	52%	49%

Recommended Action: None

Monitor operations. Convention Center will coordinate activities with the Convention & Visitor's Bureau and local hotels to maximize revenues.

VALLEY OAK GOLF

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

Comment: CIP rate surcharge is currently paying for some capital assets. Operating income has improved some-what this year but debt service costs have declined due to variable rate loan.

Valley Oaks Golf is run by an outside vendor, CourseCo.. Table VI, Valley Oaks Golf Course, CourseCo. Operating Results, compares several years of operating results to the projected results for this year.

Rounds are off by about 1,000 for the year. This level of decline could be attributed to more rain days this year than last. However, CourseCo has taken steps to reduce costs, partially offsetting this revenue loss. Nevertheless, the net income available to pay debt service has dropped by \$42,000.

Valley Oak has two types of debt: Debt for the Mid-90s 9 hole expansion and debt for improvements and equipment purchased since CourseCo began managing the golf course in 2001. Both of these debts are advances from the General Fund. The rate charged is the City's earnings rate on idle cash plus 1%. Because investment returns have become so low, the interest costs to this fund have been cut in half. Lower interest rates will reduce interest costs by \$32,000 this year. Thus, the fund should yield about the same results as last year, probably down by \$10,000.

Table VI

2006 Thru 2010				
(Amounts in Thousands)				
				Projected
Revenue	2006-2007	2007-2008	2008-2009	2009-2010
Green Fees	\$ 823	\$ 881	\$ 792	\$ 796
Monthly Tickets	237	230	215	195
CIP Surcharge	219	270	247	273
Cart Fees	454	495	486	496
Range	151	204	172	181
Merchandise	154	202	206	174
Food/Beverage	365	428	367	377
Other	27	32	33	24
Total Income	2,430	2,742	2,520	2,516
Cost of Goods Sold	270	316	309	270
Operating Expenses	1,626	1,825	1,851	1,928
Total Expenses	1,896	2,140	2,160	2,198
Net From Operations	\$ 534	\$ 602	\$ 360	\$ 318
CIP Distribution	219	270	247	273
Balance Distribution	315	332	112	45
Total Distribution	\$ 534	\$ 602	\$ 360	\$ 318
Rounds	73,153	77,120	70,645	69,776
Average Income Per Round	\$ 33.22	\$ 35.55	\$ 35.67	\$ 36.06

Recommended Action: NONE

Continue to monitor debt repayment.

AIRPORT

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

Comment: Capital needs subsidized by Federal Grants.

The Airport last year had a change in commercial carries. The previous carrier purchased its fuel from the Airport. The new carrier does not. This has caused the Airport to reduce if fueling staff. With those changes, the operations are paying for themselves.

The Airport does not generate much operating income. Rather, the fund remains fiscally sound because of the Federal grants it receives for capital

projects. Without those grants, the fund would not be able to replace its capital assets. Operating revenues are about equal to operating expenses as shown on Table VII, Airport. As long as the Airport receives capital grant funding to replace and expand the Airport's capital assets the fund will remain healthy.

Table VII

Airport

Fiscal Year 09/10

(All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 2.6	\$ 1.5	\$ (1.1)
Non-operating (Grants, Reimbursements, etc.)	0.0	0.0	0.0
	<u>2.6</u>	<u>1.5</u>	<u>(1.1)</u>
<u>Expenses</u>			
Personnel	0.4	0.4	(0.0)
Operations and Maintenance	1.7	0.9	(0.9)
Depreciation	0.7	0.7	0.0
Capital Outlay	0.0	0.0	0.0
Allocated Costs	0.4	0.3	(0.1)
	<u>3.3</u>	<u>2.3</u>	<u>(0.9)</u>
<i>Current year resources available for capital</i>	(0.7)	(0.8)	(0.1)

CASH AVAILALBE FOR CAPITAL ASSETS

Beginning Capital Asset Cash	(0.2)	(0.2)	0.0
Add: Curr. Year Net Op. Resoucrs	(0.7)	(0.8)	(0.1)
Add: Capital Grants	1.7	1.0	(0.7)
Add: Depreciation	0.7	0.7	0.0
Less: Capital Purchases	(4.4)	(0.2)	4.2
Ending Capital Cash	<u>\$ (2.8)</u>	<u>\$ 0.5</u>	<u>\$ 3.4</u>

Recommended Action: NONE

Continue to monitor the airport and work with the new carrier to expand air service as appropriate.

TRANSIT

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

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

The City's Transit operation 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. Further, operating grants pay approximately 80 % of its operating costs.

As long as Transit continues to receive adequate operating and capital funding from state and federal grants, the fund will remain healthy. Table VIII,

Transit, projects the fund to be able to contribute \$2.5 million towards capital projects this year. The actual projects are \$700,000 more than current revenues. The remaining funds will come from the funds \$3.5 million in accumulated cash.

Table VIII

Transit
FY 09/10 Projections

OPERATIONS

(All Amounts in millions)

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 9.7	\$ 11.3	1.6
Reimbursements	0.0	0.3	0.3
	<u>9.8</u>	<u>11.6</u>	<u>1.9</u>
<u>Expenses</u>			
Personnel	0.4	0.5	0.1
Operations and Maintenance	5.6	7.2	1.6
Depreciation	0.7	0.7	0.0
Capital Outlay	0.0	0.0	0.0
Allocated Costs	0.5	0.7	0.3
	<u>7.2</u>	<u>9.1</u>	<u>1.9</u>
<i>Current year resources available for capital</i>	<u>2.6</u>	<u>2.5</u>	<u>(0.1)</u>

CASH AVAILBE FOR CAPITAL ASSETS

Beginning Capital Asset Cash	<u>3.6</u>	<u>3.6</u>	<u>0.0</u>
Add: Curr. Year Net Op. Resouces	2.6	2.5	(0.1)
Add: Capital Grants	2.6	5.9	
Add: Depreciation	0.7	0.7	0.0
Less: Capital Purchases	(13.4)	(13.4)	0.0
Ending Capital Cash	<u>\$ (3.9)</u>	<u>\$ (0.7)</u>	<u>\$ (0.1)</u>

Recent actions by the State of California suggest that the City's transit operations will loose State Transit Assistance money. Last year, the State tried to take from local agencies. For Visalia, these funds would be about \$1 million a year. Transit advocates

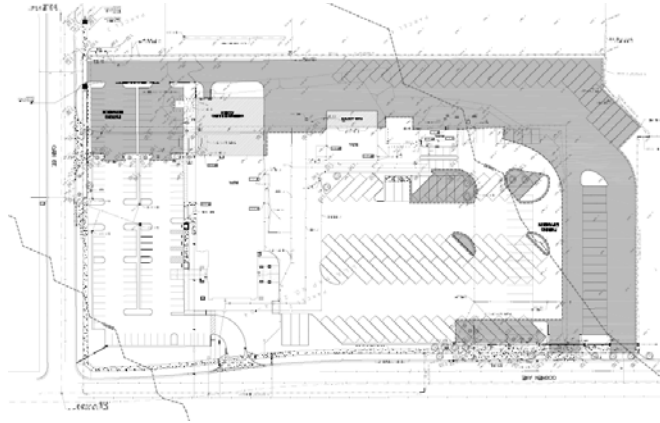
sued the State because the sales tax was dedicated to transit. Recently, the State passed a measure converting the sales tax on gas to an excise tax. As a result, the protection afforded to transit agencies for the sales tax is no longer afforded to an excise tax. As a result, management expects that transit will lose \$1 million a year due to State actions. The potential cut does not have an immediate impact on Visalia. Rather, Local Transportation Funds 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.

Capital Projects: Transit is constructing or working on plans to expand three transit support facilities. The Sequoia Shuttle Visitor Center is planned as an expansion of the City's downtown Convention Center. The Transit Center recently assigned the last available bus bay and the Operations facility is now maintaining more buses than the facility has space for.

The **Transit Center**, constructed in 2003 facilitates travel connections in the City of Visalia's services and between Tulare and Kings County, and Amtrak. In addition several commercial bus services use this facility with the understanding that it would be expanded in future years as demand increased. Recently, a new bus route was added that used the last available of the 16 bays necessitating the current expansion. The expansion consists of 12 additional bus bays, 4 shelters, 2 storage buildings, future office or retail building (2,100 sf) and 18 parking spaces is projected to cost \$4.0 million (including land). Funds currently available are \$1.2 million of LTF funds and \$1.2 million of Measure R funds. \$1.0 million of Prop. 1B funds have been received and \$0.7 has been applied for. Following is a rendering of the expansion.



Transit's **Operations and Maintenance facility** currently is designed to maintain 66 buses with 12,265 square feet (sf) of shop area. Due to agreements with other agencies we are now maintaining 71 buses. An expansion is planned that will add 7,538 sf of shop area and will increase the size of the site from 4.7 acres to 7.2 acres allowing also for additional parking to that would in total accommodate 125 buses of mixed sizes and 127 cars. The expansion is projected to cost around \$3.5 million of which \$1.2 million of LTF funds are currently available and we are waiting to see if any stimulus money might be also available. Following is a site plan of the facility including the expansion.



The **Sequoia Shuttle Visitor Center** expansion at Convention Center is currently estimated to be between \$2.5 and \$3.0 million and will include an interactive lobby where visitors can learn about the various destinations within Tulare County and include space for related agencies such as the Visitors and Convention Bureau, National Park Service, Sequoia Natural history Association and an agriculture tourism vendor. Funding currently available is \$1.2 million of LTF funds and we are waiting to see if any stimulus money might be available for the project.

Recommended Action: Direct Transit to review with Council options and impacts if the system loses State Transit Assistance.

Continue to monitor expansions, operations and funding of Transit.

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 IV, Combined Residential Solid Waste and Sewer Rates, compares the combined residential solid waste and sewer rates to other local communities as of January 2009. Staff is working on updating the chart and hopes to present that information at the Council Meeting Monday. ***Visalia's combined residential sewer and solid waste rates are among the three lowest in the survey.***

The now in place rate increases are as follows:

Solid Waste Rates

Solid Waste has two approved 7%-per-year Solid Waste rate increases to become effective as of July 1, 2010 and 2011.

Sewer Rates

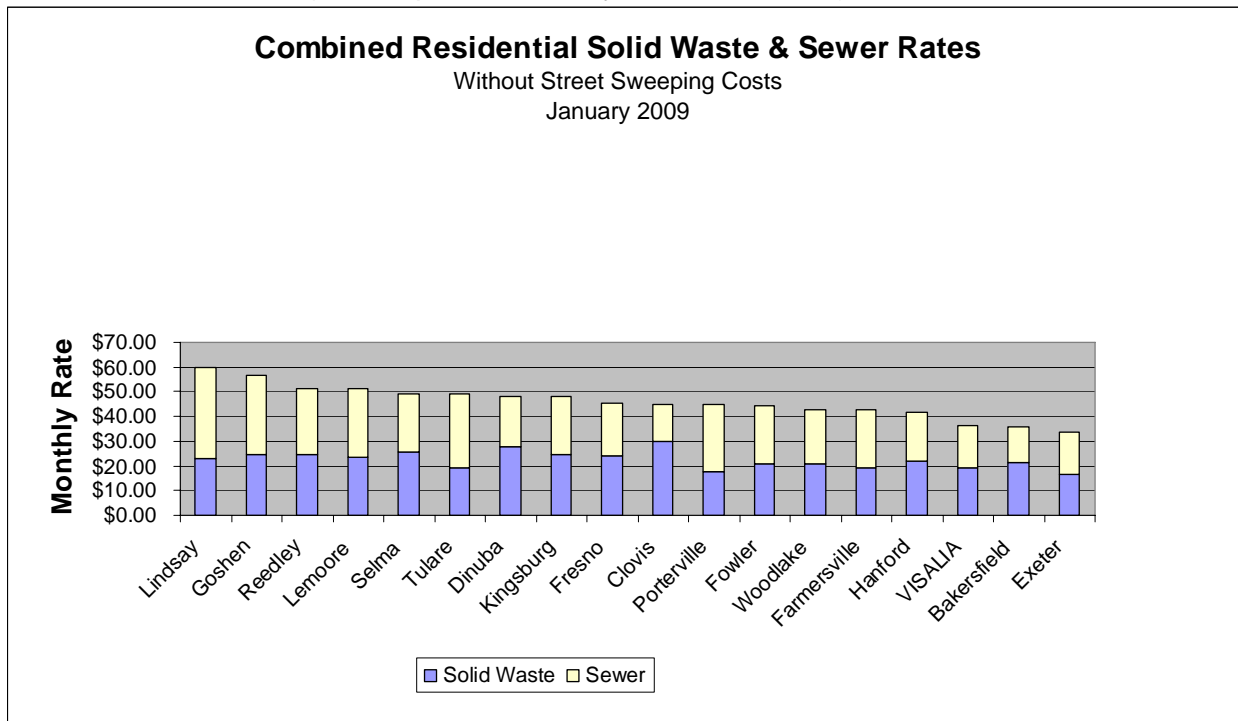
Wastewater rates currently have three approved 12%-per-year rate increases that become effective July 1 for the next three years. The size of the increase is due to the enterprises need to upgrade its waste water treatment plant facility to meet clean water requirements. The fund is self-supporting and staff's evaluation indicates that if the City can access the Regional Water Quality

Board's Bond Fund, the current rate structures can support the debt servicing requirements for the National Pollution Discharge Elimination System (NPDES) upgrades.

Storm Water Rates

The Storm Water rate has not been increased since 2004. Currently the revenues are sufficient; if capital or operating costs increase significantly, a rate increase may be needed. However, in keeping with small, incremental rate increases, it may be appropriate to seek a cost of living increase.

Chart IV
(To be updated Monday, March 15, 2010)



Solid Waste

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

Comment: Truck purchases are being delayed.

Solid Waste is currently projected to meet the objective of covering operating costs as shown on Table IX, Solid Waste for the current year.

Staff's concern last year was that the fund did not have any working capital and had to rely on cash advances from the General Fund.

As of June 30, 2009, the fund had \$850,000 in cash and appears to be improving its cash position with this year projected operating results.

A major rate factor is the costs for tipping fees. As these are approximately 1/4 of the total costs, any significant increase would need to be passed on through to the rate payers. There are no firm proposals to increase tipping fees, but staff has reviewed the

financials for the landfill which shows that revenues have declined \$1 million a year for the last three years. As a result, County of Tulare may be force to 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 to Council to discuss such a change.

Table IX

Solid Waste

Fiscal Year 09/10

(All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 16.9	\$ 16.7	\$ (0.2)
Non-operating (Grants, Reimbursements, etc.)	1.8	1.8	0.0
	<u>18.7</u>	<u>18.5</u>	<u>(0.2)</u>
<u>Expenses</u>			
Personnel	4.5	4.3	(0.2)
Operations and Maintenance	5.1	4.4	(0.7)
Depreciation	0.9	1.0	0.0
Allocated Costs	6.6	5.9	(0.6)
	<u>17.2</u>	<u>15.6</u>	<u>(1.6)</u>
 <i>Current year resources available for capital</i>	 1.5	 2.9	 1.3

CASH AVAILALBE FOR CAPITAL

Beginning Capital Asset Cash	0.9	0.9	0.0
 Add: Curr. Year Net Op. Resoucrs	 1.5	 2.9	 1.3
Add: Depreciation	0.9	1.0	0.0
Less: Capital Purchases	(4.3)	(0.5)	3.8
 Ending Capital Cash	 <u>\$ (0.9)</u>	 <u>\$ 4.3</u>	 <u>\$ 5.2</u>

Recommended Action: None

WASTEWATER

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

Comment: Designing major water quality improvements, rates sufficient if State Bond monies are available.

In response to the City's need to comply with the National Pollution Discharge Elimination System (NPDES) permit, Council directed staff to proceed with a major project design at the Waste Water Plant. The project will bring waste water discharge to tertiary standards, clean enough for all uses except drinking water. This water could potentially

Be exchanged for water up stream to Visalia. The exchange water would then be put into ponding basins east of Visalia, recharging the City's aquifer, working to reverse the long-term ground water overdraft trend. These improvements are projected to cost about \$98 million. Table X, Wastewater Treatment, shows the fund accumulating cash. The cash being accumulated will offset monies that would otherwise be needed to be borrowed.

Table X
Wastewater Treatment

Fiscal Year 09/10
(All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 13.6	\$ 14.3	\$ 0.6
Non-operating (Grants, Reimbursements, etc.)			0.0
	<u>13.6</u>	<u>14.3</u>	<u>0.6</u>
<u>Expenses</u>			
Personnel	2.5	2.4	(0.1)
Operations and Maintenance	5.4	5.0	(0.4)
Depreciation	2.3	2.3	(0.0)
Capital Outlay	0.0	0.0	0.0
Allocated Costs	1.3	1.2	(0.1)
	<u>11.4</u>	<u>10.9</u>	<u>(0.5)</u>
 <i>Current year resources available for capital</i>	 2.2	 3.4	 1.1

CASH AVAILALBE FOR CAPITAL

Beginning Capital Asset Cash	25.2	25.2	0.0
Add: Curr. Year Net Op. Resouces	2.2	3.4	1.1
Add: Depreciation	2.3	2.3	(0.0)
Less: Capital Purchases	(15.5)	(1.6)	13.9
Ending Capital Cash	<u>\$ 14.2</u>	<u>\$ 29.2</u>	<u>\$ 15.0</u>

Recommended Action: NONE

Report back to Council after the completion of the design stage when cost estimates are better defined with revised projected capital costs along with a proposed funding plan.

Storm Water

Covering operations: Yes
Meeting capital needs: Yes

Comment: Monitor rates to ensure that capital and operating cost are covered.

Storm Water is projected to meet the objective of covering operating and capital costs for the current year, as shown on Table XI, Storm Water for the current year. The financial statements suggest that the fund is operating adequately. Storm Water is currently charging around \$5.00 per month for residential property and has not been increased since 2004. If it is determined that an increase in needed, the City would need to ballot the users.

Table XI

Storm Sewers

Fiscal Year 09/10
 (All Amounts in Millions)

OPERATIONS

	<u>Budget</u>	<u>Projected</u>	<u>Dif.</u>
<u>Revenues</u>			
Operating Revenues	\$ 1.2	\$ 1.2	\$ 0.0
Non-operating (Grants, Reimbursements, etc.)	0.0	0.0	0.0
	<u>1.2</u>	<u>1.2</u>	<u>0.0</u>
<u>Expenses</u>			
Personnel	0.3	0.2	(0.0)
Operations and Maintenance	0.3	0.4	0.0
Depreciation	0.4	0.4	0.0
Allocated Costs	0.4	0.4	(0.0)
	<u>1.4</u>	<u>1.4</u>	<u>(0.0)</u>
<i>Current year resources available for capital</i>	(0.2)	(0.2)	0.0

CASH AVAILALBE FOR CAPITAL

Beginning Capital Asset Cash	0.9	0.9	0.0
Add: Curr. Year Net Op. Resoucrs	(0.2)	(0.2)	0.0
Add: Depreciation	0.4	0.4	0.0
Less: Capital	0.0	0.0	0.0
Ending Capital Cash	<u>\$ 1.1</u>	<u>\$ 1.1</u>	<u>\$ 0.0</u>

Recommended Action: NONE

Currently, the fund is able to meet the maintenance needs of the system but not able to correct collection system's deficiencies with current revenue stream.

Recommended Motion (and Alternative Motions if expected): I move that the City Council adopt the following management recommendations:

That the City Council receive the Mid-year Financial report and:

- 1) Direct staff to prepare a General Fund Budget for Fiscal Year 10/11 which anticipates a \$2.5 million deficit due to lower actual sales tax revenues in Fiscal Year 09/10.
- 2) Use Measure T fund balance to fund this year's Police Measure T budget.
- 3) Advance up to \$400,000 to the Building Safety Fund for Fiscal Year 09/10 in order to maintain current level of services.
- 4) Direct staff to review with Council the options available to the City if the State discontinues providing State Transit Assistance monies, approximately \$1 million a year
- 5) Provide direction to staff as appropriate.

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:

ATTACHMENT #1

Deleted Positions		March, 2010				
Department	Classification	Div. #	# Po	10/11 Savings	11/12 Savings	Fund
General Fund						
Public Safety	Fire Communication Operators		2	70,205	72,753	GF
				70,205	72,753	
Administration	Special Projects Manager	10101	1	148,631	153,953	GF
Admin Total				148,631	153,953	
Admin Services - Human Res	Admin Analyst/Sr. Admin Anal	11125	1	72,604	66,922	GF
Admin Services Total				72,604	66,922	
Community Dev. - Administration	Office Assistant/Sr	18110	1	57,259	59,351	GF
Community Dev. - Administration	Administrative Assistant	18110	1	65,008	67,373	GF
Community Dev. - Planning	Senior Planner	18111	1	103,190	106,907	GF
Community Dev. - Engineering	Sr. CAD Specialist	33312	1	77,724	80,537	GF
Comm Dev - Engineering	Survey Party Chief	33312	1	84,808	87,861	GF
Community Development Total				387,989	402,029	
Parks & Recreation	Recreation Coordinator	50514	1	73,847	76,527	GF
Parks & Recreation	Park Maintenance Worker	31322	1	61,250	63,455	GF
Parks & Recreation	Kitchen Supervisor 3/4T		1	46,886	48,611	GF
Parks & Rec Total				181,983	188,594	
Public Works						
Public Works - Administration	Accounting Asst/Sr. Acct. As:	31006	1	62,598	64,878	GF
				62,598	64,878	
General Fund Total			##	924,010	949,129	
Administration - Conv. Center	Lead Conv Center Crew Lead	50535	1	75,282	77,974	ISF
Administration - Conv. Center	Events Coordinator	50535	1	70,205	72,753	ISF
Administration - Conv. Center	Convention Center Sales Mgr	50532	1	79,516	82,392	ISF
Convention Center Total				225,003	233,119	
Housing & Econ Dev						
Economic Development	Dev. Project Manager	64684	1	117,261	121,475	
Housing & Econ Dev Total				117,261	121,475	
Internal Service Funds						
Community Dev - GIS	Sr. GIS Analyst	15142	1	103,053	106,765	ISF
				103,053	106,765	
Enterprise Funds						
Community Dev. - Building Safety	Combined Bldg Inspector	18241	1	87,229	90,362	GF
Community Dev. - Building Safety	Sr. Combined Building Inspector	18241	1	91,657	94,946	GF
				178,886	185,309	
Non-General Fund			7	312,101	323,334	
Total			19	1,236,111	1,272,463	

Attachment #2

Frozen Positions		March, 2010					
Department	Classification	Div. #	# Po	10/11 Savings	11/12 Savings	Fund	
General Fund							
Administration	Assistant City Manager	10101	1	182,951	189,451	GF	
Admin Total				182,951	189,451		
Comm Dev - Engineering	Assoc Engineer	33312	1	93,165	96,528	GF	
Comm Dev - Engineering	Assoc Engineer	33311	1	93,165	96,528	GF	
Community Development Total				186,330	193,055		
<i>Fire - Operations</i>	<i>Fire Inspector - Contract Pos</i>	<i>22223</i>	<i>1</i>	<i>88,775</i>	<i>91,940</i>	<i>GF</i>	
Fire Total				88,775	91,940		
Parks & Recreation	Recreation Supervisor	50514	1	84,571	87,631	GF	
Parks & Recreation	Recreation Coordinator	50514	1	73,847	76,527	GF	
Parks & Recreation	Park Maintenance Technician	31322	1	71,303	73,856	GF	
Parks & Recreation	Park Maintenance Worker	31322	1	61,250	63,455	GF	
Parks & Rec Total				290,971	301,470		
Police - Administration	Assistant Police Chief	21201	1	169,088	174,932	GF	
Police - Administration	Police Records Specialist	21201	1	54,417	56,408	GF	
Police - Patrol	Police Captain	21202	1	154,915	160,277	GF	
Police - Patrol	Police Officer	21202	1	103,337	106,944	GF	
Police -Patrol	Police Officer	21202	1	103,337	106,944	GF	
Police -Patrol	Police Officer	21202	1	103,337	106,944	GF	
Police	Police Agent	21202	3	330,462	330,462	GF	
Police	Police Officer	21202	1	103,337	106,944	GF	
Police - Administration	Duty Officer	21201	1	69,413	71,905	GF	
Police Total				1,191,641	1,221,760		
Public Works							
Public Works - Streets	Street Maintenance Worker	31324	1	61,250	63,455	GF	
Public Works - Streets	Sr. Street Maint Worker	31324	1	71,303	73,856	GF	
				132,553	137,312		
General Fund Total			21	2,073,222	2,134,988		
Internal Service Funds							
Community Dev. - GIS	GIS Manager	15142	1	117,261	121,475	ISF	
				117,261	121,475		
Enterprise Funds							
Community Dev. - Building Safety	Bldg Inspector	18241	1	61,250	63,455	GF	
Community Dev. - Building Safety	Assistant Building Official	18241	1	101,616	105,259	GF	
Public Works - SW	Solid Waste Operator	44445	1	67,020	69,425	SW	
				229,886	238,140		
Total Non-General Fund			4	347,147	359,614		
Total			25	2,420,368	2,494,603		

ACTION

PLANNING COMMISSION AGENDA

CHAIRPERSON:
Lawrence Segrue



VICE CHAIRPERSON:
Adam Peck

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

MONDAY MARCH 8, 2010; 7:00 P.M., CITY HALL WEST, 707 WEST ACEQUIA, VISALIA CA

- 7:00 TO 7:00
- 7:00 TO 7:01
- No one spoke
- 7:01 TO 7:02
- 7:02 TO 7:02
- No changes
- 7:02 TO 7:02
- 7:02 TO 7:09
- Approved as recommended (Soltesz, Salinas)
4-0 Peck absent
- Open: 7:08
Close: 7:08
- Spoke:
1. Randy Forester
1. THE PLEDGE OF ALLEGIANCE
 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.
 3. CITY PLANNER AGENDA COMMENTS –
 - Introduction of Dawn Marple
 4. CHANGES TO THE AGENDA –
 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
 6. PUBLIC HEARING– Dawn Marple
 - a. Conditional Use Permit No. 2010-01: A request by Forester, Weber and Associates, LLC, on behalf of Kornwasser Shopping Center Properties, LLC and Visalia Pavilion, LLC, to allow the tentative parcel map to create one (1) parcel without public street frontage in the C-CM (Community Commercial) zone. The site is located within a commercial center on the east side of South Chinowth Street approximately 420 feet from the intersection of South Chinowth Street and West Caldwell Avenue. (APN: 119-340-020 and 119-730-004).
 - b. Tentative Parcel Map No. 2010-03: A request by Forester, Weber and Associates, LLC, on behalf of Kornwasser Shopping Center Properties, LLC and Visalia Pavilion, LLC, to divide approximately 3.87 acres into two (2) parcels in the C-CM (Community Commercial) zone. The site is located within a commercial center on the east side of South Chinowth Street approximately 420 feet from the intersection of South Chinowth Street and West Caldwell Avenue. (APN: 119-340-020 and 119-730-004)

7:09 TO 7:40

Approved as recommended (Lane, Soltész) 4-0 Peck absent

Open: 7:19
Close: 7:25

Spoke:
1. Candance Carrera
2. Chris Valencia

7. PUBLIC HEARING – Adam Ennis

Notice of Public Hearing Regarding a Street Name Change: renaming a segment of Ferguson Avenue to Clinton Avenue, between North Mooney Blvd. and Divisadero St.

7:40 TO 7:48

8. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION:

- a. Housing Element Update going to Council on March 15th
- b. GP Update is on Schedule
- c. Mooney Corridor Focus Study is Proceeding as expected
- d. Staffing Update
- e. Joint Planning Commission / City Council Work Session will be April 5th

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

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

**THE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, MARCH 22, 2010
CITY HALL COUNCIL CHAMBERS, 707 WEST ACEQUIA**

7:48 TO 7:48

Motion to Adjourn (Segrue, Salinas) 4-0 Peck absent

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10b

Agenda Item Wording: Approve the Waterways and Trails Master Plan and adopt Resolution 2010-11 adopting the Mitigated Negative Declaration.

Deadline for Action: None

Submitting Department: Parks and Recreation

Contact Name and Phone Number: Paul Shepard, 713-4209 and Vince Elizondo, 713-4367.

Department Recommendation: Approve the Waterways and Trails Master Plan and adopt Resolution 2010-11 adopting the Mitigated Negative Declaration.

Summary: In 2003, the City of Visalia hired the RRM Design Group to develop the Waterways and Trails Master Plan. The plan was never formally adopted and the City rehired RRM to work on the adoption. RRM determined that the original CEQA environmental documents needed to be updated. A new initial study (No. 2009-93) was completed and the proposed Mitigated Negative Declaration (MND) was prepared. Council is requested to approve the Waterways and Trails Master Plan and adopt the Mitigated Negative Declaration. Approval of this document as a master plan will make it an advisory document only, not mandatory. The document will be used as a reference in planning future trails and bikeways projects and in applying for grants.

Background: In 2003, the City of Visalia initially hired the RRM Design Group to work with the Waterways and Trails Committee and City staff to develop the Waterways and Trails Master Plan. At the time the draft report was written, staff was working on higher priority projects and the plan was never formally adopted. In 2009, City staff began working again on adopting the plan and rehired RRM to work on the adoption. RRM determined that the original CEQA environmental documents needed to be updated. A new initial study (No. 2009-93) was completed and the proposed Mitigated Negative Declaration (MND) was circulated to various

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 VAE
(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.

Exhibit 1

public agencies for comments and the Notice of Intent to adopt the MND was published. Staff received four letters from public agencies and staff provided written responses to these agencies addressing their concerns. All correspondence has been added to the project file.

The draft Waterways and Trails Master Plan is a long range planning tool for the development of a multi-purpose trail system along three significant community waterways. It establishes a network of trails that link neighborhoods to parks, schools, and the downtown. The plan recommends policies that encourage the development of creeks as amenities to residential and commercial areas. It envisions creating natural green spaces and connections to parks. These riparian corridors will provide habitat for local fauna and restore native plants to the developed area. Trails and improved riparian areas enhance the communities' livability and expand recreational opportunities. The master plan encourages certain development standards but does not require them. The Waterways and Trails Committee was concerned that the master plan has advisory development standards that are not mandatory. The committee still recommends approval of the subject plan. Components of the master plan may be incorporated into the General Plan Update.

The draft Waterways and Trails Master Plan establishes the preferred alignment and design of a multi-purpose trail system networking within the City of Visalia. The trails and multi-use pathways for bicycling, walking, and other recreational activities are intended to promote and expand alternative forms of transportation and provide new recreational opportunities along the waterways consistent with the goals set forth in the City's Bikeway Plan. The Master Plan will also identify open space opportunities for riparian landscaping and identify development strategies that will minimize potential conflict with adjacent development.

The Master Plan focuses on three of Visalia's major waterways flowing east to west as part of the Kaweah Delta system. Packwood Creek, Cameron Creek, and Mill Creek currently serve as water conveyance, flood control, and species habitat. The proposed network of waterway trails is designed to link with the existing St. John's River Parkway trail and the city's system of bike paths. The St. John's River has its own master plan that was adopted in November 1988. The various ditches in the City (Modoc, Evans and Persian) were considered too small to be included in the master plan. The minor waterways are covered by Resolution No. 97-10, that approved General Plan Amendment No. 96-28 that was a request to amend the waterways policy in the Conservation, Open Space, Recreation and Parks (COSRP) of the General Plan.

The City of Visalia has an adopted Bikeway Plan Update (2006), which formally established the framework of goals, policies, procedures, and standards for the development of a citywide bicycle transportation network. That document was the impetus behind the preparation of the waterway preliminary alignment plans identified in the draft master plan.

Adoption of the Waterways and Trails Master Plan and the preferred alignments will assist staff in planning future trail projects and intersections with bike lanes. The master plan can also be referred to when staff prepares grants to improve the riparian areas along the waterways.

The Waterways and Trails Committee and the Parks and Recreation Commission both had agendaized public meetings on recommending approval of the this master plan. No one from the public addressed the committee or commission on this issue.

Prior Council Actions:

Exhibit 1

Committee/Commission Review and Actions:

1. In January 2010, the Waterways and Trails Committee unanimously approved to recommend that the City Council adopt the Waterways and Trails Master Plan.
2. In January 2010, the Parks and Recreation Commission unanimously approved to recommend that the City Council adopt the Waterways and Trails Master Plan.

Attachments: DRAFT Waterway and Trails Master Plan dated February 2010.

Recommended Motion (and Alternative Motion if expected):

Move to approve the Waterways and Trails Master Plan and adopt Resolution 2010- 11 adopting the Mitigated Negative Declaration.

Environmental Assessment Status

CEQA Review: A draft mitigated negative declaration has been prepared.

NEPA Review:

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

RESOLUTION NO. 2010-11

**A RESOLUTION
OF THE VISALIA CITY COUNCIL
TO ADOPT MITIGATED NEGATIVE DECLARATION 2009-93**

WHEREAS, an Initial Study was prepared for this project, consistent with CEQA, which disclosed that the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in the Initial Study and Mitigated Declaration, and that Mitigated Negative Declaration No. 2009-93 can be adopted (see attached Exhibit 1); and,

WHEREAS, an October 21, 2009 *Visalia Times-Delta* legal notice -- Notice of Intent to Adopt a Mitigated Negative Declaration (MND) was published, the MND was available for review, the public comment period commenced until November 21, 2009 -- the City provided copies to potentially interested organizations and agencies via mail; and

WHEREAS, the City Council reviewed and considered the Mitigated Negative Declaration; and

NOW, THEREFORE BE IT RESOLVED that the Visalia City Council makes the following specific findings based on the evidence presented:

1. A Mitigated Negative Declaration was prepared for the proposed project, consistent with CEQA. Based on the whole record with mitigation measures and monitoring program, there is no substantive evidence that the project will have a significant environmental impact.
2. The mitigation measures and monitoring program (Section 3) lists the measures to mitigate or avoid potential significant impacts and will ensure compliance with during project implementation.
3. The Mitigated Negative Declaration reflects the City's (Lead Agency's) independent judgement and analysis.
4. There is no evidence before the City Council that the project will have any potential for adverse effect on wildlife resources, as defined in Section 711.2 of the State Department of Fish and Game.

NOW, BE IT FURTHER RESOLVED that the Visalia City Council, based on the specific findings and evidence presented, considered the Mitigated Negative Declaration and:

Exhibit 1

1. Adopts the Mitigated Negative Declaration on the basis of the Initial Study and comments received that with mitigation and monitoring there is no substantial evidence that the project will have a significant impact on the environment.
2. Adopts the Mitigation Measures and Monitoring Program

Approved and adopted the ____ day of _____, 2010

I, the undersigned, hereby certify that the foregoing Resolution Number _____ was duly adopted by the City of Visalia City Council following a roll call vote:

Ayes:
Noes:
Absent:

Clerk

INITIAL STUDY

GENERAL

A. Description of the Project:

The proposed project is a preliminary alignment plan for a non-motorized recreational trail system for the City of Visalia, in Tulare County. The Waterways and Trails Master Plan will formally link trail alignments along three City waterway channels to other existing and proposed trail courses. This effort will create a citywide recreational trail system that will improve access to important community facilities and services for Visalia residents. The trails are to be developed under the direction of the City of Visalia.

The planning effort for these Preliminary Alignment Plans has been conducted within the context of a public outreach program designed to involve all those interested and affected by the proposed trails. Interviews with city staff, public agencies, advisory committees, adjacent property owners and public workshops fully engaged and explored issues important to interest groups and the public at-large.

B. Project Background:

The opportunity to create a public recreation system for the City of Visalia through the development of the Waterways and Trails Master Plan has been a long-standing city goal. The 1989 Conservation, Open Space, Recreation, and Parks (COSRP) Element of the General Plan (revised 1996) establishes planning level policies to guide the use of land and resources within the Visalia waterway corridors. Several policies in Section 1.2 (Community Waterways) of the COSRP promote trails and bike paths in the City's waterways. Policy commitments in the COSRP also include restoring, enhancing, and maintaining the natural, scenic, historic, and open space quality of the Mill, Packwood, and Cameron Creek corridors. In 1992, the City adopted a Bikeway Plan, which formally established a framework of goals, policies, procedures, and standards for the development of a citywide bicycle transportation network. The Bikeway Plan calls for the completion of an 86-mile system, consisting of recreation loops and commuter routes designed to serve all types of bicyclists. Key objectives of the Bikeway Plan include improving noise and air quality and augmenting recreational bicycling opportunities. The Waterways and Trails Master Plan builds upon the direction provided in these earlier City Plans.

C. Entitlements Needed:

The Waterways and Trails Master Plan will require reviews and approvals from the City of Visalia Parks and Recreation Commission, the City Planning Commission and City Council. Once formally adopted by the City, development of individual trail sections will occur over a period many years. At the time individual sections are proposed, the City will need to review each section for consistency with the Waterways and Trails Master Plan as well as this Initial Study. If the project is consistent with the Master Plan and Initial Study and environmental circumstances have not changed, further environmental review should be unnecessary.

D. Project Objectives:

The Waterways and Trails Master Plan is intended to implement the City's Bikeway Plan and certain objectives of the Conservation and Open Space Element. The proposed project seeks to achieve a number of trail alignments and trail design objectives, as described in the Master Plan and recapped below. In summary, the network of trails and multi-use pathways developed in part by this Plan will allow the City to promote alternative forms of transportation and recreational opportunities along the waterways while respecting physical and biological constraints of the creeks and minimizing conflicts with adjacent uses and traffic circulation.

To those ends, trail alignments:

- Support and enhance commuter trail use;
- Maintain consistency with the *Visalia Bikeway Plan*;
- Align trail with other bike routes, transit stops, Park & Rides, urban uses, and residential cul-de-sacs and knuckles;
- Integrate and link trail systems to greenbelts, open space, parks, schools, and downtown;
- Connect to logical street and highway crossings;
- Avoid vehicle and pedestrian conflicts to the greatest extent possible;
- Minimize creek and drainage crossings;
- Establish good connections for law enforcement and maintenance access;
- Utilize signalized intersections at street crossings where possible;
- Allow for logical placement of staging areas;
- Avoid areas of extreme topography; and

Alternative alignments, if considered, must preserve and enhance the commuter aspect of the trail.

Major trail design objectives include:

- Provide separation of trail users from active railroad tracks;
- Provide secured, controlled access for:
 - Police and Fire Access
 - Trail Maintenance
- Reduce potential for vandalism, theft and trespass through signage and fencing;
- Provide for directional and safety signage;
- Provide security lighting at staging areas and road crossings;
- Locate staging areas or upgrade transit stops at appropriate locations along trails that provide drinking water, bike racks, trash receptacles, shelter / seating, and information kiosks;
- Provide Informational Kiosks at major staging areas for:
 - Rules of trail use and hours of operation, directional signing ("you are here").
 - Location map for nearby services, significant information references, and mapping;
- Provide interpretive exhibits at appropriate locations along the trail corridor for:
 - Environmental and historical information.
- Incorporate consistent design character for all areas of the trail corridor;
- Choose appropriate landscape materials, such as native plant species;
- Provide for physical buffers between trail and adjacent uses or habitats;
- Use fences and/or other barriers:
 - As a separation between the trail and railroad tracks adjoining private property
 - As a separation from other sensitive adjacent land uses

E. Preliminary Trail Alignment Descriptions:

The Master Plan encompasses existing, preferred, and optional trail alignments, and often, individual trail segments include more than one trail route. The trail alignment descriptions provided here describe existing paths, and both preferred and optional proposed trail alignments.

Trails traverse both urban and rural areas. Proposed creekside trails would intersect with established roadway bike paths and often propose to include crossings that allow trail users to cross streets safely, as well as other trail connections and amenities. Trail segment descriptions provide listings of various types of crossing facilities, which are characterized as proposed or existing, and signalized, non-signalized, crossings and /or bridges. All crossings are “at-grade” unless designated as a bridge.

In all cases where the trail would be within the creek corridor, the trail would be located within a 50-foot creek setback, consistent with the COSRP, and would be separated from the creek and / or adjacent uses by the existing maintenance access road, creek, fencing, or landscaping. The proposed creekside trails would follow existing maintenance roads and would be closed to all unauthorized vehicles.

Typical trail construction will consist of a paved surface wide enough to accommodate multiple uses including pedestrians, roller bladers, joggers, and both the commuter and recreational cyclist. The trails would typically have asphalt or concrete surface.

Trail Definitions

Class I trails are proposed as both street routes and creek corridor routes. Class I trails are multi-use trails that provide for travel on a paved right of way completely separated from any street or highway. Where space allows, creekside Class I paths will be paved 12 feet wide, with two-foot wide shoulders on each side. All proposed optional/alternative alignments would be Class I trails.

Class II designated segments are bike lanes that provide a striped lane for one-way travel on a street or highway.

Class III segments are bike routes that provide for shared use with pedestrian or motor vehicle traffic that are marked only with signage.

Mill Creek Trail Description

The portion of Mill Creek subject to this study is the 8.4-mile reach from Road 156 East to Plaza Park near Hwy. 198. Of the three trail corridors, Mill Creek is the longest and has the most trail facilities and crossings, both existing and proposed. Mill Creek encounters a large variety of both private and commercial uses on its passage through the community. The trail is mostly urban in character. In general, from east of the downtown core to the west, land uses adjacent to the Mill Creek corridor transition from primarily agricultural, commercial, and industrial to predominantly institutional and residential. In the same way, the topography of the corridor varies with adjacent property use, transitioning from a standard narrow channel to slightly deeper and wider, then leveling out, submerging below the downtown area, and resurfacing and continuing along its course.

For planning purposes, the Mill Creek trail corridor is divided into three reaches: Western Downtown District, and Eastern Reach. The three reaches are further divided into seven segments as summarized below.

Western Reach (Segments 1 through 4)

This reach comprises the most amounts of trail, facilities, and linkages of the trail system, sixteen crossings, including both signalized and non-signalized.

- **Segment 1** is an existing Class II bike path that passes through Plaza Park.
- **Segment 2** includes two preferred alignments that connect into the existing path of Segment 1. Two routes (one preferred, and one optional) are proposed to begin at a connection with an existing Class II bike path at Plaza Drive. The preferred Class I trail would begin at Crowley Avenue and Plaza Drive and follow Crowley Avenue adjacent to agricultural fields, turn south on Route 84 to State Highway 198. At Mill Creek, users could cross over the State Highway at a proposed bridge crossing to another trail alignment on the south side of the Highway, or stay on the current route, which stays aligned with the creek meandering through agricultural fields until it meets Shirk Road. At this point, this trail would transition onto a Class II path on Shirk, where users could cross Shirk at another trail transition hub to continue to follow the creek alignment or continue north or south on Shirk. The optional trail alignment begins at Plaza Park and travels adjacent to State Highway 198 to the proposed bridge crossing over the highway. Trail users could either continue along this trail, which becomes a Class I route that ends at Shirk, or cross to the preferred trail described above. In sum, this trail segment would include one proposed pedestrian/bicycle bridge over Highway 198, one existing bridge over Highway 198, two proposed non-signalized crossings (at trail transitions), and one existing traffic signal.
- **Segment 3** is proposed to continue the Class I path following the Mill Creek channel, where it initially passes through agricultural fields and then residential neighborhoods. At Akers, the trail departs Mill Creek to jog south and cross Akers at a mid-block signal. The route splits into preferred and optional alignments here. The preferred route would travel diagonally through a planned residential subdivision to rejoin the creek; the optional alignment returns north along Akers to rejoin the creek. Both alignments continue to follow the creek until Crenshaw, where they both transition into Class III routes. At Linwood, the route becomes a Class I trail and rejoins Mill Creek. The total crossings of this trail segment include two proposed non-signalized crossings (at trail transitions) and one crossing at an existing signal.
- **Segment 4** would continue to align the Class I trail along the creek through residential neighborhoods, then travel a few dozen yards south on Chinowith Street to the State Highway 198 to cross Chinowith at an existing signal. After the crossing, the route continues along the creek corridor and State Highway 198. At this point, the trail intersects with another Class II bike path that is proposed to run north and south on Demaree or cross Demaree Street at a proposed signal to continue its path along Mill Creek. From Demaree, a Class I trail runs along the south side of Mill Creek turning south and then east again along Mineral King to the existing traffic signal at Main Street. A proposed alternate route would run along the south side of Mill Creek to Main Street to the existing traffic signal. Once across Main Street, the Class I trail would pick up and continue northeast through Main Street Park along the south side of the creek to Ranch Street to a proposed bike and pedestrian bridge over Main Street. At the proposed bridge to the north, the path connects to Class II bike lanes running along Main Street, and then northwest to existing Class II lanes on Mill Creek Drive. From the bridge crossing to the south, an optional Class I trail would continue through the County Civic Center parking lot to a proposed mid-block crossing at Woodland. From woodland, a Class II path would run east along Burrell to the Mooney Boulevard and Burrell

Avenue signalized crossing. The total crossings included in this segment are two existing signalized crossings, one proposed signalized crossing, two proposed non-signalized crossings (one with a proposed bicycle/pedestrian bridge), and two existing bridge crossings.

Downtown District (Segments 5 and 6)

This trail reach would provide enhanced routes and connections for commuters to the downtown core. Trail routes would utilize existing roadways, railway and creek corridors.

- **Segment 5** is proposed to pass through residential areas, schools, and parks, and to circulate around part of the downtown commercial core. A proposed Class II route, which would originate in Segment 4, begins at the Mooney/ Burrel intersection and runs along the road. One block west of Dollner, the trail splits; one alignment heads north to Mayor's Park, becomes a Class I route, and heads east along the creek where it meets the second alignment. The second path would continue along Burrel to Dollner, where it would turn north to intersect with the Class I trail at the creek. The Class I route would travel along the creek and pass through Sierra Vista and Redwood High School campuses with one proposed non-signalized crossing. Alignments through school sites would be constructed by the Visalia Unified School District. On the other side of Redwood High School, the trail would intersect with an existing Class II bike path along Conyer at a proposed non-signalized crossing. A bridge is proposed to facilitate bicycle and pedestrians across State Highway 198 at Conyer. A second Class II route is proposed to travel along Santa Fe to the downtown core. The Santa Fe route transitions into a Class I path after a proposed bicycle/pedestrian bridge across Highway 198, and in the opposite direction heading north. Primarily Class III routes traverse the downtown core. The total crossings in this segment include one existing signalized crossing, seven proposed non-signalized crossings (with trail transitions), and two proposed bridge crossings over State Highway 198.
- **Segment 6** would be comprised of alignments through railway corridors, along the creek, and through a future park site. Most uses adjacent to the trails in this segment are commercial with two parks (one planned). A Class I trail follows the south side of an old railway alignment from near Santa Fe, across Burke and continuing across Center at a signal, where the trail transitions into a Class II. The route crosses Ben Maddox Way just south of Center at an existing signal, then heads north to rejoin the creek, where it would run through the Oak Grove/Riparian Conservation Area. This route would stay aligned with the creek until it would eventually branch away from the creek west of Lover's Lane through the proposed Coopman Park area. An alternate Class II lane could pick up from the Lovers' Lane proposed signalized crossing at Mill Creek Parkway and follow Mill Creek Parkway northeast to Manzanita Street. This segment would include two existing signalized crossings, two proposed non-signalized crossings, and one proposed signalized crossing.

Eastern Reach (Segment 7)

- **Segment 7** follows Mill Creek through agricultural lands mostly along agricultural irrigation ditches (parallel to Goshen). Vegetation in and along the ditches is sparse. Class I trail along the north side of Mill Creek heading northeast to Manzanita Street where it connects with optional or future Class II bike lanes along Mill Creek Parkway. Continuing east along the north side of Mill Creek, the Class I trail crosses over a proposed bike and pedestrian bridge where Evans Ditch branches off from Mill Creek. Just east of the bridge crossing, the Class I trail heads due east along the south side of Mill Creek and Goshen and connecting to the proposed Class I trail running north/south along the power line easement. A bike and pedestrian bridge crossing will allow trail users to cross Mill Creek heading north. A potential

future Class II bike lane will heading east from the bridge crossing, and will run north of the future Community Park Site and further east with future development. This trail segment includes three proposed non-signalized crossings and a proposed bridge.

Packwood Creek Trail Description

Packwood Creek traverses approximately 5.8 miles between Road 148 and County Center Drive. The trail consists of five segments with the topography remaining rather consistent running through a variety of adjacent properties. Packwood Creek encounters a large variety of both private and commercial properties as it meanders through the community southwest. From where the creek borders agricultural parcels to areas near residential and commercial properties, the creek channel transitions from high banks that are flat on top (and functioning as service roads) to narrow flat banks and terrain. Vegetation along the creek in this area includes scattered Valley Oaks.

- **Segment 1** would include new trail routes along existing roadways, adjacent to the creek within the creek corridor, and aligned with a planned roadway. Land uses include residential, agricultural, and light commercial. The creek bed has Valley Oak tree cover. A proposed Class I route begins at Packwood Creek and at County Center Drive splits into a Class II route heading north or continues as a Class I along the creek channel, crossing Mooney Blvd. and continuing east, where it splits into two Class I routes. One alignment stays alongside the creek as it meanders between agricultural and residential uses. This route continues along the creek and would split further into two alignments: one preferred and one alternative. The preferred Class I trail continues east along the south side of Packwood Creek turning north behind the existing Costco property and around the potential pond/pocket park with a trailside rest area. The Class I path continues northeast along the south side of the creek to Stonebrook Street. At this point, the trail could either continue north as a Class II to Stonebrook Park or run along Caldwell heading east to connect with Santa Fe. A future Cameron Avenue alignment provides the possibility of a Class I path from just southwest of the potential park to Court Street. Crossings in this segment include an existing signal, a proposed non-signalized crossing (with trail transition), and a proposed signalized crossing.
- **Segment 2** would add trail routes along existing roadways to establish connections with other existing roadway bike paths. Land uses are predominantly residential and agricultural. Trail routes near agricultural areas and in places aligned with the creek channel utilize an abandoned railroad bed adjacent to the Santa Fe Street. The Class I route along Caldwell connects to a Class I land along Santa Fe. On Court Street, a short distance of Class II lane is proposed to connect with an existing Class II path on that street. Another Class II extension is proposed to connect the existing Class II path on Whitendale to the existing Court Street path. One signalized crossing is proposed for this segment.
- **Segment 3** is proposed to have two Class I trail routes that extend from a single extension from Segment 2. The first would continue the Santa Fe route along the abandoned railroad bed. The second trail alignment would branch off the roadway at a proposed flashing signal where the creek currently crosses Santa Fe. The trail would continue to follow the creek along Walnut Avenue through residential and agricultural areas and follow the creek off the roadway passing between a linear neighborhood park and agricultural uses. Adjacent land uses in this area are residential, industrial, and open space. Proposed crossings include an existing standard signal crossing, two proposed flashing signal crossings, and two non-signalized crossings.

Exhibit 1

- **Segment 4** is proposed to include three alignments: two preferred and one optional. One will continue following the creek alignment (from Segment 3 at the linear neighborhood park) and cross Lovers Lane. At Lovers Lane, the preferred trail would stay aligned with the Packwood Creek and pass through agricultural fields (with a large parcel of agricultural land planned for residential development—Diamond Creek Estates), cross McAuliff Street through residential neighborhoods, and cross Tulare Avenue at Rio Vista. An optional alignment at the Lovers Lane crossing would stay on the roadway, heading north on Lovers Lane and turning east on Tulare Avenue until it connects with McAuliff, where it would transition into a Class II lane that traverses residential areas and intersect a proposed Class I lane that follows a power line easement. This third route would travel along a power line easement between a residential neighborhood and agricultural fields. This segments crossings include four non-signalized crossings, one signalized crossing, and an existing crossing or bridge.
- **Segment 5** would encompass the remaining parts of the first and third trail routes of Segment 4. The Class I path along the creek parallel to Rio Vista would intersect with the Class I path along the power line easement, with land uses transitioning from agricultural/residential to all agriculture. One proposed bridge or crossing would cross State Highway 198 on this trail route. At this crossing, an optional alignment would continue to follow Packwood Creek and end at a future community park.

Cameron Creek Trail Description

Cameron Creek consists of approximately 5.0 miles between Mooney Grove Park and Road 198. Cameron Creek is mostly a rural undeveloped creekway that primarily encounters rural agricultural land as it feeds several Tulare Irrigation District ditches on its journey southwest through the fringes of the community. Vegetation along the creek in this area includes scattered Valley Oaks.

- **Segment 1** would encompass two primary trail routes. On Avenue 272, one trail route would begin at Mooney Grove Park as a Class II path following the Cameron Creek channel. The trail is proposed to cross the roadway, transitioning into a Class I trail that would continue to travel through agricultural fields. This route would eventually intersect the beginning of the second proposed route, which would go northward on Road 128 / Santa Fe Street. Proposed crossings include one non-signalized and one signalized crossing.
- **Segment 2** trail routes are proposed to continue the same Class I trail routes of Segment 1, traveling through agricultural land uses: one along the creek and one along Santa Fe. At Caldwell Avenue and Santa Fe, a proposed Class II route would begin a westward route along Caldwell Avenue. Total crossings of this segment would include one existing signal and one proposed signal.
- **Segment 3** continues the Class I creekside trail alignment from Segment 2, traversing agricultural areas and crossing Lovers Lane. One existing signal is currently at this intersection and one signalized crossing is proposed for it as well.
- **Segment 4** would continue the Class I route following the creek through agricultural land parcels. This route would cross the railroad tracks to the north. The alignment diverges from the creek channel at a power line easement where it continues to travel northward. Where the trail meets the power line easement, the trail splits into a preferred and optional

alignment. The preferred continues northward on the power easement as a Class I trail. The optional route stays with the creek. One bridge crossing is proposed at the railroad tracks.

- **Segment 5** continues the northward alignment of the Class I route along the power line easement. This segment also continues the optional alignment along the creek and continues with the creek eastward, traveling through primarily agricultural areas. This segment includes two proposed signalized crossings.

Proposed Trail Facilities

Numerous facilities support project objectives along various trail segments. Many facilities relate to the provision of safe and efficient circulation, and other facilities provide trail users with trailside amenities and information. These facilities include Information Kiosks, Staging Areas, Trailside Rest Facilities, Signalized Crossings, Non-Signalized Crossings, and Bridge Crossings. Refer to the Waterways and Trails Master Plan for the location of these facilities.

F. Identification of the Environmental Setting:

The Waterways and Trails Master Plan focuses on three of Visalia's major waterways flowing East to West as part of the Kaweah Delta system: Mill Creek, Packwood Creek, and Cameron Creek. These creeks are natural intermittent streams that flow through the City that currently serve as water conveyance, flood control, and species habitat.

The intensity of use and character of affected roadways in the project area varies with the amount and type of development. In general, the land uses in the project area include agricultural, residential, institutional, office / commercial, and industrial. Of the three waterways, Mill Creek is characteristically more urban, with Packwood and Cameron Creeks exhibiting more qualities that are rural.

Visual qualities along the trails also vary according to the urban or rural character of the trail and adjacent land uses. Urbanized areas typically have more light and more structures in the area. As expected, waterways in rural areas are largely aside open fields. In some areas, visual qualities of creekside trails are affected by the existing use of the setback areas for maintenance vehicle access or informal recreation.

In areas where the corridor is adjacent to agricultural uses, creeks have historically been used for agricultural irrigation and may be best characterized as irrigation ditches. Many months of the year, the waterways are dry and empty. Riparian habitat value is nearly devoid of native vegetation, however Valley Oaks are present in several trail sections. Proposed trail design will be consistent with the COSRP provisions to avoid drip lines of significant trees.

The waterways subject to this study function as a flood conveyance system for the City of Visalia. The City's intent is to provide for the continued use of the subject waterways for flood control purposes. Kaweah Delta Water Conservation District and Modoc Ditch Company have agreements with the City to access areas within the waterway channels to perform maintenance, which includes removing plant material and other obstructions from the channels. The Irrigation Districts routinely utilize creek setbacks for maintenance vehicle access.

On October 28-30, 2002, Quad Knopf conducted a reconnaissance level biological survey for special status plant and animal species, as well as for the presence of open space and riparian vegetation. The results of the survey and mitigation recommendations were presented in the

attached Biological Survey dated December 17, 2002. An update of the Initial Study in 2009, however, necessitated a new biological assessment by Rincon Consultants, Inc., and thus this Initial Study uses Rincon's updated report. Rincon's assessment included a detailed peer review of the Quad Knopf report followed by field work on February 23, 2009 to ground-truth previously collected data. The field work confirmed that conditions within the project site have not significantly changed since 2002. No special status plants were identified or determined to potentially occur within the study area. However, based upon a habitat suitability analysis, eight special status animal species have the potential to occur onsite and may be impacted by the proposed project. A small remnant, degraded portion of Great Valley Valley Oak Riparian Forest remains in the study area, and would require mitigation measures for their protection. Development of the proposed project may also result in impacts to creek channels and other aquatic features, which are potential waters of the U.S. and the State, and may include riparian habitat subject to the jurisdiction of the CDFG. The results of Rincon's investigation and mitigation recommendations are included in the attached Biological Resources Assessment Update dated March 23, 2009. The potential impacts and mitigation measures have been incorporated into this Initial Study.

G. Plans and Policies:

The proposed project is consistent with the Land Use Element of the General Plan and the Conservation, Open Space, Recreation, and Parks (COSRP) Element. Key policies from these elements are noted below:

- a. **Land Use Goal 2:** Improve the quality of air, land, water, and plant and animal life in the Visalia planning area.

Response: The proposed project will provide alternative routes for non-motorized transportation modes with the objective of reducing air emissions, thereby improving air quality. The installation of native plantings along the proposed trail system will serve to enhance the quality of land, water, plant, and animal life in the project area by providing ground cover, shade, and creating an attractive recreational amenity. The proposed project is consistent with this goal.

- b. **COSRP Goal 3:** Develop a high quality public park system which provides adequate space and facilities for varied recreational opportunities which are conveniently accessible to all Visalia Residents.

- i. **Objective 3.1.C:** Provide park sites which respond to the needs of the City's diverse population, including joggers and bicyclists, as well as non-traditional types of recreation and open space such as skateboarding, community gardens, and habitat protection.

Response: The proposed pathway extension will provide recreation opportunities for joggers, bicyclists, skateboarders, walkers, and roller bladers. The proposed project is consistent with this objective.

- ii. **Objective 3.4:** Designate and periodically update a safe and feasible trail and bikeway system (on- and off-street) for commuting, recreation, and other trips.

Exhibit 1

Response: The proposed pathway extension will implement a trails system that will allow for off-street commuting, recreation, and other trips. The proposed project is consistent with this objective.

Exhibit 1

ENVIRONMENTAL IMPACTS

The following environmental factors would be potentially affected by this project, involving at least one impact that is potentially significant unless mitigated as indicated on the checklist on the following pages.

<input checked="" type="checkbox"/> Aesthetics	<input checked="" type="checkbox"/> Agriculture Resources	<input checked="" type="checkbox"/> Air Quality
<input checked="" type="checkbox"/> Biological Resources	<input checked="" type="checkbox"/> Cultural Resources	<input checked="" type="checkbox"/> Geology / Soils
<input checked="" type="checkbox"/> Hazards & Hazardous Materials	<input checked="" type="checkbox"/> Hydrology / Water Quality	<input type="checkbox"/> Land Use / Planning
<input type="checkbox"/> Mineral Resources	<input type="checkbox"/> Noise	<input type="checkbox"/> Population / Housing
<input type="checkbox"/> Public Services	<input type="checkbox"/> Recreation	<input checked="" type="checkbox"/> Transportation/Traffic
<input type="checkbox"/> Utilities / Service Systems		

Exhibit 1

SUMMARY OF MITIGATION MEASURES & MONITORING PROGRAM

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
Excessive light or glare in rural areas along the trail.	A-1: In rural areas, lighting levels of trails and staging areas should not be so intense as to draw attention to the glow or glare of the project site. Spot lighting or glare from lighting fixtures shall be prevented from shining beyond property lines through the proper location of light standards and by directing or shielding individual fixtures.	Review construction plans to ensure that there are appropriate light levels in rural areas.	Prior to issuance of construction or grading permits.	City of Visalia Public Works Department
Conflicts between proposed trail use and existing agricultural operations.	AG-1: Trail entrances must be posted with notices of ongoing agricultural activities, with warnings of the risks to trail users from pesticide spraying and possible equipment crossings.	Review construction plans to ensure proper signage will be constructed.	Prior to issuance of construction or grading permits.	City of Visalia Public Works Department
	AG-2: Trails must be designed with the ability for its physical closure (of isolated segments) in the event it becomes necessary to facilitate permitted spraying.	Review construction plans to ensure trails can be closed for spraying.	Prior to issuance of construction or grading permits and periodic inspections during spraying activities.	City of Visalia Public Works Department
	AG-3: During peak burn times, the trail manager must check burn day status and initiate closure of affected trail segments.	Review construction plans to ensure trails can be closed during peak burn periods.	Prior to issuance of construction or grading permits and periodic inspections during burning activities.	City of Visalia Public Works Department
Air quality impacts during construction.	AQ-1: To control fugitive dust during construction activities, watering of unpaved surfaced shall be conducted during earthmoving activities in accordance with the San Joaquin	Review construction plans for dust	Prior to issuance of grading permits	City of Visalia Community Development

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	Valley Air Pollution Control District.	control and monitoring during construction.	and during construction.	Department
Biological impacts on sensitive plant and animal species.	<p>B-1: The proposed project calls for a trail to be created through a small remnant, degraded portion of Great Valley Valley Oak Riparian Forest that remains near the intersection of Mill Creek and Evans Ditch near the east end of the Mill Creek trail alignment. Impacts to this habitat shall be avoided by routing the trail around this habitat, if feasible. If this is not possible, then the proposed trail shall be limited to previously disturbed areas.</p> <p>In addition to this sensitive habitat, the proposed project shall be designed to avoid impacts to valley oaks to the greatest extent feasible. Where valley oaks cannot be avoided, measures shall be taken to minimize impacts pursuant to Chapter 12.24 (Oak Tree Preservation) of the City's Municipal Code. These measures shall include:</p> <ul style="list-style-type: none"> The existing ground surface within the crown drip-line of any tree shall not be disturbed without consent of the City manager. Excavation that may result in damage to the root system of a valley oak tree shall be avoided to the greatest extent feasible. Encroachment into the crown drip line by permanent structures shall be avoided. Encroachment that cannot be avoided must be approved by the City manager. If valley oak trees will be destroyed, removed, or pruned, a permit from the City shall be required. 	Review construction plans prior to construction or grading permits.	Prior to issuance of construction or grading permits.	City of Visalia Public Works Department

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-2: Because the proposed trail system will cross creeks and ditches within the study area, prior to initiation of construction activities, a jurisdictional delineation of the project site shall be completed by a qualified biologist to ensure proper permits are acquired for impacts to potential USACE, RWQCB, and CDFG jurisdictional areas. The jurisdictional delineation shall be limited to those areas where the creek or ditch may be altered (e.g., crossing structures) and where riparian vegetation may be impacted. The jurisdictional delineation shall be conducted in accordance with the USACE Wetland Delineation Manual (1987) and the Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Version 2.0) (2008). The jurisdictional delineation report shall be submitted to the USACE, RWQCB, and CDFG for review and, where applicable, permits shall be obtained (e.g., Clean Water Act Sections 401 and 404, and Fish and Game Code Section 1600 et. seq.).</p>	<p>Jurisdictional delineation.</p>	<p>Prior to issuance of construction or grading permits.</p>	<p>City of Visalia Public Works Department</p>
	<p>B-3: A survey for badger dens shall be conducted no less than 30 days prior to initial ground disturbance. The surveys shall be conducted by a qualified biologist and shall include the disturbance footprint and a 100 foot buffer. All badger sightings and den observations shall be noted. If an active badger den is located, a 50 foot buffer shall be established around the den until a qualified biologist has determined that the den is no longer in use. Once the den is vacant, it may be permanently closed by the qualified biologist and construction may continue at that location.</p>	<p>Preconstruction surveys for American Badger.</p>	<p>30 days prior to initial ground disturbance.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-4: In accordance with the Standardized Recommendations for Protection of the San Joaquin Kit Fox Prior to or During Ground Disturbance (USFWS 1999), preconstruction surveys shall be conducted no less than 14 days and no more than 30 days prior to initiation of ground disturbance activities. The surveys shall be conducted in a phased approach in conjunction with the construction schedule. The surveys shall be conducted by a qualified biologist and the results shall be submitted to the USFWS within five days of completion of the surveys. The survey area shall include the project disturbance footprint plus a 200 foot buffer, where applicable. All potential dens shall be avoided to the greatest extent feasible. If a natal den is located within the survey area, the USFWS shall be notified immediately for guidance. If an occupied, non-natal den is located within the survey area, a buffer of a size deemed appropriate by a qualified biologist shall be established around the den until the qualified biologist has determined that the den is no longer occupied.</p>	<p>Preconstruction surveys for San Joaquin kit fox.</p>	<p>No less than 14 days and no more than 30 days prior to initial ground disturbance.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-5: The following measures are required to reduce the potential for impact to SJKF and other wildlife during construction activities:</p> <ul style="list-style-type: none"> • All vehicles within construction zones shall observe a 20-mph speed limit. • All steep-walled holes or trenches more than two feet deep shall be covered at the end of each day, or shall have an escape ramp constructed of dirt or wooden planks. • Prior to filling, all holes or trenches shall be inspected for trapped or injured animals. • All pipes, culverts or similar structures with a diameter of four inches or more that are stored overnight shall be inspected for animals prior to movement, burial, or capping. If a SJKF is found within a pipe or similar structure, the pipe shall not be moved until the animal has vacated it and the USFWS may be consulted. • All trash shall be disposed of in closed containers and shall be removed from the construction site weekly. • All work shall be conducted during daylight hours. • No firearms or pets are allowed at the construction site. • A representative shall be appointed by the project proponent who will be the contact source for any employee or contractor who sees or inadvertently kills or injures a SJKF. • In the event of the injury or death of a SJKF due to construction activities, the USFWS shall be notified within three working days and the CDFG shall be notified immediately. 	<p>Impact avoidance and minimization for San Joaquin kit fox and wildlife in general.</p>	<p>Prior to issuance of construction or grading permits.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-6: No less than 30 days prior to initiation of construction activities, surveys shall be conducted for nesting burrowing owls, white-tailed kites, Swainson’s hawks and all other nesting birds by a qualified biologist. The surveys shall include the entire project site plus a 200 foot buffer around the project site. The surveys shall be conducted in a phased approach consistent with the schedule of construction activities. If active nests are located, all construction work must be conducted outside a buffer zone from the nest to be determined by the qualified biologist. No direct disturbance to nests shall occur until the adults and young are no longer reliant on the nest site. A qualified biologist shall confirm that breeding/nesting is completed and young have fledged the nest prior to the start of construction in the buffer zone.</p>	<p>Preconstruction surveys for nesting birds.</p>	<p>30 days prior to initiation of construction activities.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-7: If trees are proposed for removal or pruning, presence/absence surveys shall be conducted where potential western mastiff bat roost sites occur with survey methods set forth by CDFG in Distribution, Habitat Associations, Status, and Survey Methodologies for Three Molossid Bat Species (1998) no less than 30 days prior to impact to the tree. Surveys shall be conducted by a qualified biologist using acoustic detectors and by searching tree cavities, crevices, and other areas where bats may roost. If no bats are detected, no further action is required. If any bat species are detected within the project site, the CDFG shall be notified. Areas where bats are located shall be avoided through modification of the development area. If impacts to bats cannot be avoided, exclusionary devices, such as netting, shall be installed around the roost(s) after the bats have left the roost in the evening and shall be monitored for a minimum of three days to ensure that no bat return to the roost. Once it has been determined that the roost is clear of bats, the roost must be removed immediately. Exclusion of bats must commence prior to establishment of maternity colonies. If a maternity colony has become established, all construction activities shall be postponed within a 500 foot buffer around the maternity colony until it is determined that the young have dispersed. Bat roosts should be removed after the breeding season has ended but before the onset of winter when temperatures are too cold for bat movement.</p>	<p>Preconstruction surveys for the western mastiff bat and pallid bat.</p>	<p>30 days prior to tree removal or pruning.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-8: No less than 30 days prior to initiation of construction activities, the project site shall be surveyed for the presence of elderberry plants by a qualified biologist. In accordance with the Conservation Guidelines for the Valley Elderberry Longhorn Beetle (USFWS 1999), elderberry plants with no stems measuring 1.0 inch or greater diameter at ground level may be removed without mitigation. Elderberry plants with at least one stem measuring 1.0 inch or greater diameter at ground level shall be avoided and a 25-foot wide buffer shall be established around the plant where feasible. If impacts to an elderberry plant cannot be avoided, consultation with the USFWS is required.</p>	<p>Preconstruction Surveys for Valley Elderberry Longhorn Beetle.</p>	<p>30 days prior to initiation of construction activities.</p>	<p>City of Visalia Community Development Department</p>
	<p>B-9: Within 30 days prior to initiation of construction activities, all personnel associated with the project shall attend a worker education training program, conducted by a qualified biologist, to aid workers in recognizing special status species that may occur in the project area. The specifics of this program shall include identification of the sensitive species and associated habitat, and careful review of the limits of construction required to reduce impacts to biological resources within the work area. A fact sheet conveying this information shall also be prepared for distribution to all contractors, their employers, and other personnel involved with construction of the project.</p>	<p>Worker Education Program.</p>	<p>30 days prior to initiation of construction activities.</p>	<p>City of Visalia Community Development Department</p>
	<p>B-10: All disturbed, bare-dirt areas and all proposed restoration areas shall be revegetated using regionally native, non-invasive plant species, such as valley oak and elderberry. Steep slope shall be hydroseeded with an erosion control mix of locally native herbaceous species selected specifically for the project site. The erosion control mix shall be applied prior to the onset of the winter rainy season. To ensure that project landscaping does not introduce invasive non-native plant species into the vicinity of the site, the final landscaping plan shall be reviewed and approved by a City approved biologist. All invasive plant species shall be removed from the landscaping plan.</p>	<p>Native landscaping.</p>	<p>Prior to approval of landscaping plan.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>B-11: The following construction best management practices shall be implemented to reduce the potential for impacts to sensitive resources that may result from construction activities:</p> <ul style="list-style-type: none"> • All ground disturbance activities, including vegetation removal, shall be limited to the dry season to reduce the potential for erosion of sediment into the creeks. • Prior to initiation of ground disturbance activities, erosion control measures shall be implemented to prevent runoff into Mill, Packwood, and Cameron Creeks. Erosion control measures may include installation of silt fencing and straw wattles around the disturbance areas, and any spoils piles and material storage areas. Erosion control measures shall remain in place until construction has been completed. • All fueling and maintenance of vehicles and other equipment, as well as staging areas, shall be located at least 50 feet from any riparian habitat or water body. Prior to the onset of construction, a plan to allow a prompt and effective response to any accidental spills shall be prepared. • Washing of concrete, paint, or equipment shall occur only in designated areas where polluted water and materials can be contained for subsequent removal from the site. Washing shall not be allowed within 50 feet of the creeks. 	<p>Construction best management practices.</p>	<p>Prior to initiation of ground disturbance activities.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
Impacts to archaeological resources.	<p>C-1: Prior to the design process for each proposed trail element, the City shall retain an archaeologist certified by the Register of Professional Archaeologists to conduct a survey of those portions of the proposed alignment that are subject to ground disturbance. This requirement is consistent with previous archaeological recommendations for the project area. These areas shall generally correspond to those portions of the alignment that will be cleared, grubbed, ripped, and re-compacted. This survey requirement shall not apply under the following circumstances:</p> <ul style="list-style-type: none"> • If an alignment has been previously surveyed for archaeological deposits; or • If it can be demonstrated that the alignment has been extensively disturbed by past land uses or modifications such that the potential for intact deposits is minimal (e.g., creek channelization). 	Survey by a Registered Professional Archeologist.	Prior to the design process for each proposed trail element.	City of Visalia Community Development Department

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>C-2: Those trail alignments containing or adjacent to previously recorded archaeological deposits, such as CA-TUL-1368 and CA-TUL-16, shall be subjected to the review and recommendations of a Registered Professional Archaeologist. The archaeologist shall provide an opinion on (1) the potential for project impacts to the resource in question; (2) appropriate means to verify the accuracy of the opinion; and (3) treatment strategies for those resources that are significant and that will be affected. This mitigation measure may entail additional study and documentation, including, but not limited to, presence/absence excavation, CRHR eligibility evaluations, data recovery excavations, Native American consultation, and monitoring. The scope of any subsequent documentation and study should be developed by the consulting archaeologist in coordination with the City planning department. If data recovery excavation is undertaken, it must be done in accordance with a data recovery plan prepared pursuant to CEQA Guidelines Section 15126.4(b)(3)(C). The City shall implement the feasible recommendations of the archaeologist.</p>	<p>Obtain review and recommendation from a Registered Professional Archeologist.</p>	<p>Prior to the specific design process for each proposed trail element adjacent to archaeological deposits.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>C-3: A Registered Professional Archaeologist shall be retained to provide a resource assessment when trail alignments contain or are adjacent to archaeological deposits discovered as the result of Mitigation Measure C-1. The archaeologist shall provide an opinion on (1) the potential for project impacts to the resource in question; (2) appropriate means to verify the accuracy of the opinion; and (3) treatment strategies for those resources that are significant and that will be affected. This mitigation measure may entail additional study and documentation, including, but not limited to, presence/absence excavation, CRHR eligibility evaluations, data recovery excavations, Native American consultation, and monitoring. The scope of any subsequent documentation and study should be developed by the consulting archaeologist in coordination with the City planning department. If data recovery excavation is undertaken, it must be done in accordance with a data recovery plan prepared pursuant to CEQA Guidelines Section 15126.4(b)(3)(C). The City shall implement the feasible recommendations of the archaeologist.</p>	<p>Retain a Registered Professional Archaeologist.</p>	<p>Prior to the specific design process for each proposed trail element adjacent to archaeological deposits.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>C-4: If paleontological resources are encountered during project subsurface construction, all ground-disturbing activities within 25 feet shall be redirected and a qualified paleontologist contacted to assess the situation, consult with agencies as appropriate, and make recommendations for the treatment of the discovery. Adverse effects to such deposits should be avoided by project activities, and project personnel shall not collect or move any paleontological materials. If avoidance is not feasible, the paleontological resources shall be evaluated for their significance. If the resources are not significant, avoidance is not necessary. If the resources are significant, project activities shall avoid disturbing the deposits, or the adverse effects of disturbance shall be mitigated. Upon completion of the paleontological assessment, a report shall be prepared documenting the methods, results, and recommendations of the assessment. The report shall be submitted to the applicant and the City and, if paleontological materials are recovered, a paleontological repository, such as the University of California Museum of Paleontology.</p>	<p>Contact a qualified paleontologist, only if resources are found.</p>	<p>At time of discovery of potential paleontological resources.</p>	<p>City of Visalia Community Development Department</p>
	<p>C-5: If human remains are encountered during project activities, the remains shall be treated in a respectful manner in accordance with Health and Safety Code Section 7050.5. Construction activity within 25 feet of the discovery shall be redirected and the Tulare County Coroner notified immediately. Concurrent with the notification an archaeologist shall be contacted to assess the situation and consult with agencies as appropriate. Project personnel shall not collect or move any human remains and associated materials. If the human remains are of Native American origin, the Coroner must notify the Native American Heritage Commission within 24 hours of this identification. The Native American Heritage Commission will identify a Most Likely Descendant to inspect the site and provide recommendations for the proper treatment of the remains and associated grave goods.</p>	<p>Contact the County Coroner and Native American Heritage Commission, only if human remains are found.</p>	<p>At time of discovery of potential human remains.</p>	<p>City of Visalia Community Development Department</p>

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
Geological impacts on structures and soil erosion impacts.	GS-1: Design and construct foundations and structures to resist seismic shaking in accordance with current building codes, standards and practices.	Review design prior to issuance of construction or grading permits.	Prior to issuance of grading or construction permits.	City of Visalia Community Development Department
	GS-2: Comply with grading and flood control ordinances.	Review plans prior to issuance of construction or grading permits to ensure ordinance requirements are met.	Prior to issuance of grading or construction permits.	City of Visalia Community Development Department
	GS-3: Assess proposed projects on an individual basis: require inspection of grading and construction activities by an engineering geologist and a civil engineer to ensure that cut slopes and excavations are stable; include measures to reduce short term-hazards and long-term impacts that may occur during grading and construction operations due to soil erosion and downslope deposition.	Review plans prior to issuance of construction or grading permits and on-going inspections.	Prior to issuance of grading or construction permits and during construction.	City of Visalia Community Development Department
Drainage and erosion control.	GS-4: A grading, drainage, and sediment control plan must be submitted to the City of Visalia for review and approval prior to construction of the project.	Review plans prior to issuance of construction or grading permits.	Prior to issuance of grading or construction permits.	City of Visalia Community Development Department

Exhibit 1

Potentially Significant Impact	Mitigation Measure	Specific Action	Mitigation Milestone	Responsible Monitoring Party
	<p>GS-5: A Storm Water Pollution Prevention Plan (SWPPP) shall be developed prior to the initiation of grading for any segment and implemented for all construction activity. The SWPPP shall include specific BMPs to control the discharge of material from the site. BMPs may include, but would not be limited to:</p> <ul style="list-style-type: none"> • Seeding and mulching of bare surfaces; • Use of straw bales and rock dams; • Soil wetting during high wind conditions; • Soil stabilizers; and • Revegetation of all slopes as soon as possible following construction. 	Review plans prior to issuance of construction or grading permits and on-going inspections.	Prior to issuance of grading or construction permits and during construction.	City of Visalia Community Development Department
Flood hazard and flood control.	<p>HWQ-1: At the time that each of the identified trail segments would be constructed, the plans for the proposed creek bridges shall be submitted to the responsible flood control agencies and City's Public Works Department for review and approval. Bridges must be designed to ensure that the pre-project flood flows are maintained, such that upstream flooding does not occur.</p>	Review plans prior to issuance of construction or grading permits.	Prior to issuance of grading or construction permits.	City of Visalia Community Development Department
	<p>HWQ-2: Within 30 days following a substantial rainfall, bridges along the trail shall be inspected to ensure that debris has not collected and constricted water flow. If such debris is found, it shall be immediately removed.</p>	Bridge inspections.	Within 30 days following a substantial rainfall.	City of Visalia Community Development Department

PROJECT COMPATIBILITY WITH EXISTING ZONES AND PLANS

The project is compatible with the Land Use Element of the General Plan, the Conservation, Open Space, Recreation and Parks (COSRP) Element of the General Plan, and existing zoning.

DETERMINATION OF REQUIRED ENVIRONMENTAL DOCUMENT

On the basis of this initial evaluation:

- I find that the proposed project **COULD NOT** have a significant effect on the environment. **A NEGATIVE DECLARATION WILL BE PREPARED.**
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on the attached sheet have been added to the project. **A MITIGATED NEGATIVE DECLARATION WILL BE PREPARED.**
- I find the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required
- I find that as a result of the proposed project no new effects could occur, or new mitigation measures would be required that have not been addressed within the scope of the Program Environmental Impact Report (SCH No. 90020160). The Environmental Impact Report prepared for the City of Visalia Land Use Element (Amendment No. 90-04) was certified by Resolution NO. 91-105 adopted on September 3, 1991. **THE PROGRAM ENVIRONMENTAL IMPACT REPORT WILL BE UTILIZED.**

City of Visalia

Date

VI. INITIAL STUDY PREPARATION

Initial Study prepared by RRM Design Group for the City of Visalia, CA.

Reviewed and approved for distribution:

Paul Shepard
City of Visalia

VII. INITIAL STUDY ENVIRONMENTAL CHECKLIST

Name of Proposal	Waterways and Trails Master Plan, City of Visalia		
NAME OF PROPONENT:	City of Visalia	NAME OF AGENT:	RRM Design Group
Address of Proponent:	336 North Ben Maddox Way	Address of Agent:	3765 South Higuera Street, Suite 102
	Visalia, California 93292		San Luis Obispo, California 93401
Telephone Number:	(559) 713-4404	Telephone Number:	(805) 543-1794
Date of Review	July 2009	Lead Agency:	City of Visalia

The following checklist is used to determine if the proposed project could potentially have a significant effect on the environment. Explanations and information regarding each question follow the checklist.

1 = No Impact

2 = Less Than Significant Impact

3 = Less Than Significant Impact with Mitigation Incorporated

4 = Potentially

Significant Impact



I. AESTHETICS

Would the project:

- 1 a) Have a substantial adverse effect on a scenic vista?
No part of the proposed project will have a substantial adverse impact on a scenic vista. The project focuses on three of Visalia's major waterways, which are natural intermittent streams that flow through the City that currently serve as water conveyance, flood control, and species habitat. The character of the project area varies with the adjacent amount and type of development. Generally, trails would utilize existing roads and follow the top of canal levees with little effect on the surrounding landscape as a result of trail construction. Project objectives include improving the aesthetic qualities of the waterways with native plantings and restorative efforts. Based upon the proposed trail design and amenities incorporated into the project, impacts would be less than significant.
- 1 b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?
Trail segments within the state scenic highway (198) would not damage scenic resources. All improvements affecting the state highway will meet Cal Trans scenic highway design standards to maintain significant scenic values.
- 1 c) Substantially degrade the existing visual character or quality of the site and its surroundings?
The proposed project will take place along waterway setbacks that currently serve as maintenance vehicle access to the channels, and along existing roadways. Where necessary, trail improvements will have a positive effect upon the visual character of the sites and surroundings through restoration and enhancement of existing accessways, including replanting of native vegetation.
- 3 d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?
Most parts of the proposed project will take advantage of existing urban lighting on streets and at intersections; however, low levels of lighting may be required in rural parts of the trail, possibly "point to point" lighting at 150-foot intervals, which will reduce the existing dark environment in those areas.
The following mitigation measure should be incorporated into the project to mitigate any potential impacts to less than significant:
- **A-1** In rural areas, lighting levels of trails and staging areas should not be so intense as to draw attention to the glow or glare of the project site. Spot lighting or glare from lighting fixtures shall be prevented from shining beyond property lines through the proper location of light standards and by directing or shielding individual fixtures.

II. AGRICULTURAL RESOURCES

Would the project:

- 1 a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use?
Trail segments proposed for agricultural areas would not require the conversion of Prime, Unique, or Farmland of Statewide Importance.
- 3 b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?

Several proposed trail segments would pass through active agricultural use areas and could potentially create conflicts with farming operations, particularly with pesticide spraying or controlled burns. In addition, it may be necessary for agricultural property owners to cross the trail with agriculture equipment in order to reach other parts of property bisected by trails. While trails in these areas would be designed to minimize use conflicts by designing physical separation between them through various means including 4- to 6-foot high fencing, landscaping buffers, and roadways, additional measures may be needed to reduce incompatibilities.

The following measures should be incorporated into the project to mitigate any potential conflicts to less than significant.

- **AG-1:** Trail entrances must be posted with notices of ongoing agricultural activities, with warnings of the risks to trail users from pesticide spraying and possible equipment crossings.
- **AG-2:** Trails must be designed with the ability for its physical closure (of isolated segments) in the event it becomes necessary to facilitate permitted spraying.
- **AG-3:** During peak burn times, the trail manager must check burn day status and initiate closure of affected trail segments.

- 1 c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use?

Several segments of trail pass through agricultural areas; however, these alignments follow existing accessways currently used for maintenance vehicles. Therefore, proposed improvements will not contribute to the conversion of farmland to non-agricultural use.

III. AIR QUALITY

Would the project:

- 1 a) Conflict with or obstruct implementation of the applicable air quality plan?
One of the impetuses of the project is the City's objective to implement the City Bikeway Plan. One of the key objectives of the Bikeway Plan is to improve air quality. The Bikeway Plan calls for the completion of an 86-mile system, consisting of recreation loops and commuter routes designed to serve all types of bicyclists. By facilitating non-automobile transportation, the proposed project helps the City to meet air quality objectives by improving non-motorized transportation opportunities and is consistent with the applicable air quality plan.

- 3 b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?

Project construction may cause minor air quality impacts associated with vehicles and construction equipment, as well as fugitive dust that may become airborne. The following mitigation measures should be incorporated into the project to mitigate any potential impacts to less than significant:

- **AQ-1:** To control fugitive dust during construction activities, watering of unpaved surfaced shall be conducted during earthmoving activities in accordance with the San Joaquin Valley Air Pollution Control District.

Project construction may also contribute to global climate change by using equipment whose carbon-based fuel releases some greenhouse gases (GHGs). However, the carbon emissions related to the project's construction only account for a small percentage of the Federal standard. The construction period and the type and quantities of equipment are limited and the overall contribution will be minor.

After completion of construction, there will be no change from the current operation of the project area and no increase in carbon emissions. Mitigation measures implemented during construction would reduce impacts to air quality and would also mitigate for impacts to global warming.

Global climate change is a cumulative process. A project contributes to this potential impact through its cumulative incremental contribution combined with the emissions of all other sources of GHGs. There are currently no established thresholds for measuring the significance of a project's cumulative contribution to global climate change. However, individual projects can contribute to GHG emission reductions by incorporating features that reduce vehicle emissions and maximize efficiency. Rather than add to GHG emissions, the proposed project would actually contribute to the City's efforts to reduce its carbon footprint in the long run by offering residents an alternative means of travel, possibly reducing dependence on carbon-producing vehicles. The following is a list of existing City programs and strategies that reduce and minimize GHG emissions:

- The Cool Cities Initiative—the U.S. Mayors' Climate Protection Agreement which sets the goal of reducing City-wide carbon dioxide emissions to 7% below 1990 levels by 2012*
- Urban development boundaries to reduce sprawl*
- New policies to encourage walkable urban communities*
- City policy requiring the purchase of hybrid or alternative fuel vehicles*
- Operation of a compressed natural gas (CNG) fueling station for transit buses and solid waste trucks*
- City upgrades—HVAC system, lighting, traffic lights (LED installation)*
- Alternative fuel bus fleet—17 CNG buses, 11 Dial-a-Ride buses, and 6 diesel electric hybrid trolleys*
- A bicycle path plan that will increase the existing 27 miles to 140 miles*
- Vi-Cycle Pilot Program—promotes bicycling as an effective alternative transportation measure while increasing commuter bicycling in Visalia's downtown area*
- Operation of a household hazardous waste facility and an aggressive recycling program including green waste*
- Operation of a methane digester at the Wastewater Treatment Facility to provide a portion of the energy*
- Urban forestry—almost 3,000 trees planted in the last two years*
- Green Building for Energy Efficiency—solar panels installed at the Visalia Municipal Airport, and two energy-efficient straw bale police stations*
- Visalia Environmental Committee—informs and advises the Visalia City Council and citizens on preserving and improving environmental quality for the benefit of the community*

Because the proposed project is consistent with the City's efforts to reduce citywide GHG emissions, the project would not violate air quality standards associated with GHGs or contribute substantially to an existing or projected air quality violation.

- 2 c) *Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?*

Since the proposed project enhances non-motorized transportation, it is not anticipated to result in a net increase of any criteria pollutant. However, there will be

- short term pollution impacts during the construction. Due to the short term nature of the construction impacts, these are not determined to be cumulatively considerable.*
- 1 d) Expose sensitive receptors to substantial pollutant concentrations?
Since the project facilitates non-motorized forms of transportation, no pollutant concentrations will be created.
- 1 e) Create objectionable odors affecting a substantial number of people?
No part of the proposed project will create objectionable odors.

IV. BIOLOGICAL RESOURCES

Would the project:

- 3 a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?
- The following species were identified by the Biological Resources Assessment Update conducted by Rincon Consultants, Inc. (dated April 16, 2009) to be potentially impacted. As stated previously, Rincon conducted its analysis as an update to the original biological report submitted by Quad Knopf in 2002.*
- American Badger** – *Although none were observed during the site visit and no suitable burrows were found within the project site, marginal habitat exists on the project site, particularly where orchards or fallow fields are present. The presence of ground squirrels indicates a prey base.*
- San Joaquin Kit Fox** – *Although none were observed during the site visit, the creeks, surrounded by orchards, fallow fields, and urban areas, provide habitat for this species. The presence of ground squirrels indicates a prey base.*
- Burrowing Owls** – *Although none were observed during the site visit, this species is often found along irrigation ditches and the edges of agricultural habitats in the Central Valley. The presence of ground squirrels indicates a prey base and availability of burrows for nesting. Pre-construction surveys should be done 30 days prior to ground disturbing activities.*
- Swainson's Hawk** – *Although none were observed during the site visit, oak trees and fields in the project area may harbor nesting and foraging sites. The NDDDB indicating that three (3) nest sites have been observed during a 10-mile radius of the Cameron Creek area.*
- White-Tailed Kite** – *Although none were observed during the site visit, oak trees and fields in the project area may harbor nesting and foraging sites.*
- Pallid Bat** – *Although none were observed during the site visit, this species could potentially occur on the project site where oak trees are far from developed areas. Because bats are very sensitive to disturbance, alteration of habitat due to implementation of the Master Plan could result in a potentially significant impact to this species.*
- Western Mastiff Bat** – *Although none were observed during the site visit, this species could potentially occur in the valley oaks, orchards, and urbanized portions of the project site, with adjacent fields offering foraging habitat. Again, since bats are very sensitive to disturbance, alteration of habitat due to implementation of the Master Plan could result in a potentially significant impact to this species.*
- Valley Elderberry Longhorn Beetle** – *Several elderberry plants were identified along Mill Creek. These plants are hosts to the valley elderberry longhorn beetle, a federally threatened species. Typically, a 100' buffer should be maintained around*

the elderberry plants. Where this is not possible, U.S. Fish and Wildlife should be consulted.

Special Status Plant Species – *No special status plant species were identified or determined to potentially occur within the study area. However, valley oak trees have been identified as a species of special concern. Mitigation measures will need to be incorporated to minimize impacts to valley oak trees.*

The following mitigation measures shall be incorporated into the project to mitigate biological impacts to a level of less than significant.

- **B-1: Great Valley Valley Oak Riparian Forest Impact Avoidance and Minimization.** *The proposed project calls for a trail to be created through a small remnant, degraded portion of Great Valley Valley Oak Riparian Forest that remains near the intersection of Mill Creek and Evans Ditch near the east end of the Mill Creek trail alignment. Impacts to this habitat shall be avoided by routing the trail around this habitat, if feasible. If this is not possible, then the proposed trail shall be limited to previously disturbed areas.*

In addition to this sensitive habitat, the proposed project shall be designed to avoid impacts to valley oaks to the greatest extent feasible. Where valley oaks cannot be avoided, measures shall be taken to minimize impacts pursuant to Chapter 12.24 (Oak Tree Preservation) of the City's Municipal Code. These measures shall include:

- *The existing ground surface within the crown drip-line of any tree shall not be disturbed without consent of the City manager. Excavation that may result in damage to the root system of a valley oak tree shall be avoided to the greatest extent feasible.*
 - *Encroachment into the crown drip line by permanent structures shall be avoided. Encroachment that cannot be avoided must be approved by the City manager.*
 - *If valley oak trees will be destroyed, removed, or pruned, a permit from the City shall be required.*
- **B-2: Jurisdictional Delineation.** *Because the proposed trail system will cross creeks and ditches within the study area, prior to initiation of construction activities, a jurisdictional delineation of the project site shall be completed by a qualified biologist to ensure proper permits are acquired for impacts to potential USACE, RWQCB, and CDFG jurisdictional areas. The jurisdictional delineation shall be limited to those areas where the creek or ditch may be altered (e.g., crossing structures) and where riparian vegetation may be impacted. The jurisdictional delineation shall be conducted in accordance with the USACE Wetland Delineation Manual (1987) and the Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Version 2.0) (2008). The jurisdictional delineation report shall be submitted to the USACE, RWQCB, and CDFG for review and, where applicable, permits shall be obtained (e.g., Clean Water Act Sections 401 and 404, and Fish and Game Code Section 1600 et. seq.).*
- **B-3: Preconstruction Surveys for American Badger.** *A survey for badger dens shall be conducted no less than 30 days prior to initial ground disturbance. The surveys shall be conducted by a qualified biologist and shall include the disturbance footprint and a 100 foot buffer. All badger sightings and den observations shall be noted. If an active badger den is*

located, a 50 foot buffer shall be established around the den until a qualified biologist has determined that the den is no longer in use. Once the den is vacant, it may be permanently closed by the qualified biologist and construction may continue at that location.

- **B-4: Preconstruction Surveys for San Joaquin Kit Fox.** In accordance with the Standardized Recommendations for Protection of the San Joaquin Kit Fox Prior to or During Ground Disturbance (USFWS 1999), preconstruction surveys shall be conducted no less than 14 days and no more than 30 days prior to initiation of ground disturbance activities. The surveys shall be conducted in a phased approach in conjunction with the construction schedule. The surveys shall be conducted by a qualified biologist and the results shall be submitted to the USFWS within five days of completion of the surveys. The survey area shall include the project disturbance footprint plus a 200 foot buffer, where applicable. All potential dens shall be avoided to the greatest extent feasible. If a natal den is located within the survey area, the USFWS shall be notified immediately for guidance. If an occupied, non-natal den is located within the survey area, a buffer of a size deemed appropriate by a qualified biologist shall be established around the den until the qualified biologist has determined that the den is no longer occupied.
- **B-5: Impact Avoidance and Minimization for San Joaquin Kit Fox and Wildlife in General.** The following measures are required to reduce the potential for impact to SJKF and other wildlife during construction activities:
 - All vehicles within construction zones shall observe a 20-mph speed limit.
 - All steep-walled holes or trenches more than two feet deep shall be covered at the end of each day, or shall have an escape ramp constructed of dirt or wooden planks.
 - Prior to filling, all holes or trenches shall be inspected for trapped or injured animals.
 - All pipes, culverts or similar structures with a diameter of four inches or more that are stored overnight shall be inspected for animals prior to movement, burial, or capping. If a SJKF is found within a pipe or similar structure, the pipe shall not be moved until the animal has vacated it and the USFWS may be consulted.
 - All trash shall be disposed of in closed containers and shall be removed from the construction site weekly.
 - All work shall be conducted during daylight hours.
 - No firearms or pets are allowed at the construction site.
 - A representative shall be appointed by the project proponent who will be the contact source for any employee or contractor who sees or inadvertently kills or injures a SJKF.
 - In the event of the injury or death of a SJKF due to construction activities, the USFWS shall be notified within three working days and the CDFG shall be notified immediately.
- **B-6: Preconstruction Surveys for Nesting Birds.** No less than 30 days prior to initiation of construction activities, surveys shall be conducted for nesting burrowing owls, white-tailed kites, Swainson's hawks and all other nesting birds by a qualified biologist. The surveys shall include the entire

project site plus a 200 foot buffer around the project site. The surveys shall be conducted in a phased approach consistent with the schedule of construction activities. If active nests are located, all construction work must be conducted outside a buffer zone from the nest to be determined by the qualified biologist. No direct disturbance to nests shall occur until the adults and young are no longer reliant on the nest site. A qualified biologist shall confirm that breeding/nesting is completed and young have fledged the nest prior to the start of construction in the buffer zone.

- **B-7: *Preconstruction Surveys for the Western Mastiff Bat and Pallid Bat.*** *If trees are proposed for removal or pruning, presence/absence surveys shall be conducted where potential western mastiff bat roost sites occur with survey methods set forth by CDFG in Distribution, Habitat Associations, Status, and Survey Methodologies for Three Molossid Bat Species (1998) no less than 30 days prior to impact to the tree. Surveys shall be conducted by a qualified biologist using acoustic detectors and by searching tree cavities, crevices, and other areas where bats may roost. If no bats are detected, no further action is required. If any bat species are detected within the project site, the CDFG shall be notified. Areas where bats are located shall be avoided through modification of the development area. If impacts to bats cannot be avoided, exclusionary devices, such as netting, shall be installed around the roost(s) after the bats have left the roost in the evening and shall be monitored for a minimum of three days to ensure that no bat return to the roost. Once it has been determined that the roost is clear of bats, the roost must be removed immediately. Exclusion of bats must commence prior to establishment of maternity colonies. If a maternity colony has become established, all construction activities shall be postponed within a 500 foot buffer around the maternity colony until it is determined that the young have dispersed. Bat roosts should be removed after the breeding season has ended but before the onset of winter when temperatures are too cold for bat movement.*
- **B-8: *Preconstruction Surveys for Valley Elderberry Longhorn Beetle.*** *No less than 30 days prior to initiation of construction activities, the project site shall be surveyed for the presence of elderberry plants by a qualified biologist. In accordance with the Conservation Guidelines for the Valley Elderberry Longhorn Beetle (USFWS 1999), elderberry plants with no stems measuring 1.0 inch or greater diameter at ground level may be removed without mitigation. Elderberry plants with at least one stem measuring 1.0 inch or greater diameter at ground level shall be avoided and a 25-foot wide buffer shall be established around the plant where feasible. If impacts to an elderberry plant cannot be avoided, consultation with the USFWS is required.*
- **B-9: *Worker Education Program.*** *Within 30 days prior to initiation of construction activities, all personnel associated with the project shall attend a worker education training program, conducted by a qualified biologist, to aid workers in recognizing special status species that may occur in the project area. The specifics of this program shall include identification of the sensitive species and associated habitat, and careful review of the limits of construction required to reduce impacts to biological resources within the work area. A fact sheet conveying this*

information shall also be prepared for distribution to all contractors, their employers, and other personnel involved with construction of the project.

- **B-10: Native Landscaping.** All disturbed, bare-dirt areas and all proposed restoration areas shall be revegetated using regionally native, non-invasive plant species, such as valley oak and elderberry. Steep slope shall be hydroseeded with an erosion control mix of locally native herbaceous species selected specifically for the project site. The erosion control mix shall be applied prior to the onset of the winter rainy season. To ensure that project landscaping does not introduce invasive non-native plant species into the vicinity of the site, the final landscaping plan shall be reviewed and approved by a City approved biologist. All invasive plant species shall be removed from the landscaping plan.
- **B-11: Construction Best Management Practices.** The following construction best management practices shall be implemented to reduce the potential for impacts to sensitive resources that may result from construction activities:
 - All ground disturbance activities, including vegetation removal, shall be limited to the dry season to reduce the potential for erosion of sediment into the creeks.
 - Prior to initiation of ground disturbance activities, erosion control measures shall be implemented to prevent runoff into Mill, Packwood, and Cameron Creeks. Erosion control measures may include installation of silt fencing and straw wattles around the disturbance areas, and any spoils piles and material storage areas. Erosion control measures shall remain in place until construction has been completed.
 - All fueling and maintenance of vehicles and other equipment, as well as staging areas, shall be located at least 50 feet from any riparian habitat or water body. Prior to the onset of construction, a plan to allow a prompt and effective response to any accidental spills shall be prepared.
 - Washing of concrete, paint, or equipment shall occur only in designated areas where polluted water and materials can be contained for subsequent removal from the site. Washing shall not be allowed within 50 feet of the creeks.

3 b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

The proposed trail is immediately adjacent to a heavily degraded riparian corridor. Although much of the trail is along existing maintenance roads and existing trails, the trail has the potential to impact birds, small mammals, aquatic wildlife, and native oak trees. The mitigation measures identified in B-1 through B-11 above should be incorporated into the project to mitigate any potential impacts to less than significant.

1 c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

The proposed project is anticipated to occur outside the jurisdiction of Section 404 and will not result in direct removal, filling or hydrological interruption of the creeks or waterways.

- 1 d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?
There are no known native resident or migratory fish or wildlife species within the proposed project area.
- 3 e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?
The proposed project will pave an existing footpath, consistent with the Waterways policies of the Conservation, Open Space, Parks, and Recreation Element, and will not conflict with any existing policies or ordinances. Valley oak tree impacts could be potentially significant. The implementation of B-1 above should mitigate any impacts to a level of less than significant.
- 1 f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?
The proposed project is consistent with the restoration and conservation policies of the COSRP Element.

V. CULTURAL RESOURCES

Would the project:

- 3 a) Cause a substantial adverse change in the significance of a historical resource as defined in Public Resources Code Section 15064.5?
A records search for the study area was conducted by staff at the Southern San Joaquin Valley Information Center (SSJVIC) on March 20, 2009 (RS #09-267). The SSJVIC, part of the California Historical Resources Information Center, is the official state repository for cultural resource records and report for five counties, including Tulare County. The records search was done to identify cultural resources previously recorded within the preferred and alternate alignments. The records search study area was significantly larger than the potential trail alignments; the actual alignments are referred to here as the project area. The record search identified 18 cultural resources and 50 cultural resources studies in or adjacent to the study area. Information about these resources is summarized in the following table:

Cultural Resources in the Study Area

Resource	Description	Location	Comments
CA-TUL-1368	Prehistoric archaeological site	Vicinity of North Shirk Road/Highway 198 intersection	
CA-TUL-16	Prehistoric archaeological site	Vicinity of 6 th Avenue East/Highway 198 intersection	Reported as a burial mound
P-54-002175	Historical ditch	284410 m E/4022315 m N	
P-54-003650	Freitas Farm	APN 126-070-16, -17, -18; 126-062-069	Evaluated as not eligible for listing in the California Register of Historical Resources ¹
P-54-004035	Parking lot	217 North Santa Fe Ave	
P-54-004036	Warehouse	309 North Santa Fe Ave	

¹ Hill, Ward, 2000. *Historic Evaluation Report for South Packwood Creek Retail Center, Visalia, Tulare County, California*. San Francisco, California.

P-54-004037	Commercial building	319 North Santa Fe Ave	Ineligible for listing in the National Register of Historic Places ²
P-54-004038	Metal/stucco building	329 North Santa Fe Ave	
P-54-004039	Commercial building	204 East Santa Fe Ave	
P-54-004040	Parking lot	214 East Santa Fe Ave	
P-54-004041	Commercial building	Northeast corner of East Oak Ave and North Santa Fe Ave	
P-54-004042	Commercial building	330 North Santa Fe Ave	
P-54-004043	Commercial building	300 East Center Ave	
P-54-004044	Commercial building	308 East Center Ave	
P-54-004045	Shed and parking lot	310 East Center Ave	
P-54-004046	Commercial building	400 East Center Ave	
P-54-004047	Metal/stucco building	330 North Bridge Ave	
P-54-004048	Commercial building	302 North Garden St	
P-54-004049	Commercial building	219 North Tipton St	

Source: LSA Associates, Inc 2009

The Native American Heritage Commission (NAHC) in Sacramento was contacted on June 25, 2009. The NAHC was requested to review its Sacred Lands File for sites in the study area that may be of concern to Native American individuals or organizations. On June 30, 2009, the NAHC responded that a review of the Sacred Lands File did not indicate the presence of Native American cultural resources within 0.5 miles of the project area.

The Master Plan is not anticipated to result in impacts to built environment cultural resources (i.e., architectural properties). No buildings or structures will be demolished or modified by the project, and the trail improvements will bring an open space and recreational use to an area that is conducive to such uses. The setting of the project area will not be adversely affected because the new use is concordant with the character of the surroundings, so visual aspects of the project will not degrade the integrity of nearby buildings and neighborhoods.

The Master Plan has the potential to result in impacts to archaeological deposits due to the proximity of the trails to year-round watercourses. The 50-foot riparian setback (and 15-foot setback in urban areas) in which Master Plan improvements will occur is sensitive for the occurrence of prehistoric archaeological sites.³ Ground disturbing construction associated with the Master Plan includes clearing and grubbing; soil ripping and re-compacting; installation of landscaping, lighting, and fencing; and landscaping. The activity with the greatest potential to result in impacts to archaeological deposits is the ripping and re-compacting, because it involves the

² The California Office of Historic Preservation made this determination during review of the Downtown Visalia Transit Center project in 2001.

³ Records Search Results Letter for Job #1308550, Visalia Waterways and Trails Master Plan (Update for RS #02-356). Southern San Joaquin Valley Information Center, California State University, Bakersfield, March 20, 2009.

most ground disturbance in the greatest area and to the greatest depth. The other activities have a lower potential to impact archaeological deposits because they will occur in discrete locations rather than in continuous linear swaths.

Public Resources Code Section 21084.1 states that "A project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment." Archaeological deposits can qualify as historical resources under CEQA, usually by possessing eligibility for listing in the California Register of Historical Resources (CRHR) due to their information content. Archaeological deposits that qualify as historical resources must be sufficiently physically intact to allow their data potential to be realized. If project activity disturbs an eligible archaeological deposit to the point that it cannot be interpreted, then the project has resulted in a substantial adverse change in the resource's significance, and a significant impact has occurred.

Because the Master Plan will be implemented in phases, cultural resources identification and impacts assessment should be staggered. Implementation of the following mitigation measures would reduce potentially significant impacts to historical resources to a less-than-significant level.

- **C-1:** *Prior to the design process for each proposed trail element, the City shall retain an archaeologist certified by the Register of Professional Archaeologists to conduct a survey of those portions of the proposed alignment that are subject to ground disturbance. This requirement is consistent with previous archaeological recommendations for the project area.^{4,5} These areas shall generally correspond to those portions of the alignment that will be cleared, grubbed, ripped, and re-compacted. This survey requirement shall not apply under the following circumstances:*
 - *If an alignment has been previously surveyed for archaeological deposits; or*
 - *If it can be demonstrated that the alignment has been extensively disturbed by past land uses or modifications such that the potential for intact deposits is minimal (e.g., creek channelization).*
- **C-2:** *Those trail alignments containing or adjacent to previously recorded archaeological deposits, such as sites CA-TUL-1368 and CA-TUL-16, shall be subjected to the review and recommendations of a Registered Professional Archaeologist. The archaeologist shall provide an opinion on (1) the potential for project impacts to the resource in question; (2) appropriate means to verify the accuracy of the opinion; and (3) treatment strategies for those resources that are significant and that will be affected. This mitigation measure may entail additional study and documentation, including, but not limited to, presence/absence excavation, CRHR eligibility evaluations, data recovery excavations, Native American consultation, and monitoring. The scope of any subsequent documentation and study should be developed by the consulting archaeologist in coordination with the City planning department. If data recovery excavation is undertaken, it must be done in accordance with a data recovery plan prepared pursuant to CEQA Guidelines Section*

⁴ *Cultural Resources Assessment, Visalia Trails Project, Tulare County, CA. Robert E. Parr, Assistant Director/Senior Staff Archaeologist, Center for Archaeological Research, California State University, Bakersfield, 2002.*

⁵ *Southern San Joaquin Valley Information Center, March 20, 2009.*

15126.4(b)(3)(C). The City shall implement the feasible recommendations of the archaeologist.

- **C-3:** A Registered Professional Archaeologist shall be retained to provide a resource assessment when trail alignments contain or are adjacent to archaeological deposits discovered as the result of Mitigation Measure CULT-1. The archaeologist shall provide an opinion on (1) the potential for project impacts to the resource in question; (2) appropriate means to verify the accuracy of the opinion; and (3) treatment strategies for those resources that are significant and that will be affected. This mitigation measure may entail additional study and documentation, including, but not limited to, presence/absence excavation, CRHR eligibility evaluations, data recovery excavations, Native American consultation, and monitoring. The scope of any subsequent documentation and study should be developed by the consulting archaeologist in coordination with the City planning department. If data recovery excavation is undertaken, it must be done in accordance with a data recovery plan prepared pursuant to CEQA Guidelines Section 15126.4(b)(3)(C). The City shall implement the feasible recommendations of the archaeologist.

This mitigation approach described above provides for (1) a desired future outcome for affected resources (i.e., the archaeological recovery of scientific information in consultation with descendant communities); (2) a range of options to achieve this condition (i.e., different evaluation strategies and treatment approaches to measure impact and mitigate for loss); and (3) a commitment by the City to implement the mitigation measures. The implementation of Mitigation Measures CULT-1, -2, and -3 will reduce project impacts to historical resources to a less-than-significant level through a program of phased identification, impacts assessment, and treatment developed in accordance with professional archaeological standards and practices.

- 3 b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Public Resources Code Section 15064.5?

When an archaeological deposit is subject to effect, a Lead Agency must apply a two-step screening process to determine if it meets the definition of a historical resource or a unique archaeological resource. Prior to considering potential impacts, the Lead Agency must determine whether the archaeological deposit meets the definition of a historical resource in Public Resources Code Section 21084.1. If the archaeological deposit meets the definition of a historical resource, then it must be treated like any other type of historical resource in accordance with CEQA Guidelines Section 15126.4. If the archaeological deposit does not meet the definition of a historical resource, then the Lead Agency must then determine if it meets the definition of a unique archaeological resource, as defined in Public Resources Code §21083.2(g). If the archaeological deposit meets the definition of a unique archaeological resource, then it must be treated in accordance with Public Resources Code Section 21083.2(g). If the archaeological deposit does not meet the definition of a historical resource or a unique archaeological resource, then effects to the site are not considered significant effects on the environment.

As discussed previously, the project area is sensitive for the occurrence of archaeological deposits. Should such deposits qualify as unique archaeological resources, their disturbance by project activity would result in a significant impact under CEQA. Implementation of Mitigation Measures CULT-1, -2, and -3, described above, will reduce potentially significant impacts to significant impacts to unique archaeological resources to a less-than-significant level.

3 c) Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature?

No unique paleontological resources or unique geologic resources are located on the project site. A fossil locality search conducted on June 26, 2009, by Dr. Pat Holroyd of the University of California Museum of Paleontology (UCMP), Berkeley identified no recorded fossil localities in the study area. Two fossil localities were, however, identified in Exeter, California, approximately 5 miles east of the study area in undifferentiated Pleistocene deposits similar to those underlying the study area. The Visalia area lies within the Great Valley geomorphic province of California, which is dominated by alluvial plains and low relief alluvial fans. This oblong and centrally located province is bounded to the east by the Sierra Nevada and the west by the Coast Ranges. It was originally formed as a Neogene forearc basin and is divided into two sub-basins: the San Joaquin Basin and the Sacramento Basin.⁶ The project area is primarily mapped as Qb, which are late Pleistocene-aged basin deposits consisting of silt, sand, and gravel deposited during flood stages of major fluvial systems; and Qf, which are late Pleistocene-aged alluvial fan deposits consisting of sediments deposited from fluvial systems originating from the surrounding highlands. Both of these geologic units are considered paleontologically sensitive. The gravel, sand and silt that comprise alluvial fans and basin alluvial plains in the Great Valley are known to contain locally abundant and scientifically significant vertebrate, invertebrate and plant fossils of Plio-Pleistocene age. Mammal fossils are perhaps the most well known of these, and include mammoth, mastodon, horse, bison, camel, ground sloth, antelope, and many other taxa.⁷ It is unlikely that the project will encounter significant paleontological resources due to the nature of the excavation. However, the possibility exists that construction activity will encounter and disturb such resources, in which case a significant impact would occur. Implementation of the following mitigation measure would reduce impacts to potential paleontological resources on the site to a less-than-significant level.

- **C-4:** *If paleontological resources are encountered during project subsurface construction, all ground-disturbing activities within 25 feet shall be redirected and a qualified paleontologist contacted to assess the situation, consult with agencies as appropriate, and make recommendations for the treatment of the discovery. Adverse effects to such deposits should be avoided by project activities, and project personnel shall not collect or move any paleontological materials. If avoidance is not feasible, the paleontological resources shall be evaluated for their significance. If the resources are not significant, avoidance is not necessary. If the resources are significant, project activities shall avoid disturbing the deposits, or the adverse effects of disturbance shall be mitigated. Upon completion of the paleontological assessment, a report shall be prepared documenting the methods,*

⁶ Weissman, G.S., Bennett, G.L., and A.L. Lansdale, 2005. Factors controlling sequence development of Quaternary fluvial fans, San Joaquin Basin, California, USA. In Harvey, A.M., Mather, A.E. and M. Stokes (eds) 2005. Alluvial Fans: Geomorphology, Sedimentology, Dynamics. Geological Society, London, Special Publications, 251, 169-186.

⁷ Portions of the paleontological description are excerpted from *Environmental Impacts Report for the Kings River Conservation District Community Power Plant, Tulare County, California*. SWCA Environmental Consultants, 2007.

results, and recommendations of the assessment. The report shall be submitted to the applicant and the City and, if paleontological materials are recovered, a paleontological repository, such as the University of California Museum of Paleontology.

The implementation of Mitigation Measure CULT-4 will reduce project impacts to paleontological resources to a less-than-significant level through the recovery of the scientific information contained by the affected resources.

- 3 d) *Disturb any human remains, including those interred outside of formal cemeteries? Prehistoric archaeological sites in the vicinity of Visalia are known to contain human burials of Native American origin. One such site, CA-TUL-16, is in the vicinity of the project area, and additional sites that have not yet been discovered could be in the project area. Therefore, there is a possibility that human remains could be encountered and disturbed by project activities. Implementation of the following mitigation measure would reduce this impact to a less-than-significant level.*

- **C-5:** *If human remains are encountered during project activities, the remains shall be treated in a respectful manner in accordance with Health and Safety Code Section 7050.5. Construction activity within 25 feet of the discovery shall be redirected and the Tulare County Coroner notified immediately. Concurrent with the notification an archaeologist shall be contacted to assess the situation and consult with agencies as appropriate. Project personnel shall not collect or move any human remains and associated materials. If the human remains are of Native American origin, the Coroner must notify the Native American Heritage Commission within 24 hours of this identification. The Native American Heritage Commission will identify a Most Likely Descendant to inspect the site and provide recommendations for the proper treatment of the remains and associated grave goods.*

Upon completion of the assessment, the archaeologist shall prepare a report documenting the methods and results, and provide recommendations for the treatment of the human remains and any associated cultural materials, as appropriate and in coordination with the recommendations of the MLD. The report shall be submitted to the City and the Southern San Joaquin Valley Information Center.

The implementation of Mitigation Measure CULT-5 will reduce project impacts to human remains to a less-than-significant level through the respectful treatment of such remains in consultation with descendant communities.

VI. GEOLOGY AND SOILS

Would the project:

- a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
 - 1 i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?
 - 1 ii) Strong seismic ground shaking?
 - 1 iii) Seismic-related ground failure, including liquefaction?
 - 1 iv) Landslides?

Implementation of the proposed project will not increase risk associated with seismic action. Potential geologic impacts for all lands within the project area are discussed in the EIR for the Land Use Element to the City of Visalia's General Plan (McClelland

and Associates 1990). Lands within the project area are not subject to seiche, tsunami, volcanic hazards, landslides, mudflows or expansive soils. No faults are known to exist within the study area. The nearest known active fault is the Coalinga fault located approximately 60 miles southwest of the project site.

Compliance with applicable mitigation measures will reduce potential impacts to a less than significant level. Mitigation measures incorporated from the EIR for the Land Use Element Update to Visalia's General Plan (p. 4-103): (numbering changed for consistency with this Initial Study)

- **GS-1:** Design and construct foundations and structures to resist seismic shaking in accordance with current building codes, standards and practices.
- **GS-2:** Comply with grading and flood control ordinances.
- **GS-3:** Assess proposed projects on an individual basis: require inspection of grading and construction activities by an engineering geologist and a civil engineer to ensure that cut slopes and excavations are stable; include measures to reduce short term-hazards and long-term impacts that may occur during grading and construction operations due to soil erosion and downslope deposition.

3 b) Result in substantial soil erosion or loss of topsoil?

Construction of the project will require movement of topsoil. The implementation of standard engineering practices during construction will ensure that soil is not eroded into the creek system.

The following mitigation measures should be incorporated into the project to minimize potential impacts to a level of less than significant.

- **GS-4:** A grading, drainage, and sediment control plan must be submitted to the City of Visalia for review and approval prior to construction of the project.
- **GS-5:** A Storm Water Pollution Prevention Plan (SWPPP) shall be developed prior to the initiation of grading for any segment and implemented for all construction activity. The SWPPP shall include specific Best Management Practices (BMPs) to control the discharge of material from the site. BMPs may include, but would not be limited to:
 - Seeding and mulching of bare surfaces;
 - Use of straw bales and rock dams;
 - Soil wetting during high wind conditions;
 - Soil stabilizers; and
 - Revegetation of all slopes as soon as possible following construction.

2 c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?

See response to "a)" above. The project area is not located on a geologic unit or soil that is unstable, nor will the project cause the soil to become unstable.

2 d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?

See response to "a)" above.

VII. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

1 a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

No part of the proposed project involves the transport, use, emissions, or disposal of hazardous substances.

- 3 b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?
Several segments of trail in rural areas pass through or adjacent to agricultural lands, which typically apply pesticides to fields. The Master Plan makes provisions for avoiding interfaces between recreational trail users and potentially hazardous pesticide applications, including trails posting of No Trespassing Signs, Notices of pesticide spraying and burns, Hours of Operation and Trail (segment) Closures. Implementation of Mitigation Measures AG-1 through AG-3 will minimize potential impacts from hazardous materials to a level of less than significant.
- 1 c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?
See response provided in "a)" above.
- 1 d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?
No part of the proposed project will be located on a site that is included on any list of hazardous materials sites.
- 1 e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?
Only an existing bike path, which comprises Mill Creek Trail Segment 1, is within the vicinity of a public airport. No safety hazard to people residing or working in the project area will result from inclusion of this segment in the Master Plan. No other part of the proposed project is located within an airport land use plan or within two miles of a public airport or public use airport.
- 1 f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?
No part of the proposed project is located in the vicinity of a private airstrip.
- 1 g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?
No part of the proposed project will impair implementation of or physically interfere with an adopted emergency response of emergency evacuation plan.
- 1 h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?
The proposed project does not include trail alignments adjacent to or intermixed with wildland areas. No part of the proposed project will expose people or structures to a significant risk of loss, injury, or death involving wildland fires.

VIII. HYDROLOGY AND WATER QUALITY

Would the project:

- 3 a) Violate any water quality standards of waste discharge requirements?
No part of the proposed project is projected to violate water quality standards or waste discharge requirements. However, regulations under the federal Clean Water Act require that a National Pollution Discharge Elimination System (NPDES) storm water permit be obtained for projects that would disturb greater than five acres during construction. Because the project would disturb more than five acres, the trail

project would be subject to NPDES permitting requirements. Acquisition of such a permit depends on the preparation of a Storm Water Pollution Prevention Plan (SWPPP) that contains specific actions, termed Best Management Practices (BMPs), to control the discharge of pollutants, including sediment, into local surface water drainages.

*Implementation of Mitigation Measures **GS-1 through GS-5** would reduce potential water quality impacts to less than significant levels.*

- 1 b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?

No part of the proposed project will affect groundwater supplies nor interfere with groundwater recharge.

- 2 c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?

*In all cases where the trail would be within the creek corridor, the trail would be located outside of the required creek setback, consistent with the COSRP. However, some trail segments along waterways will be adjacent to the channel along alignments historically used by maintenance vehicles. Paving these alignments may cause onsite erosion of the creek bank or siltation of the waterway. In these areas, implementation of Mitigation Measures **GS-1 through GS-5** would minimize potential impacts to a level of less than significant.*

- 2 d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?

Where trail paving will occur in the creek corridors, the width of impervious surface will not exceed 16 feet and will include additional landscaping, which can capture runoff. Proposed landscaping will be of native, drought-tolerant variety, and therefore will not substantially contribute irrigation runoff to drainage systems. Thus, trails will not contribute excessive runoff to drainage system. Impervious trail surfaces would incrementally increase the amount of runoff following storm events; however, the linear nature of the trail and its relatively narrow width would minimize runoff at any given location.

- 2 e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?

The proposed trail alignments would occur on existing roads and along channels that currently serve as flood conveyance. No part of the proposed project will contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems. The proposed project provides accessways for non-motorized transportation, and therefore would not create additional pollutants that enter stormwater drainage systems.

- 2 f) Otherwise substantially degrade water quality?
See response provided in "e)" above. The proposed project would not substantially degrade water quality.

- 1 g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?

The proposed project is for a bicycle/pedestrian path and does not include a housing element.

- 3 h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?

Some proposed trail segments would require new bridges to cross creeks and drainage ways. Although the bridge is intended to freely span these areas, construction of the crossings could result in drainage problems and potential flooding upstream if the flow path of the waterway is constricted or obstructed by the trail bridge or debris caught behind the bridge. This is considered a significant but mitigable impact.

The following mitigation measures should be incorporated into the project to mitigate potential impacts to a less of less than significant:

- **HWQ-1:** *At the time that each of the identified trail segments would be constructed, the plans for the proposed creek bridges shall be submitted to the responsible flood control agencies and City's Public Works Department for review and approval. Bridges must be designed to ensure that the pre-project flood flows are maintained, such that upstream flooding does not occur.*
- **HWQ-2:** *Within 30 days following a substantial rainfall, bridges along the trail shall be inspected to ensure that debris has not collected and constricted water flow. If such debris is found, it shall be immediately removed.*

- 2 i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

Where the trails follow creek corridors, they would be located immediately adjacent to but not within the 100-year flood hazard area. Provided that the trail is located on top of the bank, and that trails are closed by the City when flood hazards exist, people will not be subjected to flooding hazards.

- 1 j) Inundation by seiche, tsunami, or mudflow?

The proposed project is located within the City of Visalia, an area that is not subject to seiche, tsunami or mudflow.

IX. LAND USE AND PLANNING

Would the project:

- 1 a) Physically divide an established community?

A primary objective of this project is to link community areas with a comprehensive trail system. No part of the proposed project will disrupt or divide the physical arrangement of the established community.

- 1 b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

The proposed project is consistent with the Community Waterways policies of the COSRP Element and the General Plan Land Use Element. The project is supported by the following policies:

1.2.1 Protect, and where necessary, restore and enhance a continuous corridor of native riparian vegetation along planning area waterways.

1.2.3 Use transferable development rights, easements or require dedication of land along waterways to protect natural habitat areas, allow maintenance operations, and promote trails and bike paths.

1.2.4 Residential or commercial development shall not be allowed within development setbacks (defined in the standards) along waterway corridors. Maintenance and emergency access roads, trails and bike paths are permitted within waterway corridor development setbacks.

- 1 c) Conflict with any applicable habitat conservation plan or natural community conservation plan?
No habitat conservation plan or natural community conservation plan applies to any part of the project area.

X. MINERAL RESOURCES

Would the project:

- 1 a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?
No minerals are currently being extracted along proposed trail corridors and development of the proposed trail corridors would not affect known mineral resource deposits.
- 1 b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?
See response provided "a)" above.

XI. NOISE

Would the project:

- 2 a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?
The proposed project will expose trail users to occasional noise as users cross or travel along arterial streets; however, noise from roadways would not significantly impact users who are accustomed to ambient noise levels in the project area. No part of the project will generate noise levels excessive to the standards established in the City of Visalia General Plan, noise ordinance, or applicable standards of other agencies.
- 2 b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?
The use of the trail will bring users into areas of short term noise impacted areas, primarily at crossings. However, these impacts are temporary and are typically less than if the user was riding along an improved roadway. No part of the proposed project is anticipated to result in excessive groundborne vibration or groundborne noise levels.
- 1 c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?
The proposed project will not result in a substantial permanent increase in ambient noise levels.
- 2 d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?
The proposed project and its users would not generate substantial noise; however adjacent residents may perceive that noise levels would increase periodically when users stop on the trail near their homes and engage in common social activities. However, this type of activity already occurs in neighborhoods, when cyclists use local roadways.
- 1 e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?
Only an existing bike path, which comprises Mill Creek Trail Segment 1, is within the vicinity of a public airport. No new noise will result from inclusion of this segment in the Master Plan. No other part of the proposed project is located within an airport land use plan or within two miles of a public airport.
- 1 f) For a project within the vicinity of a private airstrip, would the project expose people residing or working the in the project area to excessive noise levels?
No part of the proposed project is located within the vicinity of a private airstrip.

XII. POPULATION AND HOUSING

Would the project:

- 1 a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?
The proposed project is for a recreational trails master plan and would only incrementally increase the concentration of human activity along trail alignments, not inducing new permanent residents.
- 1 b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?
Project development would not displace any existing housing or people and thus would not necessitate the construction of replacement housing elsewhere.
- 1 c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?
See response provided in "b)" above.

XIII. PUBLIC SERVICES

Would the project:

- 2 a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:
- 1 i) Fire protection?
- 1 ii) Police protection?
- 1 iii) Schools?
- 2 iv) Parks?
- 2 v) Other public facilities?

Development of the project is not expected to result in a significant impact on public services. The proposed project would not induce population growth in the area and therefore fire, police, and school services would not be substantially impacted. Trail use may increase calls for emergency service, particularly for paramedics in case of an injury; however, the level of activity is not expected to significantly increase demand on these services. Furthermore, the project would be phased according to the ability to pay for and provide adequate services and facilities through the creation of special service districts. As a recreational amenity, the project will improve recreational opportunities in the City. The proposed project may affect the City's parks facilities by increasing usage through the creation of a more appealing, interconnected open space system, but this is a goal established by the City's General Plan.

XIV. RECREATION

Would the project:

- 2 a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?
The proposed project will potentially increase the use of City parks and recreational facilities; however, the condition of the parks and recreational facilities is good, with

extensive usefulness remaining. Projected use of existing facilities as a result of this project is not expected to be at a level that would result in substantial physical deterioration.

- 2 b) Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?

The proposed project is primarily recreational in nature and will enhance the linkages of existing and planned parks and other facilities in the City. Many parts of the trail that require paving and expansion of existing passageways are currently used by public maintenance vehicles. The proposed project is projected to improve environmental conditions through reduced vehicle emissions and increased foliage.

XV. TRANSPORTATION / TRAFFIC

Would the project:

- 1 a) Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?

Development of the trail facility is intended to change existing vehicular traffic patterns. It is anticipated that a small percentage of commuters currently using automobiles would instead use bicycles on the trails. The exchange of vehicle trips for bicycle or pedestrian trips would have a potentially positive benefit on the roadway system. The trails are consistent with regional and local goals and policies that encourage alternative modes of transportation. Generally, trails would not result in increased traffic or cause an increase in the capacity of the street system, however the addition of mid-block signals to facilitate safe roadway crossings may increase loading on some alignments.

- 2 b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?

No part of the proposed project would exceed existing levels of service standards for designated roads or highways, either individually or cumulatively. The exchange of vehicle trips for bicycle or pedestrian trips is expected to have a positive benefit on the roadway system.

- 1 c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

No part of the proposed project would result in a change in air traffic patterns.

- 3 d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

The project would not substantially increase hazards due to design features. At a minimum, the trails would be designed to incorporate Cal Trans Design Standards, from Chapter 1000: Bikeway Planning and Design. In addition to these standards, the project also specifies design features that account for intersections, ramp entrances, and rural roads for the variety of proposed pathway locations. Some trail segments require midblock crossings, which may increase the risk of pedestrian/vehicle accidents or vehicle/vehicle accidents because drivers may not anticipate midblock crossings.

- **T-1:** Caution signs warning motorists of trail users shall be installed in areas where roads would be crossed by trail users prior to the segment being opened for use. Wherever at-grade collector or arterial street crossings

are proposed, users shall be directed to crossings at existing intersections, preferably those with traffic controls.

- 1 e) Result in inadequate emergency access?
The trail will be designed to accommodate emergency vehicles.
- 1 f) Result in inadequate parking capacity?
No part of the proposed project would negatively affect parking capacity.

XVI. UTILITIES AND SERVICE SYSTEMS

Would the project:

- 1 a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?
No part of the proposed project would exceed wastewater treatment requirements of the RWQCB.
- 1 b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?
Trail users would primarily be residents of the area, so there would be no additional impacts to public utilities. The proposed project would not induce new permanent residents that would require additional water, wastewater, or solid waste treatment facilities.
- 1 c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?
Much of the project trail alignment would occur in flood control drainages and would not significantly alter drainage patterns. Impacts to drainage facilities are anticipated to be less than significant with implementation of proper project design.
- 1 d) Have sufficient water supplies available to service the project from existing entitlements and resources, or are new or expanded entitlements needed?
See response to "b)" above.
- 1 e) Result in a determination by the wastewater treatment provider who serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?
See response to "b)" above.
- 1 f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
See response to "b)" above.
- 1 g) Comply with federal, state, and local statutes and regulations related to solid waste?
See response to "b)" above.

XVII. MANDATORY FINDINGS OF SIGNIFICANCE

Would the project:

- 2 a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
Based upon the projects proposed design and mitigation measures, it has been determined that the proposed project would not have the potential to degrade the

quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.

- 2 b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?
Because impacts with respect to certain issues discussed previously would be addressed through conditions of approval incorporated into the project, the proposed project would not have impacts that are individually limited or cumulatively considerable.
- 2 c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly.
Because impacts with respect to certain issues discussed previously would be addressed through conditions of approval incorporated into the project, the proposed project does not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.

VIII. REFERENCES

- Biological Resources Assessment Update Prepared by Rincon Consultants, Inc., April 16, 2009 (attached).
- Biological Survey Results prepared by Quad Knopf, December 17, 2002 (attached).
- City of Visalia Bikeway Plan 1992, prepared by City of Visalia and Wilbur Smith Associates, October 1992 (by reference).
- City of Visalia General Plan Amendment 96-28, Waterways Policy of the Conservation, Open Space, Recreation, and Parks Element, February 1997 (by reference).
- City of Visalia General Plan Conservation, Open Space, Recreation, and Parks Element, October 1988 (by reference).
- Cultural Resources Assessment, Visalia Trails Project, Tulare County, CA. Robert E. Parr, Assistant Director/Senior Staff Archaeologist, Center for Archaeological Research, California State University, Bakersfield, 2002 (attached).
- Environmental Impacts Report for the Kings River Conservation District Community Power Plant, Tulare County, California. SWCA Environmental Consultants, 2007 (by reference).
- Records Search Results Letter for Job #1308550, Visalia Waterways and Trails Master Plan (Update for RS #02-356). Southern San Joaquin Valley Information Center, California State University, Bakersfield, March 20, 2009 (attached).
- Southern San Joaquin Valley Information Center, March 20, 2009 (by reference).
- Waterways and Trails Master Plan, August 2003 (by reference).
- Weissman, G.S., Bennett, G.L., and A.L. Lansdale, 2005. Factors controlling sequence development of Quaternary fluvial fans, San Joaquin Basin, California, USA. In Harvey, A.M., Mather, A.E. and M. Stokes (eds) 2005. Alluvial Fans: Geomorphology, Sedimentology, Dynamics. Geological Society, London, Special Publications, 251, 169-186 (by reference).

N:\Temp\1308550-Visalia-Waterways-And-Trails\Prelim-Draft-Initial-Study-040209.Doc

City of Visalia Agenda Item Transmittal

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10c

Agenda Item Wording: Authorize the purchase of 43 copiers with maintenance contract to replace the leased copiers at various departments throughout the City.

Deadline for Action:

Submitting Department: Finance Department

Contact Name and Phone Number:

Eric Frost,	Admin Services Director	713-4474
Danielle Dew,	Financial Analyst	713-4598

Recommendation:

Staff recommends that the City Council:

1) Award a contract to Cline's Business Equipment, Inc. in the amount of \$256,656.38 for the purchase of 43 copiers, and award a three-year maintenance agreement, with the option of two one-year extensions at a cost per copy of \$0.006 for black & white copies, and \$0.060 for color copies and

2) Appropriate the following monies to purchase the copiers:

\$168,376.21	Information Services Replacement Fund for the General Fund *
15,539.83	Convention Center
3,572.82	Transit
2,037.82	Valley Oak Golf
5,398.05	Building Safety
3,906.31	Airport
5,215.15	Waste Water Treatment Plant
2,610.14	Solid Waste
<u>50,000.00</u>	Information Services (Replacement Fund)
<u>\$256,656.38</u>	Total

* The staff recommendation is to use replacement fund reserves to fund the initial purchase for the General Fund. Alternatively, Council could direct staff to use General Fund reserves for the initial purchase, the more common practice when adding replacement assets to the information Services replacement fund.

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.

Background Information:

On December 3, 2009, a request for proposal was issued to replace 43 copiers at approximately 20 different site locations that are no longer under current lease agreement and are obsolete.

The current City copiers range in age from 5 to 11-years old and are in constant need of repairs. In fact, the current provider has asked that the City either renew its lease or return the copiers. The departments rely heavily on the copiers to meet deadlines for City Council packets, Planning Commission packets and day-to-day operations. When there is downtime with copiers, the departments outsource the copying at additional expense to the City. The copier leases have expired and the City must either purchase the copiers or return them to the company. Because of the condition and age of the current copiers, purchasing them is not a cost-effective option for the City.

Proposals were solicited by advertising in the Visalia Times Delta, by posting the request for proposal on Bid-Net and by e-mailing proposal notices to vendors. The City received 14 proposals from the following 12 companies as shown in Table I, Copier Proposers.

**Table I
Copier Proposers**

	<u>Company</u>	<u>Brand</u>	<u>Location</u>	<u>Met Proposal Specifications</u>
1.	Toshiba Business Solutions	Toshiba	Fresno	Yes
2.	Cline's Business Equipment, Inc.	Konica-Minolta	Visalia	Yes
3.	Central Valley Document Solutions	Xerox	Fresno	Yes
4.	California Business Machines	Kyocera	Fresno w/ Visalia Branch	Yes
5.	Select Business Systems	Sharp	Fresno w/ Visalia Branch	Yes
6.	Peninsula Office Product Solutions	Sharp	Visalia	No
7.	Caltronics Business Systems	Konica-Minolta	Fresno	No
8.	Peninsula Office Product Solutions	Toshiba	Visalia	No
9.	Image 2000, Fresno	Copystar	Fresno	No
10.	C.A. Reding Co.	Sharp	Fresno	No
11.	C.A. Reding Co.	Lanier	Fresno	No
12.	Ikon Office Solutions, Inc.	Ricoh	Bakersfield	No
13.	Stanton Office Machine Company	Lanier	Fresno	No
14.	Ray Morgan	Canon	Visalia	No

Each proposal was evaluated by a committee made up of a staff person from each department. The committee evaluated the proposals on the following criteria:

- Product functions, capabilities and abilities to meet the City's needs
- Vendor's knowledge of product and ability to provide sufficient support
- Cost of product and maintenance
- Record of past performance, supported by references

The request for proposal specified models proposed should be the same or an upgrade from the current model being used, referring to the speeds and features of each of the current models.

Staff completed a more detailed review of the submitted proposals and rejected all company proposals that had 10% or more of proposed copiers that did not meet proposal specifications related to copier speed. (See Attachment A for responsive proposal reviews of the companies noted below.) The following five companies with a total of five proposals were left for consideration as shown in Table II, Responsive Proposals:

**Table II
Responsive Proposals**

	<u>Company</u>	<u>Brand</u>	<u>Location</u>	<u>Purchase Price Only</u>
1.	Toshiba Business Solutions	Toshiba	Fresno	\$ 243,159.38
2.	Cline's Business Equipment, Inc.	Konica-Minolta	Visalia	\$ 256,656.38
3.	Central Valley Document Solutions	Xerox	Fresno	\$ 269,538.47
4.	California Business Machines	Kyocera	Fresno w/ Visalia Branch	\$ 314,716.00
5.	Select Business Systems	Sharp	Fresno w/ Visalia Branch	\$ 342,468.81

The committee compiled a list of pros and cons for the five company proposals that met product specifications. (See Attachment B.) References were then contacted for the two lowest priced proposals that met proposal specifications. Cline's Business Equipment, Inc.'s references regarding service were outstanding, while Toshiba Business Solutions' were average. Unanimously, the committee chose Cline's Business Equipment, Inc. as a company that would best meet the needs and expectations of the City.

Copier Purchase

It is apparent that Cline's Business Equipment, Inc. was not the lowest price. However, 1.75% of the 9% sales tax paid on the proposal from Cline's will come back to the City in sales tax revenue. This is approximately \$4,500 as shown in Table III, Purchase Price Comparison Between the Top Two Proposers.

**Table III
Purchase Price Comparison Between the Top Two Proposers**

	<u>Company</u>	<u>Total Price</u>	<u>1.75% Sales Tax back to Visalia</u>	<u>Cost to Visalia</u>	<u>Difference</u>
1.	Toshiba Business Solutions	\$ 243,159.38	\$ -	\$ 243,159.38	
2.	Cline's Business Equipment, Inc.	\$ 256,656.38	\$ 4,491.49	\$ 252,164.89	\$ 9,005.51

Once the City purchases new copiers, the City will charge depreciation expense to each division as an operating expense, much like we do with vehicles and computers. That money will be set aside and the City will use that money in the future to replace the copiers. The old copiers will be sold, traded in towards new copiers or shifted to departments without copiers. That will be determined on a copier by copier basis. This revenue will be used to offset price increases on new copiers.

Lease vs. Purchase

The committee considered a lease with the following analysis but determined it would be more cost effective to purchase the copiers. The City currently leases copiers. At the time most of the current copiers were leased, Minolta (now Konica-Minolta) had a special offer for leasing copiers. This special was no monthly lease cost and a very low cost per copy to the City. None of the vendors now have similar offers available. Purchasing makes the most financial sense to the City by saving the City at least \$12,723.22 over three years as shown in Table IV, Purchase Price vs. Lease Cost Comparison of Top Two Purchase Price Proposers. Further, if the copiers last longer than three years, the City will have additional savings. Typically, copiers last 5 – 7 years.

**Table IV
Purchase Price vs. Lease Cost Comparison of Top Two Purchase Price Proposers**

<u>Company</u>	<u>Cost to Visalia</u>	<u>Three-Year Lease Cost</u>	<u>Five-Year Lease Cost</u>
1. Toshiba Business Solutions	\$ 243,159.38	\$ 255,882.60	\$ 269,376.00
2. Cline's Business Equipment, Inc.	\$ 256,656.38	\$ 356,516.64	\$ 393,862.80

Maintenance Contract

In addition to the purchase of the copiers, staff recommends a maintenance contract be signed with the awarded copier company. Table V, Annual Cost Comparison of Maintenance Contracts.

**Table V
Annual Cost Comparison of Maintenance Contracts**

<u>Company</u>	<u>Est. Copy Cost per year</u>	<u>1.75% Sales Tax back to Visalia</u>	<u>Cost to Visalia</u>	<u>Difference</u>
1. Toshiba Business Solutions	\$ 15,830.71	\$ -	\$ 15,830.71	
2. Cline's Business Equipment, Inc.	\$ 18,497.80	\$ 323.71	\$ 18,174.09	\$ 2,343.38
			3 Year Contract	$\begin{array}{r} \times 3 \\ \hline \$ 7,030.14 \end{array}$

The copier maintenance agreement includes all cost to maintain the copiers except for staples and paper. This includes toner, preventative maintenance, service, parts, and labor for the life of the contract. The maintenance contract that is being recommended is for a three-year maintenance agreement, with the option of two one-year extensions.

Without a maintenance contract in place, the City estimates that it would cost at minimum of \$15,400 per year for toner. Additionally, preventative maintenance should be performed quarterly. At \$100 per hour, for 43 machines, four times a year the preventative maintenance cost to the City would be \$17,200. That is a total of \$32,600 per year if there are no repairs to be made or parts that need to be purchased compared to maintenance contract price of \$18,174.

Service

Although Toshiba Business Solutions' copier purchase price and maintenance price is less than Cline's Business Equipment, Inc., the committee believed that the ability to promptly respond needed to be factored in. The Copier RFP Committee felt that the most important part of a maintenance contract for the City was service. Downtime on copiers equates to money in lost productivity for the City of Visalia.

Cline's response time for service (time from original call to arrival at the site) is proposed at 1 – 3 hours. This information was verified by all of the references given by Cline's, which were all businesses local to the Visalia area. Cline's has seven service technicians in the Visalia office that are responsible for serving mainly Tulare County and some in Kings County. Other companies, including Toshiba Business Solutions, proposed a two-hour call back time (time from original call until a technician calls back to the site), and a four-hour service arrival time. This means that if a copier goes down after lunch, and a technician does not arrive until the following business day morning, the company has met its requirements, but not necessarily the needs of the City. Toshiba Business Solutions has four service technicians in the Fresno office that are responsible for serving from Modesto to Porterville.

Committee Recommendation

The City has 43 machines that will need service and repairs over their lives. If the difference in speed of repairs is worth \$50 for each service call, and there is at least an average of three service calls per copier per year for three years, then the difference in total price is justified as shown in Table VI, Value of Service. Although comprehensive data does not exist, staff believe machines fail more than three times a year.

Table VI
Value of Service

Purchase Price Difference	\$	9,005.51
3-Year Maintenance Contract Difference	\$	<u>7,030.14</u>
Total Price Differential Over 3 Years	\$	16,035.65
Number of Copiers		43
Service Calls over 3 Years		9
Value Added per Service Call	\$	<u>50</u>
Total Potential Value due to an ability to respond more quickly to Service Calls	\$	<u>19,350.00</u>
Net Difference	\$	<u>(3,314.35)</u>

When the value of service is figured in, the lowest cost option to the City is Cline's Business Equipment, Inc.

The Copier RFP Committee unanimously voted to recommend the copier contract be awarded to Cline's Business Equipment, Inc.

Funding:

The copier purchase is unbudgeted. However, the expense has been a lease expense in the past. Staff's recommendation to purchase the copiers pays for itself within three years and will provide additional savings for any usage beyond three years. Staff expects these copiers will last between 5-7 years.

Funding for the copiers will be the following:

\$168,376.21	Information Services Replacement Fund for the General Fund *
15,539.83	Convention Center
3,572.82	Transit
2,037.82	Valley Oak Golf
5,398.05	Building Safety
3,906.31	Airport
5,215.15	Waste Water Treatment Plant
2,610.14	Solid Waste
<u>50,000.00</u>	Information Services (Replacement Fund)
<u>\$256,656.38</u>	Total

* The staff recommendation is to use replacement fund reserves to fund the initial purchase for the General Fund. Alternatively, Council could direct staff to use General Fund reserves for the initial purchase, the more common practice when adding replacement assets to the information Services replacement fund.

Prior Council/Board Actions: None.

Committee/Commission Review and Actions: Copier RFP Committee recommends the contract be awarded to Cline's Business Equipment, Inc. The City's IS Division agreed with this decision due to the Konica-Minolta's applications appearing to be more easily integrated with our system.

Alternatives: City Council award a contract to Toshiba Business Solutions in the amount of \$229,584.52 for the purchase of 43 copiers, and award a three-year maintenance agreement, with the option of two one-year extensions to the same at a cost per copy of \$0.005 for black & white copies, and \$0.045 for color copies.

Attachments: A – Staff Proposal Evaluations for Top 5 Proposals Received
B - Copier RFP Simplified Cost Evaluation – Sorted by Cost

Recommended Motion (and Alternative Motions if expected): Move to authorize the purchase of 43 copy machines in the amount of \$256,656.38 from Cline's Business Equipment, Inc., and award a three-year maintenance agreement, with the option of two one-year extensions at a cost per copy of \$0.006 for black & white copies, and \$0.060 for color copies.

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 - Current Copier Information		
Department	Location	Copies/ Year
Administration	3rd Floor-Transit	68,040
Administration	Transit Bldg	289,320
Convention Center	Work Room	67,925
Convention Center	Reception Area	17,523
Transit	425 E. Oak	18,328
Sign Shop	Corp Yard	1,678
Valley Oak Golf	Pro Shop	12,648
HR	CHW	137,055
Finance	CHW-Mail Room	37,500
Finance	CHW	115,814
Community Development	CHE - Bldg Insp	20,470
Community Development	CHE- Prod. Room	168,340
Community Development	CHE- Prod. Room	296,400
Community Development	CHE-Bldg./Safety	16,261
Community Development	CHE-Front Counter	43,306
Fire Admin.	CHW	71,149
Fire Station 51	309 S. Johnson	11,048
Fire Station 52	2224 Monte Vista	2,400
Fire Station 54	440 W. Ferguson	2,400
Fire Station 55	Shirk & Ferguson	3,486
Fire Station 56	Lover's Lane	2,400
Housing/Econ.	CHE	1,224
Parks & Rec. Front Office	Anthony Comm Center	136,182
Parks & Rec. RMC	Anthony Comm Center	44,772
Parks & Rec	Senior Center	51,895
Parks & Rec	MHCC	17,527
Airport	Airport	6,060
Police	Main HQ/Fire Wing	25,868
Police - T-RATT	Ben Maddox	3,108
Police - Admin	Admin.- Johnson	42,840
Police	Johnson	31,361
Police	Admin.- Johnson	36,454
Police Dist-1	204 NW Third	73,500
Police-Dist 2	County Center	101,436
Police-Narc/GSU	Station 4	19,658
Police-Records Unit	303 S. Johnson	924,000
Police-Violent Crimes	CHW - Modular	8,324
PW- WWTP	Admin	28,115
PW- WWTP-Q.A.	Quality Assurance	19,967
Engineering/PW	CHE-Mail Room	20,482
Engineering/PW	CHE	45,527
P/W - Corp Yard - Admin	336 N. Ben Maddox	91,875
P/W - Solid Waste	309 N. Cain	32,476
KEY		3,166,142
Does Not Meet Proposal Specifications		
Multiple Cost per Copy Charges		
Need Upgrade vs Bid		
Color Unit		
Downgrade to this Speed		
Upgrade from this Speed		

Attachment B

Copier RFP Simplified Cost Evaluation - Sorted by Cost	Notes - Pros & Cons																						
<p><u>Toshiba Business Solutions - Toshiba - Cost Information</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Purchase Price</td> <td style="text-align: right;">243,159.38</td> </tr> <tr> <td style="padding-left: 20px;">3 Year CPC</td> <td style="text-align: right;">47,492.13</td> </tr> <tr> <td style="padding-left: 20px;">Purchase Total Over 3 Yrs</td> <td style="text-align: right;"><u>290,651.51</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Purchase Price</td> <td style="text-align: right;">243,159.38</td> </tr> <tr> <td style="padding-left: 40px;">4 Year CPC</td> <td style="text-align: right;">63,322.84</td> </tr> <tr> <td style="padding-left: 40px;">Purchase Total Over 4 Yrs</td> <td style="text-align: right;"><u>306,482.22</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 60px;">Purchase Price</td> <td style="text-align: right;">243,159.38</td> </tr> <tr> <td style="padding-left: 60px;">5 Year CPC</td> <td style="text-align: right;">79,153.55</td> </tr> <tr> <td style="padding-left: 60px;">Purchase Total Over 5 Yrs</td> <td style="text-align: right;"><u>322,312.93</u></td> </tr> </table>	Purchase Price	243,159.38	3 Year CPC	47,492.13	Purchase Total Over 3 Yrs	<u>290,651.51</u>			Purchase Price	243,159.38	4 Year CPC	63,322.84	Purchase Total Over 4 Yrs	<u>306,482.22</u>			Purchase Price	243,159.38	5 Year CPC	79,153.55	Purchase Total Over 5 Yrs	<u>322,312.93</u>	<p>Direct manufacturer - Office in Fresno. Called office 3 times in 2 days - answered by an answering machine each time. "Green" initiative recycling. Auto meter reads. On-site loaner that the City must store. In addition, free additional loaner if machine is down > 2 consecutive BD. Numerous errors in proposal - same type of treatment with service? 2 Clicks charged for 11" x 17". Toner recycling at City no cost. 2 Hour Call Back, and Average 4 Hour response arrival time. 4 Technicians from the Fresno office cover the area from Modesto to Porterville. 98% Uptime guarantee</p>
Purchase Price	243,159.38																						
3 Year CPC	47,492.13																						
Purchase Total Over 3 Yrs	<u>290,651.51</u>																						
Purchase Price	243,159.38																						
4 Year CPC	63,322.84																						
Purchase Total Over 4 Yrs	<u>306,482.22</u>																						
Purchase Price	243,159.38																						
5 Year CPC	79,153.55																						
Purchase Total Over 5 Yrs	<u>322,312.93</u>																						
<p><u>Cline's - Konica Minolta - Cost Information</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Purchase Price</td> <td style="text-align: right;">256,656.38</td> </tr> <tr> <td style="padding-left: 20px;">3 Year CPC</td> <td style="text-align: right;">55,493.40</td> </tr> <tr> <td style="padding-left: 20px;">Purchase Total Over 3 Yrs</td> <td style="text-align: right;"><u>312,149.78</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Purchase Price</td> <td style="text-align: right;">256,656.38</td> </tr> <tr> <td style="padding-left: 40px;">4 Year CPC</td> <td style="text-align: right;">73,991.20</td> </tr> <tr> <td style="padding-left: 40px;">Purchase Total Over 4 Yrs</td> <td style="text-align: right;"><u>330,647.58</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 60px;">Purchase Price</td> <td style="text-align: right;">256,656.38</td> </tr> <tr> <td style="padding-left: 60px;">5 Year CPC</td> <td style="text-align: right;">92,489.00</td> </tr> <tr> <td style="padding-left: 60px;">Purchase Total Over 5 Yrs</td> <td style="text-align: right;"><u>349,145.38</u></td> </tr> </table>	Purchase Price	256,656.38	3 Year CPC	55,493.40	Purchase Total Over 3 Yrs	<u>312,149.78</u>			Purchase Price	256,656.38	4 Year CPC	73,991.20	Purchase Total Over 4 Yrs	<u>330,647.58</u>			Purchase Price	256,656.38	5 Year CPC	92,489.00	Purchase Total Over 5 Yrs	<u>349,145.38</u>	<p>Local ownership - Office in Visalia. 1.75% of sales tax would be recouped. Purchasing Director w/ over 20 years experience gave a whole-hearted, glowing recommendation - 209 copiers. Local references, loaner w/in 24 hours. Response arrival time 1 - 3 hours. Two references similar to City in output. 1 Click charged for all sizes. Selection to Delivery - 30 Days. Phone always answered by a person. Energy Star Compliant. 7 Technicians from the Visalia office cover mainly Tulare County, some Kings County. Konica-Minolta does not have a color copier that will do 75ppm for B&W, max 65ppm.</p>
Purchase Price	256,656.38																						
3 Year CPC	55,493.40																						
Purchase Total Over 3 Yrs	<u>312,149.78</u>																						
Purchase Price	256,656.38																						
4 Year CPC	73,991.20																						
Purchase Total Over 4 Yrs	<u>330,647.58</u>																						
Purchase Price	256,656.38																						
5 Year CPC	92,489.00																						
Purchase Total Over 5 Yrs	<u>349,145.38</u>																						
<p><u>Central Valley Document Solutions - Xerox - Cost Information</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Purchase Price</td> <td style="text-align: right;">269,538.47</td> </tr> <tr> <td style="padding-left: 20px;">3 Year CPC + \$370/month</td> <td style="text-align: right;">67,888.53</td> </tr> <tr> <td style="padding-left: 20px;">Purchase Total Over 3 Yrs</td> <td style="text-align: right;"><u>337,427.00</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Purchase Price</td> <td style="text-align: right;">269,538.47</td> </tr> <tr> <td style="padding-left: 40px;">4 Year CPC + \$370/month</td> <td style="text-align: right;">90,518.04</td> </tr> <tr> <td style="padding-left: 40px;">Purchase Total Over 4 Yrs</td> <td style="text-align: right;"><u>360,056.51</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 60px;">Purchase Price</td> <td style="text-align: right;">269,538.47</td> </tr> <tr> <td style="padding-left: 60px;">5 Year CPC + \$370/month</td> <td style="text-align: right;">113,147.55</td> </tr> <tr> <td style="padding-left: 60px;">Purchase Total Over 5 Yrs</td> <td style="text-align: right;"><u>382,686.02</u></td> </tr> </table>	Purchase Price	269,538.47	3 Year CPC + \$370/month	67,888.53	Purchase Total Over 3 Yrs	<u>337,427.00</u>			Purchase Price	269,538.47	4 Year CPC + \$370/month	90,518.04	Purchase Total Over 4 Yrs	<u>360,056.51</u>			Purchase Price	269,538.47	5 Year CPC + \$370/month	113,147.55	Purchase Total Over 5 Yrs	<u>382,686.02</u>	<p>Direct Manufacturer - Office in Fresno. 1 tech lives in Visalia - Service Manager lives in Hanford, if both out, Fresno and/or Bakersfield coverage. 1 click charged for all sizes. Energy Star compliant. If machines are purchased - Xerox charges \$370/month for maintenance in addition to the Cost per Copy (CPC).</p>
Purchase Price	269,538.47																						
3 Year CPC + \$370/month	67,888.53																						
Purchase Total Over 3 Yrs	<u>337,427.00</u>																						
Purchase Price	269,538.47																						
4 Year CPC + \$370/month	90,518.04																						
Purchase Total Over 4 Yrs	<u>360,056.51</u>																						
Purchase Price	269,538.47																						
5 Year CPC + \$370/month	113,147.55																						
Purchase Total Over 5 Yrs	<u>382,686.02</u>																						
<p><u>California Business Machines - Kyocera - Cost Information</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Purchase Price</td> <td style="text-align: right;">314,716.00</td> </tr> <tr> <td style="padding-left: 20px;">3 Year CPC</td> <td style="text-align: right;">62,839.62</td> </tr> <tr> <td style="padding-left: 20px;">Purchase Total Over 3 Yrs</td> <td style="text-align: right;"><u>377,555.62</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Purchase Price</td> <td style="text-align: right;">314,716.00</td> </tr> <tr> <td style="padding-left: 40px;">4 Year CPC</td> <td style="text-align: right;">83,786.16</td> </tr> <tr> <td style="padding-left: 40px;">Purchase Total Over 4 Yrs</td> <td style="text-align: right;"><u>398,502.16</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 60px;">Purchase Price</td> <td style="text-align: right;">314,716.00</td> </tr> <tr> <td style="padding-left: 60px;">5 Year CPC</td> <td style="text-align: right;">104,732.70</td> </tr> <tr> <td style="padding-left: 60px;">Purchase Total Over 5 Yrs</td> <td style="text-align: right;"><u>419,448.70</u></td> </tr> </table>	Purchase Price	314,716.00	3 Year CPC	62,839.62	Purchase Total Over 3 Yrs	<u>377,555.62</u>			Purchase Price	314,716.00	4 Year CPC	83,786.16	Purchase Total Over 4 Yrs	<u>398,502.16</u>			Purchase Price	314,716.00	5 Year CPC	104,732.70	Purchase Total Over 5 Yrs	<u>419,448.70</u>	<p>Kyocera does not have a machine faster than 82ppm. This is 22% slower than the copiers the City currently has at Administration and at the Police Department Records unit which are two of the City's largest users. Office in Fresno, branch in Visalia. No timeline given for installation. Loaner "if needed".</p>
Purchase Price	314,716.00																						
3 Year CPC	62,839.62																						
Purchase Total Over 3 Yrs	<u>377,555.62</u>																						
Purchase Price	314,716.00																						
4 Year CPC	83,786.16																						
Purchase Total Over 4 Yrs	<u>398,502.16</u>																						
Purchase Price	314,716.00																						
5 Year CPC	104,732.70																						
Purchase Total Over 5 Yrs	<u>419,448.70</u>																						
<p><u>Select Business Systems - Sharp - Cost Information</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Purchase Price</td> <td style="text-align: right;">342,486.81</td> </tr> <tr> <td style="padding-left: 20px;">3 Year CPC</td> <td style="text-align: right;">75,037.56</td> </tr> <tr> <td style="padding-left: 20px;">Purchase Total Over 3 Yrs</td> <td style="text-align: right;"><u>417,524.37</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 40px;">Purchase Price</td> <td style="text-align: right;">342,486.81</td> </tr> <tr> <td style="padding-left: 40px;">4 Year CPC</td> <td style="text-align: right;">100,050.08</td> </tr> <tr> <td style="padding-left: 40px;">Purchase Total Over 4 Yrs</td> <td style="text-align: right;"><u>442,536.89</u></td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="padding-left: 60px;">Purchase Price</td> <td style="text-align: right;">342,486.81</td> </tr> <tr> <td style="padding-left: 60px;">5 Year CPC</td> <td style="text-align: right;">125,062.60</td> </tr> <tr> <td style="padding-left: 60px;">Purchase Total Over 5 Yrs</td> <td style="text-align: right;"><u>467,549.41</u></td> </tr> </table>	Purchase Price	342,486.81	3 Year CPC	75,037.56	Purchase Total Over 3 Yrs	<u>417,524.37</u>			Purchase Price	342,486.81	4 Year CPC	100,050.08	Purchase Total Over 4 Yrs	<u>442,536.89</u>			Purchase Price	342,486.81	5 Year CPC	125,062.60	Purchase Total Over 5 Yrs	<u>467,549.41</u>	<p>Office in Fresno, branch in Visalia. Highest in cost of the 5 meeting specs. 2 Clicks charged for legal and 11x17 - this would increase the cost per copy dramatically over the costs shown here, because the current copiers count legal as 1 click. 2 Hour Call Back, 4 Hour Response time. Loaner if down over 1 business day. Selection to Delivery - 2 Months</p>
Purchase Price	342,486.81																						
3 Year CPC	75,037.56																						
Purchase Total Over 3 Yrs	<u>417,524.37</u>																						
Purchase Price	342,486.81																						
4 Year CPC	100,050.08																						
Purchase Total Over 4 Yrs	<u>442,536.89</u>																						
Purchase Price	342,486.81																						
5 Year CPC	125,062.60																						
Purchase Total Over 5 Yrs	<u>467,549.41</u>																						

City of Visalia Agenda Item Transmittal

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10d

Agenda Item Wording: Authorization to lease two 30-foot hybrid-electric buses from the Livermore/Amador Valley Transit Authority (LAVTA) for use in the Sequoia Shuttle internal route for the 2010 season (May 1 through September 30) at a total cost of \$44,000 which will be funded through the Cooperative and Task Agreements with the National Park Service at no cost to the City.

Deadline for Action: March 15, 2010.

Submitting Department: Administration – Transit Division

Contact Name and Phone Number:
Monty Cox 713-4591

Department Recommendation: Authorize staff to lease two 30-foot hybrid-electric buses from the Livermore/Amador Valley Transit Authority (LAVTA) for use in the Sequoia Shuttle internal route for the 2010 season (May 1 through September 30) at a total cost of \$44,000, which will be funded through the Cooperative and Task Agreements with the National Park Service at no cost to the City.

Summary: During the past three years the City has participated with the National Parks Service (NPS) via a Cooperative Agreement to operate a series of shuttles within the Sequoia National Park (internal) in conjunction with additional shuttles from Visalia to the park (external). The external shuttle is independent of the NPS and was initially considered at the request of Congressman Nunes, while the internal shuttle is operated by the City of Visalia at the request and under a cooperative agreement with the NPS. Under the cooperative agreement the City provides the buses which we “lease” to the NPS and then operate on their behalf under the bus operations & maintenance agreement with MV Transportation.

For the 2010 season staff has negotiated a deal with the Livermore/Amador Valley Transit Authority (LAVTA) to lease two brand new hybrid-electric 30-foot low-floor buses to operate on the main route within the Sequoia National Park. The lease will be for five months at \$4400 per bus per month or a total of \$44,000 for the season. This lease cost will be incorporated in the fee paid by the NPS under the Cooperative Agreement and will temporarily replace two of the existing buses, thereby extending the life of those buses, and resulting in a no cost win-win for the City and the NPS.

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 3110
(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.

Background: Prior to the first year of the Sequoia Shuttle project staff worked with NPS staff, the Federal Transit Administration and our bus operations contractor, MV Transportation, to determine the required number and type of bus adequate for the shuttle operation. Due to the limited three-year demonstration project, restrictions on NPS capital purchases and the short timeframe before the first season, a specific mix of buses was selected, some new and some used. Once the NPS makes a determination of the permanency of the shuttle operation, a long term plan for vehicle acquisition can be established; however, until then, creative short term opportunities need to be found. Initially City staff found five used 35-foot buses and eight new 22-foot buses to provide both the internal and external portion of the shuttle. During the first two years mechanical problems with the used buses created some challenges in providing the service reliably. While solutions were found, it was determined that additional resources were needed. In an effort to keep costs within budget, staff converted two retired buses from the Visalia fixed route fleet to shuttle buses and by doing so we were able to provide the third year successfully. All these buses are now one year older and additional measures are required to guarantee the scheduled service can be provided reliably.

Use of these two buses from Livermore for the fourth season will accomplish three things:

1. It will increase the number of buses available for the main shuttle route, thereby maintaining the reliability of the service.
2. It will extend the life of the existing fleet that may be needed for a potential fifth year by having these additional buses to use during the fourth year. Staff has applied for grant funds to purchase additional new hybrid-electric buses for the shuttle operation; however, if awarded the grant, the purchase will take at least a year and will not be ready for the fifth season.
3. It will provide input into the possible future use of hybrid-electric buses on a permanent basis. Currently we are using Diesel buses on the internal Giant Forest route.

Livermore purchased these buses for a new route that they were planning to implement this year; however, due to funding cuts they had to postpone the implementation, and they had already ordered the buses. By leasing them to us for one season they receive revenue for operations and we also meet our needs.

The Agreement between the City of Visalia and the NPS includes a provision that the City of Visalia will provide five larger buses for the Giant Forest route. The cost to NPS for those buses is fixed at a rate that covers the cost of the original used buses as well as these two additional leased buses over a five year period. This is consistent with the short term vehicle plan for the Shuttle operation and has been approved by the NPS.

Prior Council/Board Actions:

June 1, 2004 Authorization to apply for CMAQ funds for the study and 1st phase of operations.

June 29, 2004 Authorization to sign MOU with NPS to develop shuttles.

February 7, 2005 Award of contract to develop the shuttle plan.

January 8, 2007 Authorization to purchase initial shuttle bus fleet.

February 19, 2008 Authorization to apply for a grant to purchase two additional small shuttles.

Committee/Commission Review and Actions: None

Alternatives: None

Attachments: None

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected): I move that the City Council authorize staff to lease two 30-foot hybrid-electric buses from the Livermore/Amador Valley Transit Authority (LAVTA) for use in the Sequoia Shuttle internal route for the 2010 season (May 1 through September 30) at a total cost of \$44,000, which will be funded through the Cooperative and Task Agreements with the National Park Service at no cost to the City.

Financial Impact

Funding Source:

Account Number:

Budget Recap:

Total Estimated cost:	\$ 44,000	New Revenue:	\$ 0
Amount Budgeted:	\$ 44,000	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: *Record a Notice of Completion with the County Recorder*

Copies of this report have been provided to:

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10e

Agenda Item Wording: Authorization to remove the informational item of the Planning Commission Action Agenda from future Council meeting agendas.

Deadline for Action: n/a

Submitting Department: Administration – City Clerk’s division

Contact Name and Phone Number: Donjia Huffmon, Chief Deputy City Clerk 713-4512

Department Recommendation: To remove the Planning Commission Action Agenda as an informational item on future Council meeting agendas.

Summary/background: At the annual Council Workshop in February 2010, there was discussion about no longer including the Planning Commission Action Agenda as part of the Council meeting packet. The action requested tonight will confirm the Council’s intent that this is no longer necessary.

The Planning Commission action agenda is posted on the city’s website and distributed by e-mail to all interested parties, including Council Members. In addition, it is included in the Council’s weekly informational packet. Inclusion of the action agenda has been discretionary; there is no legal requirement to include the Planning Commission action agenda as part of the Council meeting agenda packet.

Prior Council/Board Actions: The Planning Commission Action Agenda was added as an informational item to the Council’s meeting agenda packet in 2007.

Committee/Commission Review and Actions: n/a

Alternatives: Continue to add the Planning Commission action agenda as an informational item on the Council’s meeting agenda packet.

Attachments: none

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 3410
Initials & date required)**

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

**City Mgr _____
(Initials Required)**

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

Recommended Motion (and Alternative Motions if expected):

I move to authorize the removal of the informational item of the Planning Commission Action Agenda from future Council meeting agendas.

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: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10f

Agenda Item Wording: Approve the Citizens Advisory Committee's recommended appointments of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne to the Waterways and Trails Committee.

Deadline for Action: None

Submitting Department: Parks and Recreation

Contact Name and Phone Number: Paul Shepard, 713-4209

Department Recommendation: Approve the Citizens Advisory Committee's recommended appointments of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne to the Waterways and Trails Committee.

Summary/background: At its February 2010 meeting the Waterways and Trails Committee recommended the appointments of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne to the committee's vacancies. The applicants replace Mike Flynn, Rachel Rosenberry, Sean Fitzgerald, and Lindsay Bailey who resigned last year. If approved, the applicants will serve a two year term.

The Waterways and Trails Committee has a total of 13 members. The existing members of this committee are Herb Simmons, Ben Filiponi, Vicki Stasch, Brian Kempf, Dominique Niccoli, George Pilling, Richard Garcia, Robert Brown and Russ Dahler.

At its March 2010 meeting the Citizens Advisory Committee (CAC) reviewed the applications of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne and recommended approval of the applicants.

Committee/Commission Review and Actions: At its February 2010 meeting the Waterways and Trails Committee recommended approval of the applicants and at its March 2010 meeting the CAC recommended approval of the applicants.

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 VAE
(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.

Attachments: Applications

Recommended Motion (and Alternative Motions if expected): Approve the recommended appointments of Debbie Bowen, Steve Sanders, Ray Bullick, Ryan Wullschleger and alternate David Shelburne to the Waterways and Trails Committee.

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: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 10g

Agenda Item Wording: Request by MSJ Partners to initiate a second amendment to the Pre-Annexation Agreement pertaining to the 480-acre Vargas annexation, located along Plaza Drive north of Riggins Avenue.

Deadline for Action: None.

Submitting Department: Community Development - Planning

Contact Name and Phone Number:

Brandon Smith, Senior Planner - 713-4636
Michael Olmos, Assistant City Manager - 713-4332

Recommendation: Staff recommends that the City Council consider the proponent's attached written request to initiate amendment, and authorize two amendments to the Pre-Annexation Agreement associated with land in the Vargas annexation. MSJ Partners have expressed a desire for the following changes:

- Remove the obligation for payment of an Agricultural Conservation Endowment. This would entitle MSJ Partners to a full refund of the \$320,000 already paid in fulfillment of the obligation.
- Remove the parcelization requirements for the Stage 1 Area – the southernmost 160 acres of the annexation area located on the northeast corner of Plaza and Riggins, thereby permitting this property to be parcelized in accordance with the typical zoning requirements for the Heave Industrial (I-H) Zone.

Staff also recommends that the City Council direct staff to terminate further work on an Agricultural Mitigation Program (AMP) at this time, and defer consideration of impacts to agricultural land caused by urbanization until the General Plan Update / Environmental Impact Report. An AMP may still apply to the Vargas property if such a program is developed before the Vargas property fully develops.

Summary: At the Strategic Workshop held on February 5 & 6, 2010, the City Council considered the City's development of an AMP and acknowledged that work on the AMP will end, though impacts to agriculture land and appropriate mitigation will be discussed in the General Plan Update. The City Council provided direction to staff that no money should be collected from future annexation requests towards an Agricultural Mitigation Program until a formal policy is adopted. Staff also raised the matter of imposing stricter parcelization restrictions on Industrial annexations to target larger industrial tenants. The concern was raised that placing restrictions over and above Zoning Ordinance standards could be burdensome for attracting businesses given the current economic climate.

For action by:
 City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:
 Work Session
 Closed Session

Regular Session:
 Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _30_

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

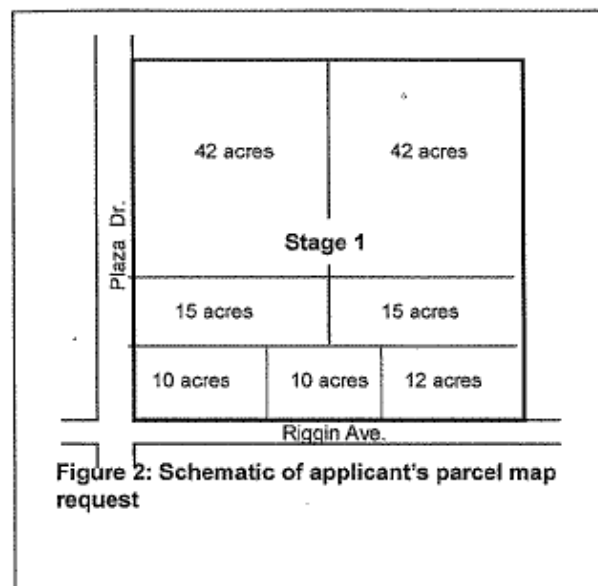
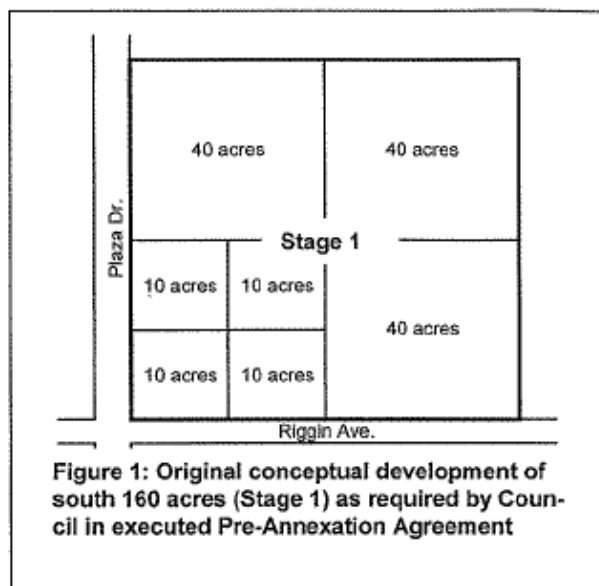
Pat Daniels, representing the Vargas / MSJ Development ownership, made a public comment at the Workshop asking that their annexation, which has complied with these extra requirements, be treated fairly with future annexations that would be relieved from similar requirements. Following the Workshop, a formal letter was received (attached as **Exhibit "A"**) requesting that the Vargas annexation's Agreement be amended in response to the City Council's comments.

Background on Vargas Annexation and Parcel Map: The Vargas annexation was completed in February 2008 and consisted of 480 acres on the east and west sides of Plaza Drive, north of Riggan Avenue. A Pre-Annexation Agreement (excerpt attached as **Exhibit "B"**) was entered into between the City and the owners, which solidified fee obligations, owner indemnification on Williamson Act cancellation, a master plan requirement, pre-zoning, and other requirements. For phasing purposes the property was split into Stage 1 and Stage 2 Areas, whereby the Stage 1 Area was the southerly 160 acres to be developed first. The master plan requirement, based on the City Council's desire to "ready" land for the demands of potential large and small industrial users, required a balance of 10 and 40-acre parcels on the Stage 1 Area (illustrated in **Figure 1** below).

In April 2009 Vargas / MSJ Partnership LLC filed a tentative parcel map application on the Stage 1 Area which proposed one less 40-acre parcel than what was required by the Agreement (illustrated in **Figure 2** below). The parcel map could not be supported by staff without an amendment to the Pre-Annexation Agreement, which was authorized by the City Council in June 2009. The First Amendment to the Pre-Annexation Agreement (excerpt attached as **Exhibit "C"**) included two changes: 1) reduction of the number of 40-acre parcels required in the first phase of development, and 2) deferral of paying Groundwater Mitigation & General Plan Maintenance Fees to building permits rather than final map recordation.

The parcel map was approved by Planning Commission but has not yet been recorded. To staff's knowledge, no tenants have as yet been secured for the site.

Discussion: The proponents have requested that the City initiate the process of amending the Pre-Annexation Agreement (later amended under the First Amendment to the Pre-Annexation Agreement) based on the City Council's comments at the recent Workshop. The City Council, at the Strategic Workshop, discussed its reluctance to pursue agriculture mitigation



endowments and additional parcel restricting on future annexations, but did not give specific direction or authorization to proceed with changes on the Vargas Annexation. The following staff analysis identifies portions of the Vargas Pre-Annexation Agreement needing modification to conform to the Council's direction.

Changes in Agricultural Conservation Endowment

The Agreement's requirement for payment of an endowment is contained in Subsection II(G), and currently reads as follows:

"Owner agrees to pay City an Agricultural Conservation Endowment in an amount equal to \$2,000 per acre within the Stage 1 Area. Owner agrees that Owner's monetary obligations under this subsection II(G) shall be made payable upon LAFCO's issuance of a Certificate of Completion finalizing the annexation contemplated by this Agreement (and the running of all related statutes of limitation)."

The City Council in 2007 expressed a desire to impose an agriculture mitigation fee with annexations on a per-acre basis; however it was staff's conclusion at the time that there was no direct nexus between an annexation and applicable mitigation measures in the EIR, and so a mitigation fee could not be substantiated in accordance with the California Environmental Quality Act (CEQA). In lieu, the applicant agreed to offer an agriculture conservation endowment of \$2,000 per acre on the southern 160 acres (Stage 1 Area). The endowment did not apply to the Stage 2 Area since it was anticipated the City would adopt a formal mitigation fee prior to its development.

Following the current City Council's direction at the Workshop, no money should be collected from a future annexation requests towards an agricultural mitigation program until a formal policy associated with an Agriculture Mitigation Program is adopted. Applying the direction of no payment on the Vargas annexation would involve eliminating the above Subsection and processing of a refund of the endowment paid to the City.

In the event that an Agriculture Mitigation Program is adopted prior to the development of the Stage 1 Area, this area should not be exempt from being subject to said program and any fees adopted by the City in accordance with the program. Agricultural land impacts caused by urbanization will be evaluated in the General Plan Update / Environmental Impact Report, through which a mitigation program may emerge.

Staff would therefore recommend that the Agreement also be modified as needed so that a future Agricultural Mitigation Program and its policies including but not limited to fees, if and when adopted, should be applied toward any portion of the annexation area undeveloped at the time of adoption.

Changes in Minimum Parcel Size Requirements

The current requirement for parcel sizes is contained in Subsection 4 of the First Amendment to the Pre-Annexation. This requirement is summarized as follows:

“The subdivision of the Stage 1 Area will be allowed immediately upon annexation, provided at least two parcels are created with a minimum size of 40 acres each, and all other parcels have a minimum size of 10 acres.”

These terms were effectively carried out in a tentative parcel map approved by the Planning Commission last year. The parcel map's basic configuration is illustrated in **Figure 2**.

In the absence of the above master-planning requirement, the area would be subject to the typical development standards for the Heavy Industrial (I-H) Zone which can allow for any parcel size. The Zoning Ordinance standards for the I-H zone (contained in Visalia Municipal Code Section 17.30.230) require a five-acre minimum parcel size which can be waived upon approval of an acceptable master plan by the Site Plan Review Committee and providing of a common or joint storm drainage pond on the site.

All Industrial-zoned sites in the City limits are subject to the aforementioned Zoning Ordinance standards which could allow for any parcel size subject to an acceptable master plan. Staff has no knowledge of any other industrial sites in Visalia which have City-imposed limitations on parcel sizes beyond zoning standards.

The project proponent's desire is to be able to compete on a level playing field with other heavy industrial sites being marketed in the Industrial Park that do not have additional parcel size restrictions. From the on-set of discussions with the City dating to 2007, the proponents have expressed an interest to market a variety of parcel sizes with immediate development potential. It is the proponent's belief that additional restriction of parcel sizes – as currently done through the Agreement – presents a potential hindrance worsened by the current economic climate.

The idea of offering various parcel sizes was consistent with the conclusions of a 2006 assessment prepared for the expansion of the Industrial Park (attached as **Exhibit “D”**). The report, authored by A. Plescia & Co., stated that a supply of ready-to-go parcels of various sizes was needed for Visalia to be competitive in attracting industrial users and creating employment.

The assessment was taken when Visalia was in an upward cycle of economic and industrial activity. These cycles have changed dramatically in the last three years, and as such the specific types of companies seeking interest in the area have likely changed. Thus, the market data and information in the report may no longer be reliable. Current trends indicate that industrial users need a broad range of parcel sizes to suit their needs, and that these sites are limited strictly to small or large sizes. Thus, having land that is available and ready-to-go (i.e. in the City limits and parcelized) with the flexibility to meet the size requirements of users would give Visalia a competitive edge in the current market.

Staff would therefore recommend that the Agreement be modified to remove the parcel size restrictions, allowing the proponents to better suit their marketing strategies in compliance with zoning standards. It should be noted that the City is currently processing an annexation of 160 acres for the Doe property, directly to the west of the Vargas property and also containing a pre-zoning of Heavy Industrial. The annexation and a Pre-Annexation Agreement will be considered by the City Council in Spring 2010. Thus, regulations placed on the Vargas property would likely have a precedence-setting effect on the Doe property.

Committee/Commission Review and Actions: None.

Alternatives:

1. Authorize amendments to the Pre-Annexation Agreement.
2. Do not authorize amendments.

Attachments:

- Exhibit "A" – Letter from applicant
- Exhibit "B" – Excerpt - Pre-Annexation Agreement
- Exhibit "C" – Excerpt - First Amendment to Pre-Annexation Agreement
- Exhibit "D" – Visalia Industrial Park Expansion Assessment (September 2006)
- Location Map

Recommended Motion (and Alternative Motions if expected):

I move to authorize amendments to the Pre-Annexation Agreement as directed by the City Council.

-OR-

I move to not authorize amendments to the Pre-Annexation Agreement.

Environmental Assessment Status

CEQA Review: None

NEPA Review: None



February 11, 2010

Mr. Mike Olmos
Assistant City Manager
CITY OF VISALIA
315 E Acequia Avenue
Visalia, CA 93291

Re: Vargas / MSJ Annexation
APN's 077-120-008, 010 & 014

Dear Mike:

As we recently discussed, on behalf of the Vargas / MSJ Development ownership of the referenced property, MSJ Partners requests that the City of Visalia initiate the process for amending the previously approved Pre-Annexation Agreement (dated October 29, 2007 and the First Amendment dated October 5, 2009). A proposed second amendment of the Pre-Annexation Agreement would be focused on the removal of sections related to Ag mitigation and to those sections which required more restrictive parcelization than allowed under the existing Heavy Industrial zoning.

Our request is based upon comments shared between staff and the City Council members at the Visalia City Council Strategic Workshop held on February 5 and 6, 2010 and the apparent willingness of the City Council to give consideration to our request.

If the above description meets with your understanding of our recent conversation, I would initiate a draft of a second amendment and forward that to you soon thereafter for you and your staff's consideration. We would desire and be willing to exercise whatever means necessary to expedite this process.

Thank you for your consideration and support of our request.

Sincerely,
VARGAS / MSJ DEVELOPMENT, LLC

A handwritten signature in black ink, appearing to read 'Patrick Daniels', is written over the typed name.

Patrick Daniels
Managing Member

cc: David Vargas

RECORDING REQUESTED BY
AND MAIL RESPONSE TO:
City of Visalia
Planning Division
315 East Acequia Avenue
Visalia, CA 93291

free copy



2007-0098036

Recorded Official Records
County of Tulare
GREGORY B. HARDCASTLE
Clerk Recorder

REC FEE 0.00
CONFORMED COPY N 0.00

RS 19

Pre-Annexation Agreement

RS
02:45PM 02-Nov-2007 | Page 1 of 19

This Pre-Annexation Agreement ("Agreement") is made and entered into this 29th day of October, 2007, by and among the City of Visalia, a charter law city ("City") and David Vargas and Ana Paula S. Vargas, co-trustees, the Vargas Family Trust dated December 23, 2005 (hereinafter "Owner"). City and Owner are sometimes each individually referred to herein as a "party" and collectively as the "parties."

RECITALS

WHEREAS, Owners are the record owners of the property, currently located in the unincorporated area of the County of Tulare, legally described in Exhibit A and depicted in Exhibit B, attached hereto (hereinafter referred to as the "Property"); and

WHEREAS, the Property is adjacent to and contiguous to the existing corporate boundary of the City, but is not situated within the limits of any municipality; and

WHEREAS, Owner desires to have the Property annexed to the City and to have the Property zoned as Planned Heavy Industrial (P-I-H), as set forth in Chapter 17.22 and Section 17.18.050 of the Visalia Municipal Code (the "City of Visalia Zoning Matrix") which designation would permit the Property to be used for heavy industrial uses and associated improvements (the "Project"). The Project includes all required City-issued discretionary land use approvals necessary for Owner's use of the Project in accordance with the contemplated Rezoning (defined below); and

WHEREAS, the Property consists of approximately 482.6 acres, and zero (0) registered voters reside thereon; and

WHEREAS, proper applications have been filed with the City for a Resolution of Application to the Tulare County Local Agency Formation Commission ("LAFCO") to initiate proceedings as may be required for the City's annexation of the Property; and

WHEREAS, the City has, on September 17, 2007, adopted a Resolution of Application (City Resolution No. 2007-073) (the "Resolution") requesting LAFCO to initiate proceedings to annex the Property to the City; and

WHEREAS, on June 21, 2004, the City Council of City adopted a General Plan Maintenance Fee effective June 21, 2004; and

WHEREAS, in certain annexation proceedings, California Land Conservation Act (hereinafter, the "Williamson Act") issues may arise which may require indemnification of the LAFCO, the County of Tulare, and City and may therefore be required of Owner herein; and

WHEREAS, in 1974, City perfected its option protest to the Williamson Act contract currently burdening the Property's southernmost 160 acres (Land Conservation Act Contract No. 8813) and, whereas, City will exercise such option upon its annexation of the Property; and

WHEREAS, the Resolution requires entry into this Agreement prior to the City submitting an application to LAFCO to commence the proposed annexation; and

WHEREAS, Owner acknowledges that, during the term of this Agreement, the Property will be subject to all ordinances, resolutions, and other regulations of the City, as they may be amended from time to time, provided the Property has first been finally annexed to the City, as well as state and federal statutes and regulations, as they may be amended, unless otherwise provided for in this Agreement or agreed to in writing by the parties; and

WHEREAS, the City is authorized by its police powers to protect the health, safety and welfare of the community, and is entering into this Agreement and executing such authority for said purpose; and

WHEREAS, unless otherwise set forth herein, nothing contained in this Agreement shall constitute a waiver of the City's legislative, governmental, or police powers to promote and protect the health, safety and welfare of the City and its inhabitants, nor shall this Agreement prohibit the enactment or increase by City of any tax, fee, or charge.

NOW, THEREFORE, in consideration of the above Recitals and the following Covenants, it is agreed by and between the parties as follows:

I. AGREEMENT IN GENERAL

- A. Parties. The parties to this Agreement are the City and Owner.
- B. Incorporation of Recitals. The parties confirm and incorporate the foregoing Recitals into this Agreement.
- C. Purpose/Limits of Agreement. A specific purpose of this Agreement is to set forth specific terms and conditions of annexation of the Property to City.

II. TERMS AND CONDITIONS OF ANNEXATION; PURPOSE OF AGREEMENT

Generally, each party to this Agreement is benefited and burdened by detachment from the County and annexation to the City. Owner will obtain a variety of services from City (including but not limited to potable water, sewer and storm water drainage and treatment, police, and fire services), and City will obtain additional tax revenues. City has adopted ordinances, regulations, and policies concerning design, improvement, construction, development and use of property within the City. Unless otherwise set

forth herein, nothing contained in this Agreement shall constitute a waiver of City's legislative, governmental, or police powers to promote and protect the health, safety, and welfare of City and its inhabitants, nor shall this Agreement prohibit the enactment or increase by City of any tax or fee. One purpose of this Agreement is to spell out additional conditions to which Owner will be subject following annexation and prior to development within the City due to the burden placed on City by Owner's desired annexation:

- A. Water Acquisition Policy: Although City's current water service provider, California Water Service, continues to issue will-serve letters, City's Council is aware of the steadily decreasing level of water in the City's underground water aquifers and has determined that increasing development is contributing to this serious problem. Therefore, City's Council has studied the issue and investigated possible solutions in order that it may continue to assure citizens that there will be water available to serve the community's needs. City's Council is actively engaged in water replenishment activities with the Kaweah Delta Water Conservation District and it has adopted a policy, as set forth in Chapter 16.54 of the Visalia Municipal Code, which requires annexation applicants to convey title to water rights to City upon annexation and/or to pay a fee to City (pursuant to an adopted fee schedule) so that City may acquire water for groundwater replenishment and storage in order to serve new development that comes with annexation, including development of the Property (the "Water Acquisition Policy"). Therefore, Owner agrees that, at the time that LAFCO issues a Certificate of Completion finalizing the annexation (and upon the running of all applicable statutes of limitation related thereto), Owner will comply with the Water Acquisition Policy by entering into an agreement with City to either (i) convey to City those water rights vested in the Property, if any, (ii) agree to pay City a fee in lieu thereof, (iii) agree to some combination of an in lieu fee payment and water right conveyance, or (iv) to comply by any other method allowed by the Water Acquisition Policy, provided that such agreement includes a condition precedent requiring City's water supplier to agree to serve the Property with potable water in amount sufficient to meet Owner's reasonably anticipated total water demand for the Property, as determined by a valid water supply assessment prepared pursuant to California Water Code § 10910 *et seq.* No post-annexation permit or entitlement approvals concerning the Property will be issued by City unless and until Owner complies with the Water Acquisition Policy in a manner consistent with this subsection II(A). Owner agrees that it shall identify all water rights which, to the best of Owner's knowledge, have been used by Owner or its agents in connection with the Property, regardless of whether they are considered "vested" in the Property, and shall comply with the Water Acquisition Policy by entering into an agreement with City to convey such rights, if any, to City. City shall cooperate with Owner in valuing such water rights for the purposes of determining the amount of offset to be applied against the in lieu fee as required pursuant of the Water Acquisition Policy. Owner further agrees that City shall have first right of refusal in acquiring upon mutually acceptable terms any water rights that Owner owns that may be in addition to those required

to meet Owner's obligations under the Water Acquisition Policy. City agrees that water rights need not be conveyed and in lieu fees shall not be made payable until City's issuance of one or more parcel maps or final subdivision maps covering the Property and, in the event Owner applies to City for its approval of multiple final maps covering the Property, City agrees such water rights conveyance or fee payment obligation shall be allocated on a pro rata basis to each phase of development covered by each final subdivision map, with conveyance of water rights or payment to be made on a per map basis upon City's issuance of each final subdivision map covering the Property.

B. General Plan Maintenance Fee: On June 21, 2004, the City adopted (by Resolution 2004-63, as corrected) a General Plan Maintenance Fee. Owner agrees that, at the time LAFCO issues a Certificate of Completion finalizing the annexation (and upon the running of all applicable statutes of limitation related thereto), Owner will enter into an agreement with City to pay the General Plan Maintenance Fee in an amount equal to \$308.00 per acre and no post-annexation permit or entitlement approvals concerning the Property will be issued unless and until said agreement is executed. City agrees that such fee shall not be made payable until City's issuance of one or more final subdivision maps covering the Property and, in the event Owner applies to City for its approval of multiple final maps covering the Property, City agrees such fee payment obligation shall be allocated on a pro rata basis to each phase of development covered by each final subdivision map, with payment to be made on a per map basis upon City's issuance of each final subdivision map covering the Property. Owner's satisfaction of its obligations under this Section II(B) will satisfy any and all of Owner's obligations related to and arising under the General Plan Maintenance Fee.

C. Williamson Act:

C-1: Indemnification: Occasionally property to be annexed is burdened with contract(s) entered into pursuant to the Williamson Act which the City may succeed to and administer if the annexation is completed. In some events, the owners of land subject to a Williamson Act contract desire to cancel said contract(s). Specific statutory findings must be made in order to cancel said contract, as required by the Williamson Act. In the event of an Owner-initiated request for cancellation of Williamson Act contracts which burden land subject to this Agreement, Owner agrees to concurrently enter into an agreement to indemnify, hold harmless, and defend (with counsel of City's choosing), the City, its officers, elected officials, employees, and agents, from and against any and all third-party claims, demands, or damages arising from its decision with respect to such cancellation request regardless of the date the cancellation request is made or initiated. The indemnification agreement contemplated by this Section II(C) shall also provide that Owner may, to the extent permitted by law, participate in any legal proceedings contemplated by this Section II(C) as a real party in interest, with legal counsel of Owner's choosing.

C-2: Option Not To Succeed To A Williamson Act Contract. On February 4, 1974, City filed with LAFCO a formal protest of Williamson Act Contract Preserve No. 3051 (Contract No. 8813), which contract currently burdens the Stage 1 Area. On February 20, 1974, LAFCO formally upheld City's protest of Williamson Act Contract Preserve No. 3051 (Contract No. 8813), specifically finding that such contract is inconsistent with the publicly desirable future use and control of the land burdened thereby. If City determines to apply to LAFCO for the annexation of the Property, City agrees to take any and all steps necessary to preserve and exercise its option not to succeed to Williamson Act Contract Preserve No. 3051 (Contract No. 8813), as provided by Government Code § 51243.5.

C-3: Agricultural Easement Exchange. In the event of an Owner-initiated request for cancellation of Williamson Act contracts which burden land subject to this Agreement, City agrees to consider (and the parties agree to cooperate to facilitate) a potential agricultural easement exchange, as contemplated by the Williamson Act's agricultural easement exchange program set forth in Government Code § 51256. If, following appropriate environmental review pursuant to CEQA, City determines to pursue an agricultural easement exchange with respect to any portion of the Property, Owner and City would enter into an agreement to rescind the relevant Williamson Act contract(s) in accordance with the Williamson Act's cancellation provisions (i.e., Government Code § 51282) in order to simultaneously place other land under an agricultural conservation easement in perpetuity, provided such exchange is first approved by the Department of Conservation. Per the requirements of the easement exchange program, the value of the proposed agricultural conservation easement shall be at least equal to the cancellation fee that Owner would otherwise pay if the subject Williamson Act contract(s) were canceled pursuant to the Williamson Act's standard cancellation procedures. If a willing seller of an agricultural easement cannot be identified, then, per the agreement contemplated by this subsection II(H), Owner would pay the standard cancellation fee in accordance with the Williamson Act's cancellation procedures. In the alternative, the agreement contemplated by this subsection II(H) shall permit Owner to maintain the existing Williamson Act contracts for the remainder of their term.

D. Development Plan: Per the condition requested by the Visalia City Council and included in the Resolution, the Owner hereby agrees to the following criteria regarding future development on the Property:

- The site shall be developed in stages, with Stage 1 to be the southernmost 160 acres of the Property (the "Stage 1 Area"), and Stage 2 to be the northernmost remainder 320 acres of the Property (the "Stage 2 Area"), as such stages are depicted on the attached Exhibit C and as described on the attached Exhibit C-1.

- The subdivision of the Stage 1 Area will be allowed immediately upon annexation, provided 75% of the Stage 1 Area is devoted to parcels having a minimum size of at least 40 acres, and 25% of the Stage 1 Area is devoted to parcels having a minimum size of at least 10 acres (City acknowledges that right-of-way dedications will be required for the Project and that the land area comprising such dedications will be factored into the minimum lot size requirements of this section II(D) such that the resulting net parcel sizes will be proportionately smaller than the minimum lot sizes otherwise required hereunder). The criteria for minimum lot size can be waived on an individual case basis if the Community Development Director makes the findings that the parcel will be occupied by an identified user(s) that would bring substantial economic and/or job benefits to the City of Visalia, that the user(s) will have a building size at least 100,000 sq. ft., and that the user(s) initially provides 50 full-time jobs.
- No subsequent subdivision or other development entitlement for the Stage 2 Area shall be approved until a Stage 2 Area master plan is developed and an agreement between City and Owner establishing Stage 2 Area minimum parcel sizes is approved by the City, which minimum parcel sizes shall in no event be larger than 40 acres (the "Stage 2 Agreement"). Furthermore, no subdivision map or other development entitlement for the Stage 2 Area shall be approved by the City until the developable area of the Stage 1 Area is at least 75% developed. Notwithstanding anything to the contrary in this Agreement, a Stage 2 Area master plan and any agreements between Owner and City related to the Stage 2 Area may be approved prior to the development of 75% of the developable area of the Stage 1 Area.

E. Prezoning. City agrees to promptly process and, after City completes and adopts its environmental review, consider Owner's application to prezone the Property, as required by the Cortese-Knox-Hertzberg Act's prezoning requirements. The Planned Heavy Industrial (P-I-H) zoning designation is the adopted prezoning for the Property, in accordance with Visalia Municipal Code Chapter 17.22 and Section 17.06.050(A), which section states that all territory which is annexed into the City shall be classified to the zone as indicated on the Visalia General Plan land use map, as adopted by the City (the "Prezoning"). The Planned Heavy Industrial zoning designation permits heavy industrial and other land uses, as specified by the City of Visalia Zoning Matrix. The Planned Heavy Industrial zoning designation also permits the continuing operation of agricultural land uses presently on the Property as a legally-existing "nonconforming use," as further defined and regulated by Chapter 17.40 of the Visalia Municipal Code. The parties acknowledge that, if the Property is annexed to the City, a portion of such Property may be subject to one or more Williamson Act contracts. The Parties agree, and the prezoning shall specify, that, upon annexation, such contracted Property shall only be used in a manner that is compatible with the relevant

Williamson Act contract(s) until such time as such contract(s) expire, terminate, or are cancelled in accordance with the Williamson Act. The Parties further agree, and the rezoning shall specify, that all urban uses permitted by the Planned Heavy Industrial zoning designation shall automatically be permitted on those portions of the Property subject to a Williamson Act contract upon the expiration, termination, or cancellation of such contract. Upon execution of this Agreement, City shall use its best efforts to (i) promptly complete its environmental review of the Project and consider its adoption thereof, and (ii) complete its preparation of the proposed rezoning contemplated by this subsection II(E) and consider its approval thereof. If City approves the rezoning contemplated by this subsection II(E), the terms and conditions of such rezoning shall be included in City's application to LAFCO for the annexation of the Property to City, which application shall promptly be submitted to LAFCO by City.

- F. Plan For Providing Services. The parties agree to cooperate in, and to take such actions as may be necessary to ensure, the diligent preparation of a Plan For Providing Services to the Property, to be submitted to LAFCO along with City's annexation application, in accordance with Cortese-Knox-Hertzberg Act requirements.
- G. Agricultural Conservation Endowment – Stage 1 Area: Owner agrees to pay City an Agricultural Conservation Endowment in an amount equal to \$2,000 per acre within the Stage 1 Area. Owner agrees that Owner's monetary obligations under this subsection II(G) shall be made payable upon LAFCO's issuance of a Certificate of Completion finalizing the annexation contemplated by this Agreement (and the running of all related statutes of limitation).
- H. No Additional Agricultural Development Exactions. City agrees that Owner's satisfaction of its obligations under II(G) of this Agreement will satisfy any and all of Owner's obligations to City related to the conversion of the Stage 1 Area from agricultural use to urban use and that City shall not impose any additional exactions against Owner or the Property related to the conversion of the Property from agricultural to urban use. Owner acknowledges that the City may adopt a comprehensive agricultural conversion development fee at some time in the future after annexation of the Property. Owner expressly agrees that if such a fee is duly adopted by City in accordance with applicable law prior to approval of a vesting project approval for any portion of the Stage 2 Area and such fee would otherwise be applicable to the Stage 2 Area, such fee shall be applicable to the Stage 2 Area notwithstanding the non-existence of such a fee at the time of annexation, provided that such fee is also applicable to other similarly situated properties within, or to be annexed to, the City.
- I. SB 221 Compliance. To the extent required by law, any tentative map prepared for the Project shall comply with the provisions of Government Code § 66473.7.

Owner understands and agrees that building permits and other entitlements for development on the Property shall comply with the phasing provisions of subsection II(D) and will not be issued unless and until each and every condition of subsections II(A), II(B), and II(C-1) of this Agreement are satisfied.

III. PROPERTY ZONING

Owner acknowledges and agrees that this Agreement shall not limit City's authority to exercise the full range of its legislative and police powers with respect to development and use of the Property in a manner consistent with this Agreement. Notwithstanding such authority, and provided Owner complies with the requirements of this Agreement, City agrees that the Property shall continue to be designated under the Visalia General Plan land use map for Industrial land uses, and zoned Planned Heavy Industrial (P-I-H), as set forth in Chapter 17.22 of the Visalia Municipal Code, during the term of this Agreement, unless otherwise consented to in writing by Owner. The ongoing agricultural use of the Property shall be permitted as a legal nonconforming use for the term of this Agreement in a manner consistent with Chapter 17.40 of the Visalia Municipal Code. Except as expressly set forth herein, neither this paragraph nor any portion of this Agreement shall be construed to protect the Property against changes in City policies, rules, regulations or conditions of development, including but not limited to permitted uses within the indicated zone or development impact fees, which would otherwise be applicable to the Property.

IV. TERM

The term of this Agreement shall become effective when fully executed by the parties hereto (the "Effective Date") and continue for a period of twenty (20) years. This Agreement shall automatically terminate if either (a) the annexation proceedings are terminated for any reason; or (b) the completion of the annexation (recording of a Certificate of Completion) does not occur on or before two (2) years from the Effective Date, which two (2) year period shall be extended in the event of an "Excusable Delay," as such events are contemplated by subsection VII(O) of this Agreement. Notwithstanding the forgoing, Owner or its successors shall have the right, upon ten (10) day's prior written notice to City, to terminate this Agreement prior to LAFCO's issuance of a Certificate of Completion of the annexation (and the running of all applicable statutes of limitations related thereto) if it determines in its sole discretion that it is in its best interest to do so, and, in such event, City agrees to withdraw the Resolution then pending before LAFCO.

V. DEFAULT, REMEDIES AND ENFORCEMENT

In the event of breach or default of any term, condition, covenant or obligation of this Agreement by either party, the other party may exercise any rights available at law or in equity, including an action for specific performance, damages, or other injunctive relief, and all such remedies shall be cumulative. This Agreement shall be enforceable, unless lawfully terminated or cancelled, by any party to the Agreement or any party's successor

in interest, notwithstanding any subsequent changes in any applicable law adopted by the City which alters or amends the laws, ordinances, resolutions, rules or policies frozen by this Agreement.

VI. INDEMNIFICATION

Owner agrees to indemnify and hold harmless City and the City's officers, employees, agents, and contractors, from and against all claims, demands, or damages including reasonable attorney's fees and court costs, which arise out of this Agreement or its operation, or with any other annexation action or other action reasonably determined necessary by the City in order to effectuate the annexation of Owner's property, or which are in any manner connected with the City's enforcement of this Agreement.

VII. MISCELLANEOUS

- A. Binding Effect/Covenants to Run With Land. The Parties hereto agree to be bound by this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the heirs, transferees, successors and assigns of the parties hereto. The terms and conditions stated herein shall constitute covenants running with the land.
- B. Assignment. Neither party shall assign, delegate or transfer their rights and duties in this Agreement without the written consent of the other party (which consent shall not be unreasonably withheld), provided, however, that Owner may, without City's prior consent, assign all or any portion of its interest, rights, or obligations under this Agreement to either MSJ Visalia LLC, a Delaware limited liability company, or Vargas/MSJ Development LLC, a California limited liability company.
- C. Authorized Signatory. The individuals executing this Agreement, by their signature hereto, declare that they are authorized to, and have the legal power, right and actual authority to bind the party to the terms and conditions of this Agreement.
- D. Notices. All notices under this Agreement shall be effective upon personal delivery to City, or Owner, as the case may be, three (3) days after deposit in the United States Mail, postage fully prepaid, addressed to the respective parties as follows:

To the City: City Manager
 City of Visalia
 425 East Oak Ave., Suite 301
 Visalia, CA 93291

With Copy to: Alex Peltzer
 City Attorney

Dooley, Herr & Peltzer
100 Willow Plaza, Suite 300
Visalia, CA 93291

To Owner: David and Ana Paula S. Vargas, Co-trustees
3131 Silbury Court
Vargas Family Trust
San Jose, CA 95148

Or such other address as the parties may from time to time designate by giving notice as required hereunder.

- E. Entire Agreement. This Agreement represents the entire agreement between the City and Owner as to its subject matter and no prior oral or written understanding shall be of any force or affect. The parties intend this paragraph to be a conclusive recital of fact pursuant to Section 622 of the California Evidence Code. This Agreement is intended to be a final expression of the agreement of the parties and is an integrated agreement within the meaning of Section 1856 of the California Code of Civil Procedure. This Agreement was jointly drafted by the parties.
- F. Amendment. No part of this Agreement may be modified without the written consent of both parties. This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the parties hereto or their successors in interest. City's city manager may execute any such amendment on City's behalf, although the city manager retains the discretion to refer such matters to the City Council.
- G. Headings. Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning, or intent of the provisions under the heading.
- H. No Third Party Beneficiaries Intended. Except as provided herein, the parties of this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.
- I. Conflict With Laws or Regulations/Severability. This Agreement is subject to all applicable laws and regulations. If any provision(s) of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing this subject, the conflicting provision(s) shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the effected party. In all other cases, the remainder of the Agreement shall continue in full force and effect.


- J. Waiver. A waiver of any breach of this Agreement by any party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.
- K. Choice of Law - Venue. This Agreement shall be governed by the laws of the State of California and any questions arising hereunder shall be construed or determined according to such law. This Agreement was executed in Tulare County, California, and venue for any legal action arising from or in connection with this Agreement or the Property shall be in Tulare County, California.
- L. Attorneys Fees. In the event either party commences any action or legal proceedings for the enforcement of this Agreement, the prevailing party, as determined by the court, shall be entitled to recovery of its reasonable fees and costs, including reasonable attorneys fees, court costs incurred in the action brought thereon.
- M. No Agency, Joint Venture or Partnership. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Owner and that Owner is not an agent of City. City and Owner hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection therewith shall be construed as making City and Owner joint venturers or partners.
- N. Excusable Delays; Extension of Time of Performance. In the event of delays due to strikes, inability to obtain materials, civil commotion, fire, war, terrorism, lockouts, third-party litigation or other legal challenges regarding the annexation, riots, floods, earthquakes, epidemic, quarantine, freight embargoes, failure of contractors to perform, or other circumstances beyond the reasonable control of the parties and which cause substantially interferes with the ability of either party to perform its obligations under this Agreement, then the time for performance of any such obligation shall be extended for such period of time as the cause of such delay shall exist but in any event not longer than for such period of time.
- O. Further Assurances. The parties will execute and deliver, upon demand by the other party, such further documents, instruments and conveyances, and shall take such further actions as such other party may request from time to time to document the transactions set forth herein.

P. Recordation of Agreement; Counterparts. This Agreement, or an abstract of its material terms and conditions shall be recorded by either party in the Official Records of the Tulare County Recorder. This Agreement may be executed in counterparts and, when all counterparts are combined, shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth next to their signature.


CITY

Date: 10/29/07

By: 
Steve Salomon, City Manager

Attest:

Date: 10/29/07

By: 
Donjia Huffmon, City Clerk - Chief Deputy

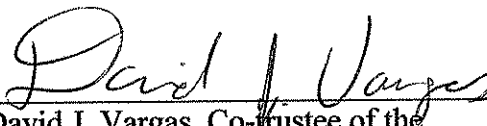
Approved as to Form:

Date: 10/23/07

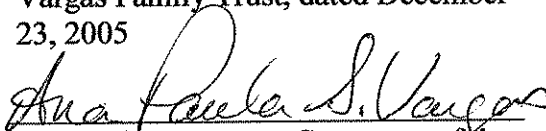
By: 
Alex Peltzer, City Attorney

OWNER

Date: 10/9/07

By: 
David J. Vargas, Co-trustee of the
Vargas Family Trust, dated December
23, 2005

Date: 10/9/07

By: 
Ana Paula S. Vargas, Co-trustee of the
Vargas Family Trust, dated December
23, 2005

STATE OF CALIFORNIA)

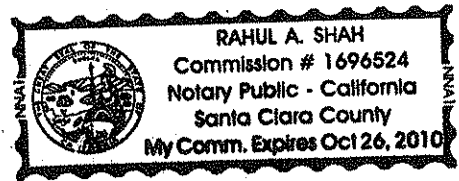
COUNTY OF ~~TULARE~~ ^{As} Santa Clara) ss:

On Octo. 9th, 2007, 2007 before me, Rahul A Shah, Notary Public, personally appeared DAVID J. VARGAS AND ANA PAULAS VARGAS personally known to me (or 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.

WITNESS my hand and official seal.



Notary Public



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Tulare

On October 30, 2007 before me, Susan E. Alter, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Steven M. Salomon
Name(s) of Signer(s)

personally known to me

(or 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.



Place Notary Seal Above

Signature Susan E. Alter
Signature of Notary Public

WITNESS my hand and official seal.

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

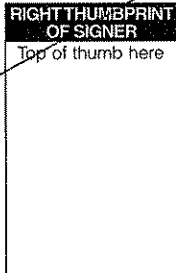
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

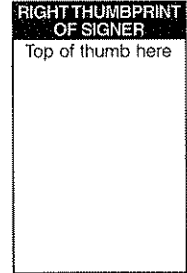
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



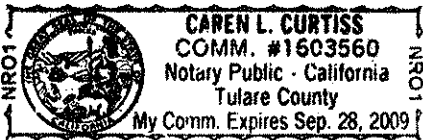
Signer Is Representing: _____

ACKNOWLEDGMENT

State of California)
) ss.
County of Tulare)

On October 24, 2007, before me, CAREN L. CURTISS, a Notary Public, personally appeared ALEX PELTZER personally known to me (or proved to me on the basis of satisfactory evidence), to be the person(s) whose name (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 acted, executed the instrument.

WITNESS my hand and official seal.



Caren L. Curtiss
CAREN L. CURTISS

EXHIBIT "A"
MSJ INDUSTRIAL PARK
ANNEXATION TO THE CITY OF VISALIA

LEGAL DESCRIPTION

March 31, 2006

Those portions of Sections 17 and 8, Township 18 South, Range 24 East, Mount Diablo Base and Meridian in the County of Tulare, State of California, more particularly described as follows:

Commencing at the Southeast corner of said Section 17;

Thence (1) North 00°02'09" West, along the East line of said Section 17, a distance of 20.00 feet to a point on a line which is parallel with and 20 feet northerly from said Section 17, being the existing City Limit line and the TRUE POINT OF BEGINNING;

Thence (2) South 89°52'56" West, along said parallel line, also being the existing City Limit line, a distance of 2634.91 feet to a point on the West line of the Southeast quarter of said Section 17;

Thence (3) South 89°52'42" West, along a line which is parallel with and 20 feet northerly from the South line of the Southwest quarter of said Section 17, being the existing City Limit line, a distance of 40.00 feet to a point on a line which is parallel with and 40 feet westerly from the West line of the Southeast quarter of said Section 17;

Thence (4) North 00°00'44" East, leaving the existing City Limit line, along last said parallel line, a distance of 2620.43 feet to a point on the South line of the Northwest quarter of said Section 17;

Thence (5) North 89°54'29" West, along said South line of the Northwest quarter of Section 17, a distance of 2592.83 feet to the Southwest corner of the Northwest quarter of Section 17;

Thence (6) North 00°03'36" East, along the West line of said Northwest quarter of Section 17, a distance of 2649.65 feet to the Northwest corner of Section 17;

Thence (7) North 00°02'19" East, along the West line of said Section 8, a distance of 25.00 feet to a point on a line which is parallel with and 25 feet northerly from the North line of said Section 17;

Thence (8) South 89°42'12" East, along last said parallel line, a distance of 2630.53 feet to a point on the East line of the Southwest quarter of said Section 8;

Thence (9) South 89°42'06" East, along last said parallel line, a distance of 2630.63 feet to a point on the East line of said Section 8;

Thence (10) South 00°14'35" West, along said East line of Section 8, a distance of 25.00 feet to the Northeast corner of said Section 17;

Thence (11) South 00°02'09" East, along the East line of said Section 17, a distance of 2630.71 feet to the Southeast corner of the Northeast quarter of said Section 17;

Thence (12) South 00°02'09" East, along said East line of Section 17, a distance of 2610.71 feet to a point on the North line of Avenue 312 and the existing City Limit line, also being the TRUE POINT OF BEGINNING.

Containing 482.6 acres of land, more or less.

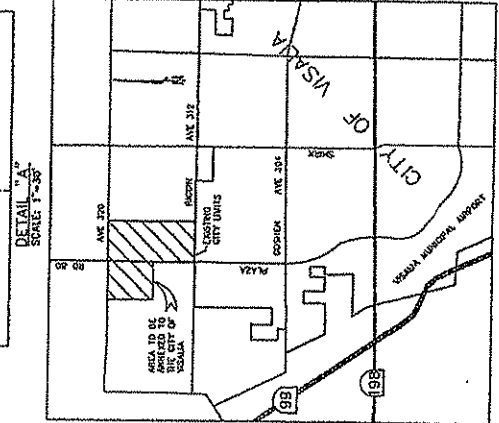
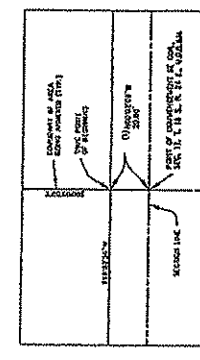
For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

ANNEXATION NO. 2006-XXXX
MSJ INDUSTRIAL PARK
482.6 ACRES
CITY OF VISALIA EFFECTIVE:

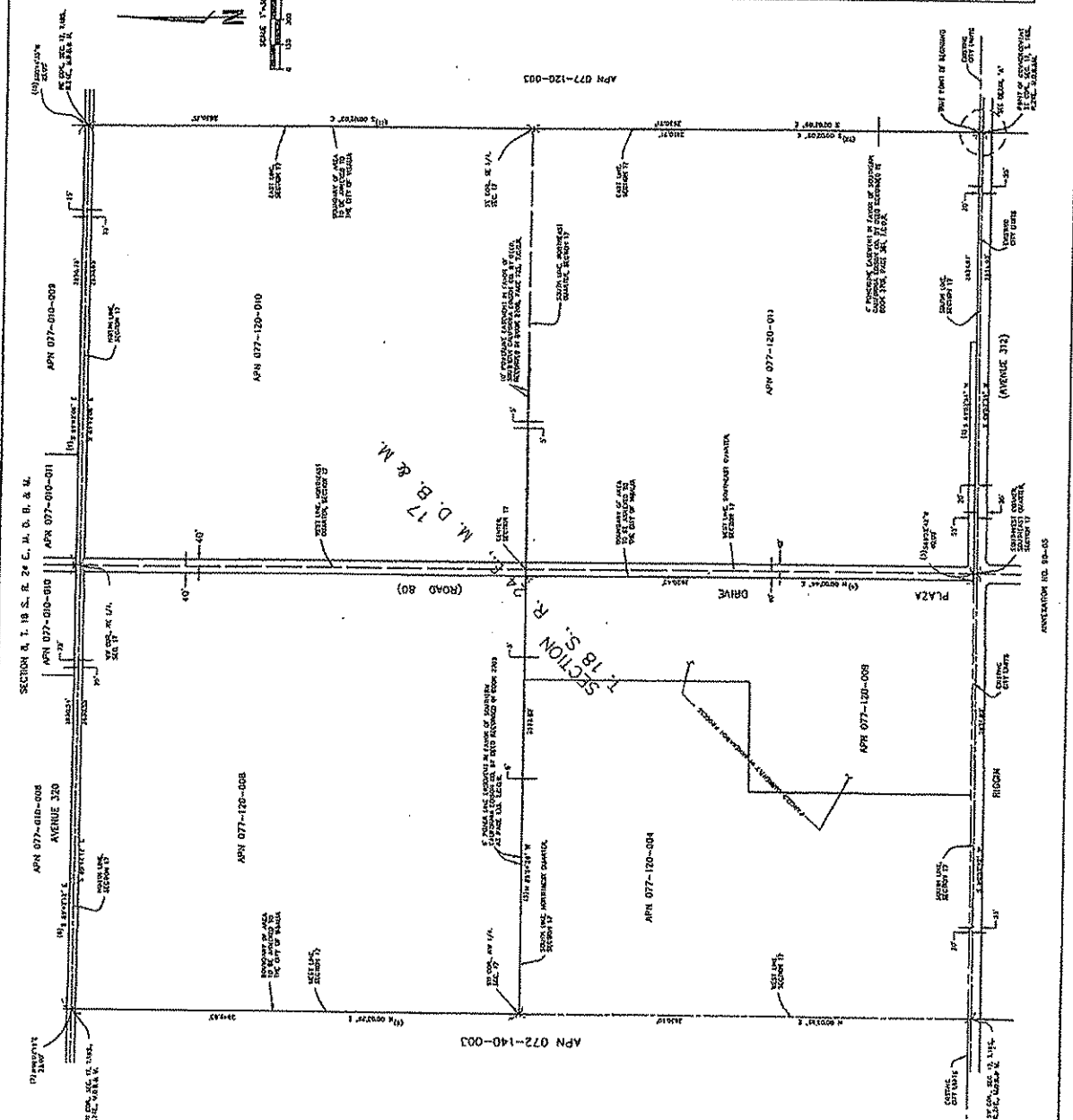
A PORTION OF SECTION 17, T. 18 S., R. 24 E., M. D. B. & M. IN THE SOUTH TULARSE, STATE OF CALIFORNIA

NOTES:
 1. BOUNDARY INFORMATION WAS DERIVED FROM A RECORD OF SURVEY DATED 11/11/03 BY JAMES R. HARRIS, LICENSED SURVEYOR AT VISALIA, CALIFORNIA.
 2. THE HIGHEST CORNER OF SECTION 17 IS MARKED BY A 12" DIA. IRON PIPE SET IN FLOOD ZONE "C". THE REMAINDER OF THE SITE IS IN FLOOD ZONE "C".

LEGEND:
 1. AREA OF ANNEXATION: SEE AREA ADDRESS
 2. EXISTING CITY LIMITS
 3. AREA TO BE ANNEXED TO THE CITY OF VISALIA
 4. EXISTING RIGHT OF WAY OR PROPERTY LINE
 5. EXISTING CENTER LINE ON SECTION LINE



LOCATION MAP
 N.T.S.



SECTION 17, T. 18 S., R. 24 E., M. D. B. & M.

PROVOST & PRITCHARD
 1000 W. MAIN ST. VISALIA, CA 93276
 TEL: 559.233.1111 FAX: 559.233.1112
 WWW.PROVOSTANDPRITCHARD.COM

ANNEXATION MAP
 CITY OF VISALIA

DATE	1/11/03
BY	JAMES R. HARRIS
DATE	1/11/03
BY	JAMES R. HARRIS

Exhibit "B"

Annexation No. 2007-01 (Vargas)

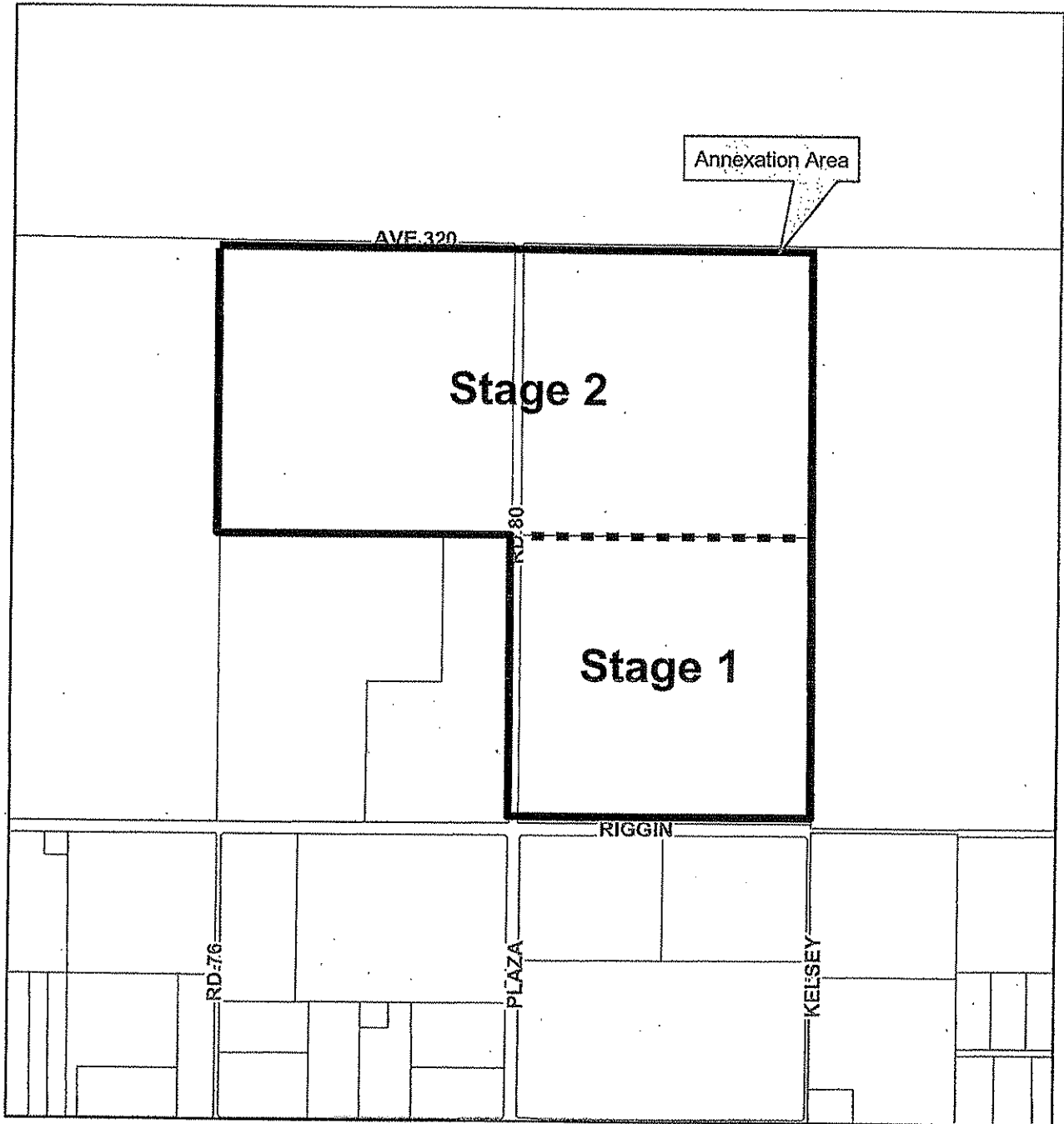
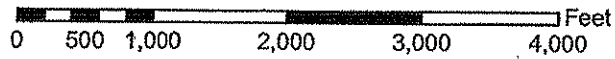


Exhibit "C" of
Visalia Annexation No. 2007-01
Pre-Annexation Agreement



COPY of Document Recorded
2-Dec-2009 2009-0078304
Has not been compared with
original
TULARE COUNTY RECORDER

NO FEE REQUIRED PURSUANT
TO GOVT. CODE SECTION 27383

RECORDING REQUESTED BY
AND MAIL RESPONSE TO:

City of Visalia
Planning Division
315 East Acequia
Visalia, CA 93291

FIRST AMENDMENT TO PRE-ANNEXATION AGREEMENT
FOR COVENANT RUNNING WITH THE LAND

This page shall function as a cover page for recording purposes only. The true First Amendment to Pre-Annexation Agreement follows this page.

PROJECT: Visalia Annexation No. 2007-01

PARTIES TO AGREEMENT: City of Visalia; Davis Vargas and Ana Paula S. Vargas, co-trustees of the Vargas Family Trust dated December 23, 2005; and Vargas / MSJ Development, a California Limited Liability Company

LOCATION: Property legally described and depicted in Exhibits "A" and "B" contained within the Pre-Annexation Agreement.

The original Pre-Annexation Agreement entered into among the parties was recorded on November 2, 2007 as Document 2007-0098036.

First Amendment to Pre-Annexation Agreement

This First Amendment to the Pre-Annexation Agreement (this "**First Amendment**") is made and entered into this 5th day of October, 2009, by and among the CITY OF VISALIA, a California charter law city ("**City**"), David Vargas and Ana Paula S. Vargas, co-trustees, the VARGAS FAMILY TRUST DATED DECEMBER 23, 2005 ("**Vargas**") and VARGAS / MSJ DEVELOPMENT, a California Limited Liability Company ("**MSJ**"). City, MSJ and Vargas are sometimes each individually referred to herein as a "party" and collectively as the "parties." Vargas and MSJ are sometimes collectively referred to herein as "**Owner**."

RECITALS

WHEREAS, on October 29, 2007, City and Vargas entered into to that certain Pre-Annexation Agreement (the "**Pre-Annexation Agreement**") which sets forth terms and conditions regarding the annexation and future use of the "Property," as such real property is described in the Pre-Annexation Agreement; and

WHEREAS, on May 23, 2008, Vargas and MSJ entered into that certain "Assignment Agreement" wherein Vargas assigned to MSJ its interests in that portion of the Property identified by the Pre-Annexation Agreement as the "Stage 1 Area," including Vargas' interest in the Pre-Annexation Agreement to the extent it applies to the Stage 1 Area; and

WHEREAS, City, Vargas and MSJ now desire to modify the terms of the Pre-Annexation Agreement as provided herein in order to address minor changes concerning the future subdivision of the of the Property; and

WHEREAS, City, Vargas and MSJ further desire to modify the timing requirement of certain fee payment obligations imposed upon Owner by and under the Pre-Annexation Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Defined Terms**. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Pre-Annexation Agreement.

2. **Water Acquisition Policy**.

Section II(A) of the Pre-Annexation Agreement is hereby deleted in its entirety and replaced with the following:

"A. **Water Acquisition Policy**: Although City's current water service provider, California Water Service, continues to issue will-serve letters, City's Council is aware of the steadily decreasing level of water in the City's underground water aquifers and has

determined that increasing development is contributing to this serious problem. Therefore, City's Council has studied the issue and investigated possible solutions in order that it may continue to assure citizens that there will be water available to serve the community's needs. City's Council is actively engaged in water replenishment activities with the Kaweah Delta Water Conservation District and it has adopted a policy, as set forth in Chapter 16.54 of the Visalia Municipal Code, which requires annexation applicants to convey title to water rights to City upon annexation and/or to pay a fee to City (pursuant to an adopted fee schedule) so that City may acquire water for groundwater replenishment and storage in order to serve new development that comes with annexation, including development of the Property (the "Water Acquisition Policy"). Therefore, Owner agrees that, at the time that LAFCO issues a Certificate of Completion finalizing the annexation (and upon the running of all applicable statutes of limitation related thereto), Owner will comply with the Water Acquisition Policy by entering into an agreement with City to either (i) convey to City those water rights vested in the Property, if any, (ii) agree to pay City a fee in lieu thereof, (iii) agree to some combination of an in lieu fee payment and water right conveyance, or (iv) to comply by any other method allowed by the Water Acquisition Policy, provided that such agreement includes a condition precedent requiring City's water supplier to agree to serve the Property with potable water in amount sufficient to meet Owner's reasonably anticipated total water demand for the Property, as determined by a valid water supply assessment prepared pursuant to California Water Code § 10910 *et seq.* No post-annexation permit or entitlement approvals concerning the Property will be issued by City unless and until Owner complies with the Water Acquisition Policy in a manner consistent with this subsection II(A). Owner agrees that it shall identify all water rights which, to the best of Owner's knowledge, have been used by Owner or its agents in connection with the Property, regardless of whether they are considered "vested" in the Property, and shall comply with the Water Acquisition Policy by entering into an agreement with City to convey such rights, if any, to City. City shall cooperate with Owner in valuing such water rights for the purposes of determining the amount of offset to be applied against the in lieu fee as required pursuant of the Water Acquisition Policy. Owner further agrees that City shall have first right of refusal in acquiring upon mutually acceptable terms any water rights that Owner owns that may be in addition to those required to meet Owner's obligations under the Water Acquisition Policy. City agrees that water rights need not be conveyed and in lieu fees shall not be made payable until City's issuance of one or more building permits for the Property and, in the event Owner applies to City for its approval of multiple building permits for the Property, City agrees such water rights conveyance or fee payment obligation shall be allocated on a pro rata basis to each phase of development covered by each such building permit, with conveyance of water rights or payment to be made on a per permit basis upon City's issuance of each such building permit for the Property."

3. **General Plan Maintenance Fee.**

Section II(B) of the Pre-Annexation Agreement is hereby deleted in its entirety and replaced with the following:

“B. General Plan Maintenance Fee: On June 21, 2004, the City adopted (by Resolution 2004-63, as corrected) a General Plan Maintenance Fee. Owner agrees that, at the time LAFCO issues a Certificate of Completion finalizing the annexation (and upon the running of all applicable statutes of limitation related thereto), Owner will enter into an agreement with City to pay the General Plan Maintenance Fee in an amount equal to \$308.00 per acre and no post-annexation permit or entitlement approvals concerning the Property will be issued unless and until said agreement is executed. City agrees that such fee shall not be made payable until City’s issuance of one or more building permits for the Property and, in the event Owner applies to City for its approval of multiple building permits for the Property, City agrees such fee payment obligation shall be allocated on a pro rata basis to each phase of development covered by each such building permit, with payment to be made on a per permit basis upon City’s issuance of each building permit for the Property. Owner’s satisfaction of its obligations under this Section II(B) will satisfy any and all of Owner’s obligations related to and arising under the General Plan Maintenance Fee.”

4. **Development Plan.**

Section II(D) of the Pre-Annexation Agreement are hereby deleted in its entirety and replaced with the following:

“D. Development Plan: Per the condition requested by the Visalia City Council and included in the Resolution, the Owner hereby agrees to the following criteria regarding future development on the Property:

- The site shall be developed in stages, with Stage 1 to be the southernmost 160 acres of the Property (the “Stage 1 Area”), and Stage 2 to be the northernmost remainder 320 acres of the Property (the “Stage 2 Area”), as such stages are depicted on the attached Exhibit C.
- The subdivision of the Stage 1 Area will be allowed immediately upon annexation, provided at least two parcels are created with a minimum size of 40 acres each, and all other parcels have a minimum size of 10 acres (City acknowledges that right-of-way dedications will be required for the Project and that the land area comprising such dedications will be factored into the minimum lot size requirements of this section II(D) such that the resulting net parcel sizes will be proportionately smaller than the minimum lot sizes otherwise required hereunder). The criteria for minimum lot size can be waived on an individual case basis if the Community Development Director makes the findings that the parcel will be occupied by an identified user(s) that would bring substantial economic and/or job benefits to the City of Visalia, that the user(s) will have a building size at least 100,000 sq. ft., and that the user(s) initially provides 50 full-time jobs.

- No subsequent subdivision or other development entitlement for the Stage 2 Area shall be approved until a Stage 2 Area master plan is developed and an agreement between City and Owner establishing Stage 2 Area minimum parcel sizes is approved by the City, which minimum parcel sizes shall in no event be larger than 40 acres (the “Stage 2 Agreement”). Furthermore, no subdivision map or other development entitlement for the Stage 2 Area shall be approved by the City until the developable area of the Stage 1 Area is at least 75% developed. Notwithstanding anything to the contrary in this Agreement, a Stage 2 Area master plan and any agreements between Owner and City related to the Stage 2 Area may be approved prior to the development of 75% of the developable area of the Stage 1 Area.”

5. **Counterparts.** This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute an agreement binding all parties. The parties agree to accept signatures transmitted via facsimile.

6. **Governing Law.** This First Amendment and the Pre-Annexation Agreement, as amended by this First Amendment, shall be governed by and construed in accordance with California law.

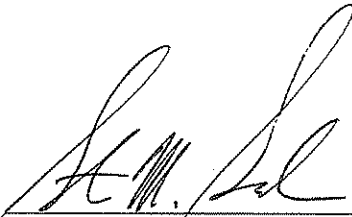
[THIS SPACE INTENTIONALLY LEFT BLANK]

7. **Effect of Amendment.** Except as expressly modified by this First Amendment, the Pre-Annexation Agreement shall continue in full force and effect according to its terms, and City and Owner hereby ratify and affirm all their respective rights and obligations under the Pre-Annexation Agreement. In the event of any conflict between this First Amendment and the Pre-Annexation Agreement, this First Amendment shall govern.

IN WITNESS WHEREOF, this First Amendment has been executed as of the day and year first written above.

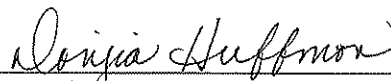
CITY OF VISALIA

Date: 10/23/09

By: 
Steve Salomon, City Manager

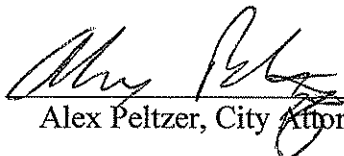
Attest:

Date: 10/26/09

By: 
Donjia Huffmon, City Clerk *Deputy*

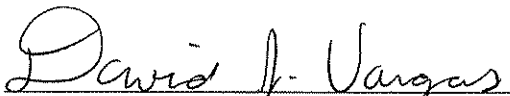
Approved as to Form:

Date: 10/20/09


By: 
Alex Peltzer, City Attorney

VARGAS

Date: 10/05/2009

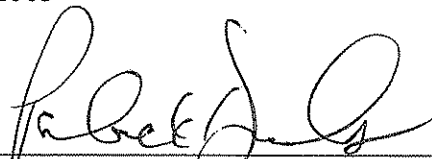
By: 
David J. Vargas, Co-trustee of the
Vargas Family Trust, dated December 23,
2005

Date: 10/5/09

By: 
Ana Paula S. Vargas, Co-trustee of the
Vargas Family Trust, dated December 23,
2005

MSJ

Date: 10/6/2009

By: 
Patrick Daniels, Manager
Vargas / MSJ Development, LLC

ACKNOWLEDGMENT

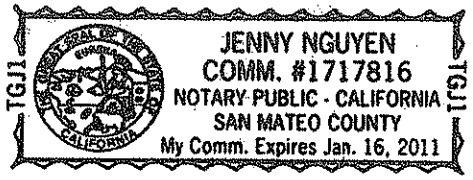
STATE OF CALIFORNIA)
)
COUNTY OF Santa Clara) ss:

On October 5th, 2009 before me, Jenny Nguyen - Notary Public (here
insert name of the officer), Notary Public, personally appeared

David J. Vargas and Ana Paula S. Vargas, 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.



Jenny Nguyen
Signature of Notary Public

[Seal]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 10/16/09 before me, Michelle Single, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Patrick Daniels
Name(s) of Signer(s)

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 Michelle Single
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

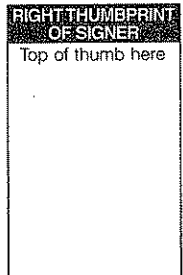
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

ACKNOWLEDGMENT

State of California
County of Tulare

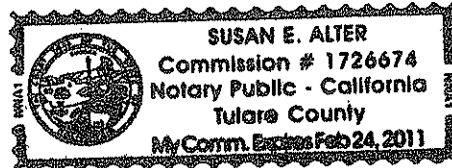
On October 23, 2009 before me, Susan E. Alter, a Notary Public
(insert name and title of the officer)

personally appeared Steven M. Salomon,
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 Susan E. Alter



(Seal)

Annexation No. 2007-01 (Vargas)

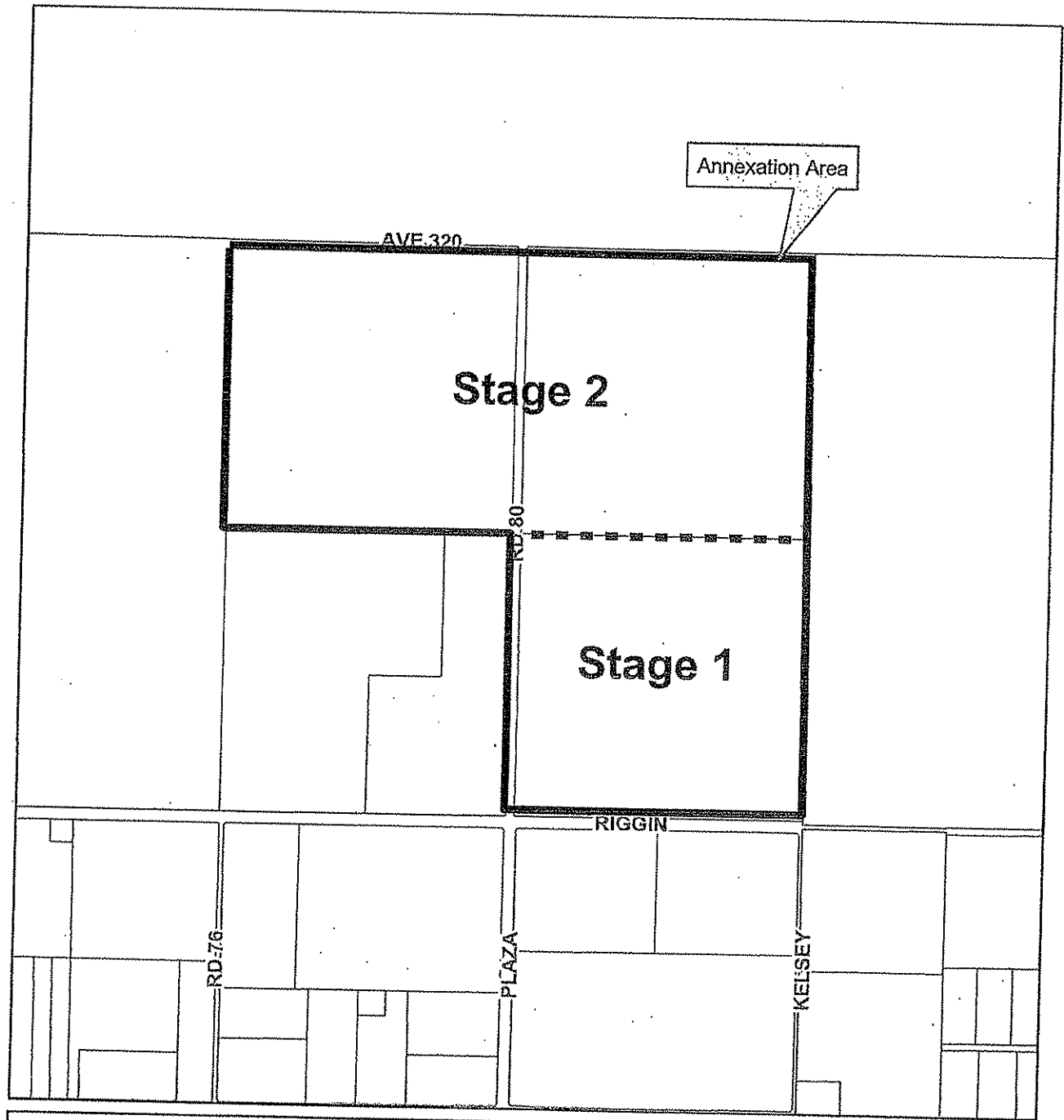
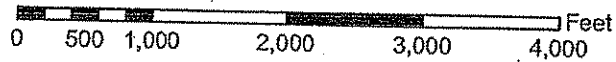


Exhibit "C" of
Visalia Annexation No. 2007-01
Pre-Annexation Agreement



Visalia Industrial Park Expansion Assessment

Prepared by:

City of Visalia
and
Visalia Economic Development Corporation

Technical Assistance:
A. Plescia & Co.

September 2006

Visalia Industrial Park Expansion Assessment

TABLE OF CONTENTS

I. Introduction	1
A. Purpose	
B. Process	
II. Summary of Conclusions, Findings and Recommendations	1
A. Conclusions	
B. Findings	
C. Recommendations	
III. Background	4
A. Visalia Industrial Park	
B. Objectives	
C. Potential Annexation Properties	
IV. Existing Plans and Policies	6
A. Visalia General Plan	
B. Visalia Industrial Park Implementation Plan	
C. Economic Development Incentive Policy	
D. City of Visalia Zoning Ordinance	
V. Existing Conditions	10
A. Land Inventory	
B. Existing Industrial Space – Vacancy	
C. Additional Building Space Capacity	
VI. Market Considerations	15
A. Previous Annexations	
B. Recent/Current Development	
C. Prospects and Inquiries	
D. Comparison of Requested Property/Building Space and Existing Supply	
E. Employment	
F. Trends and Emerging Markets	
Sources of Information	22
Caveats and Limitations	23
Attachments	
Attachment A: Visalia Industrial Park Map	
Attachment B: Potential Annexation Properties	
Attachment C: Status of Vacant Industrial Property (5.0 acres or more in size)	
Attachment D: Sample of Industrial Prospects 2003 to 2006	

Visalia Industrial Park Expansion Assessment

LIST OF TABLES

	<u>Page No.</u>
Table 1: Industrial Land Use Designation Areas 1990 to 2020 (Acres)	7
Table 2: Existing Development Standards – Design District H	9
Table 3: Summary of Developed and Undeveloped Land (Net Acres)	10
Table 4: Comparison of Undeveloped Property for Total Land Area	11
Table 5: Status of Vacant Industrial Property (5.0 acres or more in size)	11
Table 6: Available Existing Industrial Space	12
Table 7: Summary of Available Lease Space	13
Table 8: Summary of Potential New Industrial Building Space	13
Table 9: Previous Industrial Development Activity 1994 to 2006	14
Table 10: Previous Industrial Development Activity – Average Annual Square Footage by Category, 1994 to Mid-20056	14
Table 11: Summary of Total Industrial Development Activity 1994 to Mid-2006	15
Table 12: Previous Industrial Land Annexations	15
Table 13: Previous Large Scale Industrial Development	16
Table 14: Manufacturing and Distribution Use Inquiries (2003 to Mid-2006)	17
Table 15: Summary of All Industrial Prospects – 2003 to Mid-2006 (Number of Parcels/Acres by Parcel Size)	18
Table 16: Summary of All Industrial Prospects – 2003 to Mid-2006 (Amount of Requested Building Size)	18
Table 17: Comparison of Requested Property and Available Property in Acres	19
Table 18: Comparison of Requested Building Space and Potential New Space	19
Table 19: Summary of Existing Industrial Employment	20

Visalia Industrial Park Expansion Assessment

I. INTRODUCTION

A. Purpose

The purpose of this report is to present preliminary information related to the potential expansion of the existing Visalia Industrial Park through possible annexation of approximately 640 acres of property north of Riggin Avenue along both the east and west sides of Plaza Drive.

This report is intended to provide a "qualitative" assessment in order to help inform the City of Visalia's consideration of a potential expansion of the existing Visalia Industrial Park through annexation, taking into account how such a potential expansion fits into the overall context of the Visalia Industrial Park and an overall strategy to achieve successful completion of the Visalia Industrial Park. Specifically, the City of Visalia and Visalia Economic Development Corporation are interested in accommodating the type and size of projected future industrial development in order for Visalia to remain competitive in the regional industrial market place

The preliminary information addresses existing plans and policies, previous development activities, existing market conditions and potential future market trends. The preliminary information presented in this report is as of mid-June 2006.

B. Process

To accomplish the work for this assignment, A. Plescia & Co. met with various City of Visalia and Visalia Economic Development Corporation representatives; toured and visited the Visalia Industrial Park; collected, reviewed and evaluated secondary market data and information; and met with informed market participants including commercial real estate brokers, developers and property owners knowledgeable about the Visalia industrial market.

II. SUMMARY OF CONCLUSIONS, FINDINGS AND RECOMENDATIONS

A. Conclusions

The Visalia Industrial Park is experiencing an upward cycle in industrial activity. To take advantage of the current interest levels and strategically best position Visalia for future opportunities it is important to have sufficient industrial land, including a mixture of varying parcel sizes, zoned and readied for development.

It is anticipated that Visalia will continue to be an area of interest for companies seeking warehouse, distribution and agricultural-based industries seeking a centralized location from which to serve California and/or the western United States. For Visalia to be competitive in attracting industrial users and creating employment, it will be necessary to have an adequate supply of land in both significant number of parcels and a variety of sizes in which to continue attracting these companies and create job creation opportunities for the community.

B. Findings

Based on the preliminary information presented in this report are the following findings in regard to industrial development in Visalia:

Previous Industrial Development

1. There has been significant increase in development of new industrial space over the period from 2004 to mid-2006 as evidenced by the fact that:
 - a. There was almost as much new industrial space developed from 2004 to mid-2006 (2,246,100 square feet) as collectively in the previous ten-year period from 1994 to 2003 (2,676,200 square feet) (see Tables 9 and 10)

Visalia Industrial Park Expansion Assessment

- b. That the average annual amount of industrial space developed in the 2004/mid-2006 period was 898,440 square feet compared to only 229,360 square feet in the 1994/98 period to 330,000 square feet in the 1999/2003 period (see Tables 9 and 10)
2. The largest increase in industrial development activity during the period from 1994 to mid-2006 was in the "over 500,000 square foot" category with development activity significantly increasing from 0.0% of the overall industrial development activity in the 1994/98 period to 42.5% in the 1999/2003 period and to 59.9% in the 2004/mid-2006 period (see Table 9).
3. Industrial space in buildings from "100,000 to 250,000 square feet" in size constituted approximately 47.2% of all industrial development in terms of total building area (square feet), while buildings "over 500,000 square feet" in size constituted approximately 39.7% for the period from 1994 to mid-2006 (see Table 11).
4. The average size of industrial buildings during the period from 1994 to mid-2006 increased substantially from 52,127 square feet in the 1994/98 period to 63,725 square feet in the 1999/2003 period and to 86,388 square feet in the 2004/mid-2006 period (see Table 9).

Vacant Industrial Property and Space

5. The largest percentages of vacant industrial property are in the "up to 1.0 acre" and "20.0 to 40.0 acre" categories with 66.3% and 65.3%, respectively. The lowest percentage was in the "10.0 to 20.0 acre" category; with approximately 49.5% of the properties in the "more than 40.0 acre" category being vacant (see Table 4).
6. There are only sixteen (16) identified vacant parcels designated/zoned for industrial use that are 5.0 acres or larger in size, including two (2) in the range of 10.0 to 20.0 acres, four (4) in the range of 20.0 to 40.0 acres and three (3) over 40.0 acres in size. These sixteen parcels total approximately 453 acres (see Table 3).
7. Of the sixteen (16) subject parcels 5.0 acres or larger in size only three (3) parcels totaling 240 acres (approximately 53.0%) are being actively marketed for development on a build-to-suit lease basis while the other (13) parcels totaling 213 acres (approximately 47.0%) are either not available or are not being actively marketed either sale, lease or development (see Table 5).
8. In terms of existing vacant industrial space in buildings of at least 40,000 square feet in size as of mid-2006 (see Tables 6 and 7):
 - a. The highest percentage (33.0%) of vacancy is for building space in the category of 50,001 to 100,000 square feet
 - b. Building space in the "100,001 to 200,000 square foot" category and "over 200,000 square foot" category constitute 28.3% and 24.7% of the existing available building space
9. Currently there are only ten (10) existing lease spaces of 50,000 square feet or more in size (in buildings of at least 40,000 square feet in size) that are currently available for occupancy (lease), with only two that could accommodate a user of 100,000 to 150,000 square feet, and only one space that could accommodate a user over 200,000 square feet (232,750 square feet) (see Tables 6 and 7).
10. Based on the amount of currently vacant designated industrial property (602 acres) and the average annual amount of industrial development has occurred from 1994 to mid-2006 (approximately 394,000 square feet) there is approximately 16 to 18 years of absorption. If the average annual amount of industrial development for the period 2004 to mid-2006 (approximately 898,000 square feet) then the projected numbers of years of absorption would be approximately 8 to 9 years.

Industrial Inquiries and Prospects

11. For identified manufacturing and distribution prospects (only) for Visalia and Tulare County for the period from 2003 to mid-2006 (see Table 14):

Visalia Industrial Park Expansion Assessment

- a. The majority of the identified prospects were seeking properties under 20.0 acres in size (64.0%) and buildings under 100,000 square feet (76.1%)
- b. Approximately 28.0% of the prospects required parcels over 40.0 acres in size
- c. Approximately 48.0% of the prospects required ownership of space versus lease space.

12. For all identified potential industrial prospects for Visalia and Tulare County for the period from 2003 to mid-2006 (see Tables 15 and 16):

- a. The largest percentage of inquiries were for buildings "over 500,000 square feet" (41.8%) and buildings in the "100,000 to 250,000 square foot" range (30.6%)
- b. Approximately 91.5% of the inquiries were for buildings that were 100,000 square feet or larger in size
- c. Most of the inquiries were for parcels that were at least 5.0 acres in size (85.0%) with the greatest interest in parcels that were 10.0 to 20.0 acres (35.0%), 5.0 to 10.0 acres (20.0%) and over 40.0 acres (20.0%)
- d. Inquiries regarding parcels over 40.0 acres in size constituted approximately 79.5% of the overall total requested acreage
- e. The average requested parcel size was approximately 48.4 acres
- f. Approximately 60.5% of the prospects were seeking ownership of space instead of lease space; while only 16.4% indicated a preference for lease space

Comparison of Requested Space and Existing Supply

13. There appears to be sufficient existing vacant industrial land to meet the amount of requested industrial property (by category of parcel size) with exception of two categories - the "10.01 to 20.0 acres" and "over 40.0 acres", with approximate shortfalls of 84.0 acres and 530.0 acres, respectively (see Table 17).

14. In terms of requested building space, the only category of requested building size (by building square footage) that appears not to have potential sufficient building space that could be developed on existing vacant industrial land area is the "100,001 to 250,000 square foot" category (approximate shortfall of 973,000 to 1,313,000 square feet, respectively) (see Table 18).

C. Recommendations

The intent of the following is to address the conclusions and findings stated above, and to specifically address the potential annexation of the subject 640 acres north of Riggin Avenue (as further described in Section III) and/or other industrial designated properties potentially considered for annexation into the City of Visalia as part of the Visalia Industrial Park:

1. Any consideration for annexation of additional properties and/or any related provisions for such annexations should be in the context of established City of Visalia policies for industrial development as set forth in the Visalia General Plan and Visalia Industrial Park Implementation Plan
2. As a condition of annexation of any properties into the City of Visalia for industrial development as an expansion of the Visalia Industrial Park are the following suggested requirements:
 - a. In collaboration with the City of Visalia the property owner should prepare a master plan for proposed development of the subject properties. The intent of this requirement would be to assist in establishing the required land use entitlements upfront (including tentative parcel map) as a means to "ready" the subject properties for development from an entitlement perspective.
 - b. The master plan should address the specific proposed type, size, location, and phasing of projected development (including on-site and off-site improvements, on-site parking, site amenities and features, etc.), and include the appropriate building sizes that relate to the identified projected future demand for industrial space in Visalia. Based on the preliminary information presented in this report, and more specifically the findings set forth in Section I.B. above, the proposed development should initially include:

Visalia Industrial Park Expansion Assessment

- i. a percentage of the land area (e.g. 40% to 60%) designated for parcels that could accommodate development of at least 500,000 square feet of building space; and
 - ii. a percentage of the land area (e.g. 30% to 40%) designated for parcels that could accommodate development of 100,000 to 250,000 square feet of building space.
 - iii. the requested building space noted above in i. and ii. Should be provided either as single buildings or multiple buildings if the multiple buildings are designed and intended for use by a single industrial user
- c. The property owner and City of Visalia should enter into a "pre-annexation" or "development agreement" that embodies the proposed master plan (including related development entitlements) as described in Items 2.a and 2.b. above.

3. Specifically in regards to the two subject properties north of Riggan Avenue being considered for annexation to the City of Visalia (as described in Section III), the development of such properties should be accomplished in phases with initial development limited to the area north of Riggan Avenue and south of Avenue 316. Once a substantial amount (e.g. at least 65%) of that initial area has been developed then the area north of Avenue 316 would be allowed to be developed as later phase(s). This approach would provide for contiguous urban development north of Riggan Avenue consistent with a logical extension of public infrastructure/improvements and utilities north of Riggan Avenue to serve such development.

4. The City of Visalia should review and evaluate the provisions outlined in Item 2 and 3 above (if approved) in five years from the date of approval to determine if the subject provisions are still valid in relation to the industrial market at that point in time, and specifically if the provisions should continue, be modified or be eliminated.

5. The City of Visalia should consider updating the existing Visalia Industrial Park Implementation Plan (2003) so as to more specifically address emerging and projected trends in the Visalia industrial market

III. BACKGROUND

A. Visalia Industrial Park

The Visalia Industrial Park is located in the western portion of the City of Visalia located generally between Shirk Street, State Highway 99, Riggan Avenue and Hurley Avenue and consists of those properties designated and zoned for light industrial and heavy industrial uses. For the purposes of this report, the preliminary information presented relates to that portion of the overall Visalia Industrial Park that is designated/zoned for light or heavy industrial use and within the incorporated limits of the City of Visalia (see Attachment A).

B. Objectives

Based on the existing City of Visalia plans and policies related to industrial development the following are specific objectives related to continuing an economically successful Visalia Industrial Park:

1. Retain and strengthen the City of Visalia's role as a regional warehouse, distribution and manufacturing (including food processing) location that is central to California
2. Provide an adequate supply of property designated and zoned for industrial use that is "ready" for development including the availability of adequate public infrastructure and utilities
3. Provide and preserve the opportunity for development of a variety of parcel and building sizes intended to accommodate requirements of various segments of both the existing and projected industrial markets
4. Provide an opportunity for users to either potentially own or lease industrial space as a means to broaden the attraction to potential users with varying interests in the tenure of space

Visalia Industrial Park Expansion Assessment

5. Continue to focus recruitment of potential warehouse, distribution, manufacturing (including food processing) and agricultural business uses
6. Increase and diversify the industrial employment base by attempting to attract a balance of warehouse, distribution, manufacturing (including food processing) and service related users

C. Potential Annexation Properties

1. Description of Properties

The properties that are being considered for possible annexation to the City of Visalia are indicated on the map included as Attachment B.

- APN 077-012-004 and 009 (Doe) - The first property is an approximate 160-acre privately owned property located on the northwest corner of Plaza Drive and Riggin Avenue. The property contains land that is primarily being farmed for row crops. There is an existing inhabited mobile home and two abandoned houses with accessory structures located on the 1.50-acre portion southern portion of the site fronting Riggin Avenue.
- APN 077-012-008, 010 and 011 (Vargas) - The second property consists of three approximately 160-acre parcels (total of 480 acres) located in the quadrant bounded by Riggin Avenue, Kelsey Avenue, American Avenue and Road 320. The subject property is currently vacant.

The properties are located outside the 98,700 Population Urban Development Boundary but within the current 129,000 Population Urban Development Boundary. The current City limit line is located along Riggin Avenue which is along the southern boundary of the subject properties; however the subject properties are not currently located within the City of Visalia "sphere of influence".

The properties have a City of Visalia General Plan designation of I-H Heavy Industrial zoning which would apply upon annexation into the City of Visalia. In addition the subject properties have Tulare County zoning designation of AE-40 and a General Plan designation of Heavy Industrial.

2. Williamson Act

Both properties are currently within Williamson Act Preserve contracts. The first property contains two separate Williamson Act contracts. The easterly 60-acre portion is under one contract that was protested by the City in 1974. The balance of the property (100 acres) is within another Williamson Act contract that was not protested by the City upon its establishment in 1978. The second property is also under two separate Williamson Act Preserve contracts. The southerly 160-acre portion is under one contract that was protested by the City in 1974. The balance of the property (320 acres) is under another Williamson Act contract that was protested by the City upon its establishment in 1974, but is not considered a valid protest since the area was further than one mile from the city limits at the time of the protest. The City of Visalia can choose to remove the Williamson Act designation for those properties with valid protests without penalty upon annexation into the city.

Agricultural preserve contracts obligate a landowner to limit the use the land to agricultural production in exchange for tax benefits. The Williamson Act allows farming to continue in areas close to urbanization by a beneficial tax assessment procedure whereby land is assessed based on its agricultural value rather than its speculative value for urbanization purposes. The contracts are for ten years and are automatically renewed each year for another ten years so that they continue indefinitely unless: 1) the land owner requests cancellation; 2) a notice of non-renewal is filed; or 3) in some instances a city elects to not to succeed the provisions of the agricultural preserve contract upon annexation of land.

A request for cancellation requires approval by the agency administering the Williamson Act contract. Upon termination the agency must determine that such action is in the public interest and that there is no other land not under contract which can be used for the same purpose. Additionally lands that are removed from an agricultural preserve before the end of the full or remaining contract period require that a financial penalty be paid.

Visalia Industrial Park Expansion Assessment

If either the landowner or the administering agency desires in any year not to renew the contract, the party can file a written notice of non-renewal which stops the automatic renewal provisions in a contract. Ten years from the notice of non-renewal filing date, the contract is then terminated.

The existence of a non-protested Williamson Act Preserve contract does not prohibit development. Development would not be able to occur until a notice of non-renewal is exercised and the contract eventually expires. Alternatively, the land owner may request that the City Council consider a contract cancellation. A successful contract cancellation requires special findings and a payment of a cancellation fee equal to 12.5 percent of the urban value of the property.

IV. EXISTING PLANS AND POLICIES

A. Visalia General Plan

The City of Visalia General Plan sets forth various provisions related to overall industrial development within the City of Visalia as well as goals, objectives and implementing policies that relate to the further development of the Visalia Industrial Park. The City of Visalia General Plan dated June 1996 includes the following goals, objectives and implementing policies related to the Visalia Industrial Park:

Goal 3: Diversify and Improve the Visalia Planning Area's Economy

Objectives:

1. Encourage the location of new industries that do not generate substantial amounts of pollutant emissions, impacts on air quality or other natural resources
2. Ensure compatibility between industrial lands and adjacent dissimilar land uses
3. Retail and strengthen the City's role as a regional manufacturing center in the Southern Central San Joaquin Valley

Implementing Policies:

- 3.7.1. Designate appropriate and sufficient land for Visalia's industrial needs
- 3.7.2. Direct industrial uses to and encourage expansion of the northwest industrial areas
- 3.7.13. Reserve adequate sewage treatment plant capacity and sewerage capacity to meet the projected needs of industrial growth. Further to ensure this capacity is prudently used the City should encourage industries which have low-volume and low-strength discharges

The Land Use Element of the Visalia General Plan includes Policy 3.5.7 which indicates that an Implementation Plan should be developed for the industrial area that provides for an adequate mix of parcel sizes, service commercial uses, commercial services, public facilities and infrastructure, open space, circulation, alternative transit modes and parking.

The General Plan includes information related to the general projected amount of industrial land needed by 2020 to meet the anticipated industrial development needs of Visalia (see Table 1).

Light Industry is defined as less intensive research and development, warehousing and limited manufacturing activities. Production, processing, assembling, packaging or treatment of food products from previously processed materials or finished products from previously prepared materials. Heavy Industry use is defined as manufacturing, processing or assembling of semi-finished or finished products from raw materials. Activities and/or operations shall comply with applicable state, federal and local environmental standards.

Visalia Industrial Park Expansion Assessment

**Table 1:
Industrial Land Use Designation Areas 1990 to 2020 (Acres)**

	<u>1988</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Light Industry	678	743	743	743
Heavy Industry	1,488	1,488	1,491	1,491
Heavy Industry Reserve	0	0	620	1,280

Source: City of Visalia General Plan

B. Visalia Industrial Park Implementation Plan

The Visalia Industrial Park Implementation Plan was prepared for the City of Visalia in October 2003. The Plan included an economic analysis and target industry study to determine the amount and type of industrial growth that would most likely occur over the next twenty-year period to 2023. Based on that analysis the Implementation Plan suggested targeting the following types of industrial users:

- Distribution and Trucking
- Food processing
- Communications equipment
- Machinery
- Engineering lab services

Based on historical and projected demand the Implementation Plan estimated a need for between 600 and 1,000 acres of additional land over the next twenty years to meet projected industrial growth needs. According to the Implementation Plan, approximately fifty-percent (50%) of the land area would be for parcels of less than ten acres in size, with the other fifty-percent (50%) of the land area being for parcels ranging in size from ten (10) to forty (40) acres. An adequate supply of parcels of forty (40) acres or more in size was also recommended.

In regard to the use of annexation of additional land area as a means to expand the existing Visalia Industrial Park the Implementation Plan indicated that:

- There are constraints to expansion north of Avenue 316 due to the presence of non-protested agricultural preserves, which affects virtually all of the property on City of Visalia's long-term industrial development horizon
- Land should be annexed to ensure that Visalia has at least a ten-year supply of annexed and zoned industrial land
- The Industrial Park should expand north along Plaza Drive corridor to Riggin Avenue, at which point it should expand east and west along Riggin Avenue

The Plan set forth various objectives and implementing policies related to industrial land development and industrial land use consistent with the City of Visalia General Plan.

1. Objectives and Implementing Policies

Objectives:

- Encourage the location of new industries that do not generate substantial amounts of pollutant emissions, impacts on air quality or other natural resources;
- Ensure compatibility between industrial lands and adjacent dissimilar land uses
- Retain and strengthen the City's role as a regional manufacturing center in the Southern Central San Joaquin Valley

Implementing Policies:

- Direct industrial uses to and encourage expansion of the northwest industrial area

Visalia Industrial Park Expansion Assessment

- Provide for an adequate mix of parcel sizes, services commercial uses, commercial services, public facilities and infrastructure, open space, circulation and alternative transit modes and parking
- Designate the property located between Road 76 and Road 92 and north of Riggin as Industrial Reserve in order to ensure adequate supply and appropriate phasing of industrial land in the community

In terms of land use the Implementation Plan designates the subject properties being considered for potential annexation to the City of Visalia for industrial use with commercial convenience uses at the intersection of Plaza Drive and Riggin Avenue. Both Plaza Drive (north of Riggin Avenue) and Riggin Avenue (both east and west of Plaza Drive) are designated as "arterial" streets. Arterial streets are intended to provide the majority of a community's traffic carrying capacity in connections to the freeway system and to other arterial and collector streets.

2. Warehousing and Distribution

Visalia enjoys a number of key location advantages over competitors in terms of the industrial market, including a low cost of living, a readily available labor supply, active business-serving organizations, below average land costs, available land, streamlined planning and permit processing, low rents on industrial space and access to transportation.

- Labor Availability and Cost – low unemployment; lowest wage rates among competing locations; educated workers
- Site Availability and Readiness – availability of water, sewer and electrical services; flat land
- Transportation Accessibility – specifically Highways 99 and 198
- Low Start-Up Costs – reasonable impact fees and construction costs that are lower than other competing areas
- Business Climate – incentives for training and hiring; supportive and responsive city staff

3. Market Demand and Parcel Size Recommendations

The Implementation Plan indicated that the need for additional industrial development land will likely range from 15 to 30 acres per year over an extended period of time (e.g. 10 to 20 years); however short term needs might be in the range of 30 to 50 acres per year. The Implementation Plan further indicates that the larger range of parcel size (30 to 50 acres) be used for future planning purposes.

In order to accommodate the wide variety of users that are expected, approximately fifty-percent (50%) of the projected annual demand should be prepared for small to mid-size parcels (less than 10 acres) and the other fifty-percent (50%) be reserved for large parcels (20 to 60 acres). At the projected absorption rates the Implementation Plan indicates that the Visalia Industrial Park is projected to have over 15 to 20 years of available industrially zoned land. The City of Visalia's recent experience in attracting larger users (facilities) indicates the need for a continued supply of parcels in the 40 plus acre size range.

C. Economic Development Incentive Policy

In March 2001 the City Council adopted the Economic Development Incentive Policy (which was modified in September 2005) which provides up to \$250,000 to offset local, building and development impact fees for the use in construction and installation of public improvements that would be required by a business. A new or expanding business has to meet at least two of the following three criteria:

1. creating a minimum of 100 new full-time equivalent jobs
2. creating a minimum \$30 million in new investment (buildings, structures and equipment)
3. generating ongoing general fund revenue over \$200,000 annually.

Eligible businesses for assistance under this policy include: 1) new businesses seeking to locate in Visalia; 2) existing Visalia businesses seeking to expand; or 3) existing Visalia businesses contemplating relocation outside of Visalia. Qualifying businesses under this policy are limited to professional/commercial or industrial businesses (retail businesses do not qualify under this policy).

Visalia Industrial Park Expansion Assessment

New jobs created or existing jobs retained must be within the manufacturing or distribution category or otherwise must provide substantial new economic activity for the community and qualify under the U.S. Housing and Urban Department (HUD) Job Retention and Creation Guidelines.

D. City of Visalia Zoning Ordinance

The City of Visalia Zoning Ordinance (Title 17 of the Visalia City Ordinance Code) dated November 2004 includes two industrial zoning districts designed to achieve the following:

- Provide appropriate industrial areas to accommodate enterprises engaged in the manufacturing, processing, creating, repairing, renovating, painting, cleaning or assembly of goods, merchandise or equipment
- Provide adequate space to meet the needs of industrial development

Planned Light Industry Zone (P-I-L) – the purpose and intent of the planned light industry zone district is to provide an area for use that are characterized by low intensity research and development, warehousing and limited manufacturing and production, processing, assembling and packaging or treatment of food products from previously prepared materials.

Planned Heavy Industrial Zone (P-I-H) - the purpose and intent of the planned heavy industry zone district is to provide an area for uses that are characterized by the manufacturing, processing or assembling of semi-finished or finished products from raw materials. A planned development permit must be obtained for all development in the P-I-H zone subject to the requirements in Chapter 17.28

Development Standards

The development standards for the Visalia Industrial Park are set forth in Design District H (Section 17.30.230 of the City of Visalia Zoning Ordinance) and are briefly described below in Table 2.

**Table 2:
Existing Development Standards – Design District H**

<u>Item</u>	<u>Standard</u>
Building Height	Seventy-five (75) feet
Front Yard	Forty (40) feet on Major Roads; Twenty-five (25) feet on Minor Roads; fifteen (15) feet on Interior Roads
Side Yard	Zero; Forty (40) feet abutting railroad right-of-way; Twenty (20) abutting a residential zoning district
Rear Yard	Zero; Twenty (20) feet abutting a residential zoning district
Site Area	Minimum of five (5) acres; parcels subdivided into parcels of less than five (5) acres shall provide a common or joint storm drainage facility to be maintained through a private property owners association
Parking	One (1) space for each employee during the shift of maximum employment, plus one (1) space for each vehicle used in conjunction with the use for manufacturing plants and other industrial uses; One (1) space for each 1,000 square feet of floor area for storage and warehouses

Source: City of Visalia Zoning Ordinance (Title 17 of Visalia City Ordinance Code), November 2004

Visalia Industrial Park Expansion Assessment

Design District H includes streets of varying width, carrying capacity and intended level of service. The development standards vary by type of street in order to maintain a consistent streetscape and achieve a high quality visual impact necessary to sustain an attractive and viable industrial area.

V. EXISTING CONDITIONS

A. Land Inventory

Table 3 below is intended to present preliminary information regarding the amount of developed and undeveloped property within the existing Visalia Industrial Park (within the Visalia City Limits) as of the date of this report. The developed and undeveloped property has been categorized by size of parcels, to help understand the size of properties that been developed to date and those properties that are currently undeveloped.

For the purpose of Table 3 the term "developed property" is defined as property that either has an existing structure or structure under construction. There are some properties that have City of Visalia approvals (e.g. development plan, subdivision map, etc.) for development; however as of the date of this report some of those properties are vacant, therefore such properties are considered "undeveloped". An example is the Oldfield project (American Industrial Park). There is an approved development plan and subdivision map for the project, however the portion of the project that has not yet been constructed is considered undeveloped for the purposes of Table 3.

Based on a review of the existing land use there is approximately 985 (62.1%) net acres of the area currently developed and approximately 602 net acres (37.9%) undeveloped – for a combined total of approximately 1,587 acres not including streets, retention basins, etc. The largest amount of vacant acreage is in the "20.01 to 40.00" acre and "over 40.0 acre" categories. The lowest amount of vacant acreage is in the "10.01 to 20.0" acre category.

**Table 3:
Summary of Developed and Undeveloped Land (Net Acres) (1)**

Category of Parcel Size	Developed Area			Undeveloped Area			Total		
	Acres	(Parcels)		Acres	(Parcels)		Acres	(Parcels)	
Up to 1.0 acre	34	(51)	27.1%	67	(132)	74.6%	101	(183)	50.2%
1.01 to 5.0 acres	208	(83)	44.2%	82	(29)	16.4%	290	(112)	30.7%
5.01 to 10.0 acres	197	(30)	16.0%	49	(7)	3.9%	246	(37)	10.1%
10.01 to 20.0 acres	224	(17)	9.0%	19	(2)	1.1%	243	(19)	5.2%
20.01 to 40.0 acres	77	(3)	1.6%	145	(4)	2.3%	222	(7)	1.9%
More than 40.0 acres	245	(4)	2.1%	240	(3)	1.7%	485	(7)	1.9%
Total:	985	(188)	100.0%	602	(177)	100.0%	1,587	(365)	100.0%
	62.1%			37.9%			100.0%		

Footnotes:

(1) Rounded to the nearest whole acre

Table 4 below presents information regarding the percentage of undeveloped property by category of property size. As indicated, the largest percentages of vacant property are in the "up to 1.0 acre" and "20.01 to 40.0 acre" categories – with approximately 66.3% and 65.3%, respectively. The next category with the highest rate of undeveloped land is the "more than 40.0 acre" category (49.5%).

Visalia Industrial Park Expansion Assessment

**Table 4:
Comparison of Undeveloped Property to Total Land Area**

<u>Category</u>	<u>Total Acres</u>	<u>Vacant Acres</u>	<u>Percent</u>
Up to 1.0 acre	101	67	66.3%
1.01 to 5.0 acres	290	82	28.3%
5.01 to 10.0 acres	246	49	19.9%
10.01 to 20.00 acres	243	19	7.8%
20.01 to 40.0 acres	222	145	65.3%
More than 40.0 acres	<u>485</u>	<u>240</u>	<u>49.5%</u>
Total	1,587	602	37.9%

Table 5 presents information regarding the current status of vacant properties that are 5.0 acres or larger in size. Based on this information:

- approximately 47.0% of the vacant properties of 5.0 acres or greater in size are either the location of approved projects yet to be constructed or pending projects (5.7%), not currently marketed for sale, lease and/or development but being held for potential future development (35.3%) and property owned by adjacent companies/businesses being held for potential future expansions (6.0%)
- approximately 53.0% are properties currently being marketed for build-to-suit development (leasehold interest)
- none of the existing sixteen vacant parcels were currently being marketed for outright sale

Therefore only about one-half of the vacant properties that are 5.0 acres or more in size are currently available for development. The other properties indicated as currently not marketed for sale, lease or development" could potentially become available for future development.

**Table 5:
Status of Vacant Industrial Property (5.0 acres or larger in size)**

<u>Status</u>	<u>Acres</u>	<u>% of Total</u>
Actively marketed for sale	0	0.0%
Actively marketed for development (lease)	240	53.0%
Actively marketed for development (ownership)	0	0.0%
Approved project/pending development	26	5.7%
Not currently marketed for sale, lease or development (1)	160	35.3%
Held for potential future expansion	<u>27</u>	<u>6.0%</u>
Total	453	100.0%

Footnotes:

(1) Could be available for future development

Visalia Industrial Park Expansion Assessment

B. Existing Industrial Space – Vacancy

Another factor in the review of the existing industrial market is the amount of existing industrial space that is vacant. Below is Table 5 which lists existing vacant industrial space in the Visalia Industrial Park for buildings that are 40,000 square feet or larger in size. Based on the information in Table 5 there is approximately 835,500 to 943,500 square feet of existing industrial space that is available for lease, ranging in size in size from approximately 30,000 to 232,750 square feet.

The existing available space listed in Table 6 could accommodate a wide range of size of potential users up to and including approximately 232,750. Based on preliminary information obtained in the research related to this report the general range of user size is 25,000 to 75,000 square feet; with the majority of such users in the 40,000 to 60,000 square foot range.

**Table 6:
Available Existing Industrial Space (1)**

<u>Property Location</u>	<u>Building Size Size (SF)</u>	<u>Available Space (SF)</u>	<u>Lease Rate (2)</u>
Ferguson/Plaza Drive - #1	154,000	50,000 to 118,000	\$0.29
Ferguson/Plaza Drive - #2	154,000	50,000	\$0.29
Ferguson/Plaza Drive - #3	200,776	42,000	\$0.30
800 Plaza Drive	172,000	52,416	\$0.29
8711 W. Doe	102,400	68,000	\$0.33
7530 W. Sunnyview	104,120	63,440	\$0.28
747 Plaza Drive	57,700	57,700	\$0.28
2223 N. Shirk	70,000	30,000 to 70,000	\$0.24
Hurley/Kelsey #1	232,752	232,752	NA
Hurley/Kelsey #2	149,200	149,200	NA
Hurley/Kelsey #3	<u>40,000</u>	<u>40,000</u>	<u>NA</u>
Total	1,858,200	835,518 to 945,508	

Footnotes:
 (1) Buildings of 40,000 square feet or more
 (2) Per SF/Month (NNN)

Source: Burr Commercial, April 2006

Existing vacant (available) lease space needs to be taken into account along with the extent of new building space that could be constructed on existing undeveloped land in any evaluation of the existing Visalia industrial market. This is particularly true in identifying the amount of existing vacant (available) space (both new and existing) and the projected amount and timing for absorption of such space.

The limiting factor is that the space listed in Table 6 is only available for lease. It would not provide an opportunity for those potential users interested in ownership of space; unless the existing owner was willing to sell an entire building to a potential user intent on utilizing the entire building. This is a factor based on the extent of industrial user inquiries that were seeking ownership of space instead of lease space (see Table 10).

The majority of the buildings listed in Table 5 range in size from approximately 150,000 to 232,000 square feet with exception of three buildings below 70,000 square feet. Given the number of buildings of that size and the extent of vacant (available) space in such buildings, it seems that amount of space could potentially delay development of additional new buildings (on a speculation basis) of that size (150,000 to 232,000 square feet) unless such buildings were being constructed on a build-to-suit basis or until such time as the majority of the existing vacant (available) space is absorbed by users.

Visalia Industrial Park Expansion Assessment

**Table 7:
Summary of Available Lease Space**

<u>Category</u>	<u>No. of Buildings</u>	<u>Leasable Area (SF)</u>	<u>Percent (Area)</u>
up to 50,000 square feet	3	132,000	14.0%
50,001 to 100,000 square feet	5	311,556	33.0%
100,001 to 200,000 square feet	2	267,200	28.3%
over 200,000 square feet	<u>1</u>	<u>232,752</u>	<u>24.7%</u>
Total	11	943,508	100.0%

C. Additional Building Space Capacity

1. New Development

Table 3 above indicates that there is approximately 602 acres of property within the existing Visalia Industrial Park that is currently undeveloped and that could accommodate additional new development. Applying a general site coverage factor of 25% the range of potential additional new space that could potentially be developed on the 602 acres of undeveloped property is approximately 6.6 million square feet.

**Table 8:
Summary of Potential New Industrial Building Space**

<u>Category of Parcel Size</u>	<u>Acres</u>		<u>Potential New Building Space (1)</u>	
Less than 1.0 acre	67	11.1%	730,000	11.1%
1.01 to 5.0 acres	82	13.6%	893,000	13.6%
5.01 to 10.0 acres	49	8.1%	534,000	8.1%
10.01 to 20.0 acres	19	3.2%	207,000	3.2%
20.01 to 40.0 acres	145	24.1%	1,579,000	24.1%
more than 40.0 acres	<u>240</u>	<u>39.9%</u>	<u>2,614,000</u>	<u>39.9%</u>
Total	602	100.0%	6,557,000	100.0%

Footnotes:

(1) Based on a site coverage ratio of 25%; rounded to the nearest 1,000 square feet

2. Previous Industrial Development Activity

Based on information from the City of Visalia Building Department there has been approximately 4,922,300 million square feet of new industrial space developed in the City of Visalia from 1994 through mid-2006. This translates into an average of approximately 394,000 square feet per year during that subject 12.5 year period of time.

Visalia Industrial Park Expansion Assessment

**Table 9:
Previous Industrial Development Activity 1994 to Mid-2006**

Building Size	1994 to 1998		1999 to 2003		2004 to 2006	
	SF (Buildings)		SF (Buildings)		SF (Buildings)	
less than 10,000 SF	60,900 (13)	5.3%	54,900 (15)	3.6%	58,400 (13)	2.6%
10,001 to 50,000 SF	17,300 (1)	1.5%	93,700 (2)	6.1%	121,000 (6)	5.4%
50,001 to 100,000 SF	69,900 (1)	6.1%	61,500 (1)	4.0%	65,600 (1)	2.9%
100,001 to 250,000 SF	998,700 (7)	87.1%	669,300 (5)	43.8%	656,100 (4)	29.2%
250,000 to 500,000	0 (0)	0.0%	0 (0)	0.0%	0 (0)	0.0%
over 500,000 SF	0 (0)	0.0%	650,000 (1)	42.5%	1,345,000 (2)	59.9%
Total	1,146,800 (22)	100.0%	1,529,400 (24)	100.0%	2,246,100 (26)	100.0%
Average Space/Year	229,360		305,880		898,440	
Average Building Size	52,127		63,725		86,388	

Source: City of Visalia Building Division, June 2006

Based on the preliminary information presented in Table 9 above there are some key findings related to trends in industrial space development.

- First, the overall level of activity in terms of total buildings and square feet per year has significantly increased in the period from 2004 to mid-2006 in comparison to the previous ten-year period.
- Second the overall size of new buildings has increased substantially in the period from 2004 to mid-2006 in comparison to the previous ten-year period, primarily related to the development of the buildings for JoAnn Stores (600,000 square feet), VF Corporation (795,000 square feet) and new DDG project (550,000 square feet).

Table 10 below presents information regarding the average annual amount of industrial space developed for the time periods of 1994 to 1998, 1999 to 2003 and 2004 to mid-2006. As indicated, the average annual amount of developed industrial space increased for every category of building size from 1994/98 to 2004/mid-2006. The "10,001 to 50,000 square foot", over 500,000 square feet" categories increased the most significantly.

**Table 10:
Previous Industrial Development Activity – Average Annual Square Footage by Category, 1994 to Mid-2006**

Building Size	Average Annual Square Footage		
	1994 to 1998	1999 to 2003	2004 to Mid-2006
Less than 10,000 SF	12,180	10,980	23,360
10,001 to 50,000 SF	3,460	18,740	48,400
50,001 to 100,000 SF	13,980	12,300	26,240
100,001 to 250,000 SF	199,740	133,860	262,440
250,001 to 500,000 SF	0	0	0
Over 500,000 SF	0	130,000	538,000

Source: City of Visalia Building Division, June 2006

Visalia Industrial Park Expansion Assessment

Table 11 presents a summary of the overall industrial development (total building area, buildings, and average building size) that occurred from 1994 to mid-2006.

**Table 11:
Summary of Total Industrial Development Activity 1994 to Mid-2006**

<u>Building Size</u>	<u>Total Building Area (SF)</u>	<u>Percent</u>	<u>No. of Bldgs.</u>	<u>Percent</u>	<u>Average Building Size (SF)</u>
less than 10,000 SF	174,200	3.5%	41	56.9%	4,249
10,001 to 50,000 SF	232,000	4.7%	9	12.5%	25,778
50,001 to 100,000 SF	197,000	4.0%	3	4.2%	65,667
100,001 to 250,000 SF	2,324,100	47.2%	16	22.2%	145,256
250,001 to 500,000	0	0%	0	0%	0
over 500,000 SF	<u>1,995,000</u>	<u>39.7%</u>	<u>3</u>	<u>4.2%</u>	<u>665,000</u>
Total	4,922,300	100.0%	72	100.0%	68,366

Source: City of Visalia Building Division, June 2006

3. Absorption

This amount of potential new building space per Table 8 (6,557,000 square feet) coupled with the amount of existing vacant building space in existing buildings over 40,000 square feet in size per Table 6 (835,500 to 943,500 square feet) yields a total of approximately 7,392,500 to 7,500,500 square feet.

If the average annual absorption figure for the period from 1994 to mid-2006 (394,000 square feet) is applied to the potential amount of new industrial space from Table 8 above, there would appear to be sufficient land area to accommodate new industrial development for a period of approximately 16 to 18 years (depending on absorption of the existing vacant industrial space listed in Table 6). However if the development activity trend for the period from 2004 to mid-2006 (8998,440 square feet per year) were to continue the absorption period for potential new industrial space (Table 8) and existing available lease space (Table 6) would be approximately 8 to 9 years.

VI. MARKET CONSIDERATIONS

A. Previous Annexations

The City of Visalia has previously used the annexation process to incorporate property as a means to expand the Visalia Industrial Park, increase the supply of industrially designated/zoned property and increase the availability of property ready for industrial development. The City of Visalia has used the annexation process in the past to annex property contiguous to the existing Visalia Industrial Park with public infrastructure capacity to serve such property.

**Table 12:
Previous Industrial Land Annexations**

<u>Year</u>	<u>Property</u>	<u>Acres</u>	<u>Building Size (SF)</u>
2001	Richie	80.0	NA
2003	Sierra Business Park (Freitas)	20.0	10,000 to 20,000
2004	Pickett	26.0	5,000
2005	Oldfield	20.0	5,000

Source: City of Visalia, June 2006

Visalia Industrial Park Expansion Assessment

B. Recent /Current Development

The following is brief description of three projects that have either been recently developed or are in the process of development. These three projects tend to reflect the emerging trends of the Visalia industrial market as described in Section VI of this report.

- VF Corporation - this project is located at the southwest intersection of Riggin Avenue and Plaza Drive. The project consists of an 816,000 square foot building (with approximately an additional 200,000 square feet in mezzanine space) developed on a "build-to-suit" basis. The project site is approximately 64.7 acres with approximately 29% site coverage.
- DDG Project - this project is located at the northwest intersection of Hurley Avenue and Kelsey Avenue. The project consists of four buildings on approximately 57.85 acres (38% site coverage). The first building is being developed on a "build-to-suit" basis and contains approximately 550,000 square feet. The other three buildings are to be developed on a "spec" basis and are proposed to contain approximately 232,752, 149,200 and 40,000 square feet, respectively.
- American Industrial Park (Oldfield) - this project is located north of Hurley Avenue on both the east and west sides of American Avenue. The project consists of 62.0 acres divided into 69 individual parcels ranging in size from 0.43 to 1.78 acres, and three additional parcels of 4.07 acres each. The individual parcels are to be sold individually. The smaller parcels will accommodate buildings in the range of 5,000 to 20,000 square feet; with the three larger parcels (4.07 acres) accommodating buildings up to 45,000 square feet (assuming a 25% site coverage).

Table 13 presents information related to previous larger scale development during the period between 1998 and 2005. During that period the average amount annual amount of larger scale industrial development was approximately 413,000 square feet.

**Table 13:
Previous Larger Scale Industrial Development**

<u>Year</u>	<u>Acres</u>	<u>Building Size (SF)</u>
1998	20.0	397,000
2000	30.0	507,000
2000	57.0	950,000
2000	83.0	650,000
2005	183.0	795,000

Source: Grubb & Ellis/Pearson Commercial

C. Prospects and Inquiries

Over the past year or so the Visalia Economic Development Corporation (EDC) reported that inquiries from prospective companies include distributors of electronic components, manufactures of cheese products, manufactures of plastic products and clothing distributors. The Visalia EDC indicated that the inquiries were from two primarily categories of companies:

Existing Companies in California - companies already located in California that need new facilities to relocate to as expanding market and services or consolidate facilities to increase efficiency and reduce operating costs.

New Companies to California - companies with a very limited presence or are new to the state. Typically these are companies that service their retail outlets or clients in California or the Western United States.

The typical factors that relate to a companies consideration of potential location in the Visalia area include, but are not limited to:

Visalia Industrial Park Expansion Assessment

- sufficient size and configuration to meet building and operational needs
- readily available utilities – water, sewer, electricity, natural gas, etc. at reasonable rates
- few or no discretionary permits to allow construction; minimal processing time, effort and cost; responsive and timely plan check and permitting process
- easy access to major highways; rail service
- readily available labor force
- community acceptance
- employee hiring and training services
- retention incentives

A summary of the inquiries from prospective manufacturing and distribution users (only) for the period from 2003 through mid-2006 from the Visalia EDC and Tulare County EDC is presented in Table 14 below.

In terms of property sizes there was a fairly wide range of required parcel sizes for both prospective manufacturing and distribution users. In regard to building size however, almost all of the reported inquiries related to required building sizes were for buildings less than 250,000 square feet in size for both manufacturing (92.3%) and distribution (91.3%). The majority (51.4%) of prospective manufacturing users were seeking ownership of proposed parcels/buildings instead of lease space; while the required tenure for distribution uses was equal between leasing and ownership of space.

**Table 14:
Manufacturing and Distribution Use Inquiries (2003 to 2006)**

	<u>Manufacturing</u>		<u>Distribution</u>		<u>Total</u>	
<u>Property Size (Acres)</u>						
5.0 to 10.0	16	42.1%	6	50.0%	22	44.0%
10.0 to 20.0	8	21.1%	2	16.7%	10	20.0%
20.0 to 40.0	4	10.5%	0	0.0%	4	8.0%
over 40.0	10	26.3%	4	33.3%	14	28.0%
Total	38	100.0%	12	100.0%	50	100.0%
<u>Building Size (SF)</u>						
Less than 50,000	18	58.1%	6	40.0%	24	52.2%
50,000 to 100,000	8	25.8%	3	20.0%	11	23.9%
100,000 to 250,000	2	6.5%	4	26.7%	6	13.0%
250,000 to 500,000	3	9.7%	1	6.7%	4	8.7%
Over 500,000	0	0.0%	1	6.7%	1	2.2%
Total	31	100.0%	15	100.0%	46	100.0%
<u>Building Tenure</u>						
Lease	15	21.4%	10	38.5%	25	26.0%
Ownership	36	51.4%	10	38.5%	49	51.0%
Either	19	27.2%	6	23.0%	25	26.0%
Total	70	100.0%	26	100.0%	96	100.0%

Source: Tulare County Economic Development Corporation, June 2006

Tables 15 and 16 below presents information related to inquiries for all potential industrial space users in regard to required parcel sizes and building sizes and based on collective information from the Tulare County Economic Development Corporation and Visalia Economic Development Corporation (Note: additional detailed information regarding the specific prospects is included as Attachment D).

Visalia Industrial Park Expansion Assessment

**Table 15:
Summary of All Industrial Prospects – 2003 to Mid-2006 (Number of Parcels/Acres By Parcel Size)**

<u>Category</u>	<u>No. of Requested (Acres) (1)</u>		<u>No. of Requested Parcels</u>		<u>Average Size (Acres)</u>
Up to 1.0 acre	0.0	0.0%	0	0.0%	0
1.01 to 5.0 acres	11.0	1.1%	3	15.0%	3.7
5.01 to 10.0 acres	29.5	3.0%	4	20.0%	8.6
10.01 to 20.0 acres	103.0	10.6%	7	35.0%	14.7
20.01 to 40.0 acres	55.0	5.7%	2	10.0%	27.5
Over 40.0 acres	<u>770.0</u>	<u>79.5%</u>	<u>4</u>	<u>20.0%</u>	<u>192.5</u>
Total	968.5	100.0%	20	100.0%	48.4

Footnotes:

(1) Based on the mid-point of the reported requested range of requested number of acres for each category

Sources: Tulare County Economic Development Corporation, Visalia Economic Development Corporation and Grubb & Ellis/Pearson Commercial

In terms of parcel sizes, most of the inquiries were for parcels that were at least 5.0 acres in size (85.0%) with the greatest interest in parcels that are: 1) 10.0 to 20.0 acres in size (35.0%); 2) 5.0 to 10.0 acres in size (20.0%); and 3) over 40.0 acres in size (20.0%). Inquiries regarding parcels over 40.0 acres in size constituted approximately 79.5% of the overall total requested acreage. The average requested parcel size was approximately 48.4 acres.

**Table 16:
Summary of All Industrial Prospects – 2003 to Mid-2006 (Amount of Requested Building Size) (1)**

<u>Category of Building Size</u>	<u>Range of Required Building Size by Type of Building Tenure</u>				<u>Percent (2)</u>
	<u>Lease</u>	<u>Ownership</u>	<u>Either</u>	<u>Total</u>	
Up to 10,000 SF	0	8,000	0	8,000	0.2%
10,001 to 50,000 SF	10,000 to 20,000	103,000 to 123,000	70,000 to 75,000	183,000 to 218,000	4.5%
50,001 to 100,000 SF	0	150,000 to 175,000	0	150,000 to 175,000	3.7%
100,001 to 250,000 SF	360,000 to 560,000	820,000 to 960,000	0	1,180,000 to 1,520,000	30.6%
250,001 to 500,000 SF	250,000	300,000	300,000	850,000	19.2%
Over 500,000 SF	0	1,000,000 to 1,400,000	600,000 to 700,000	1,600,000 to 2,100,000	41.8%
Total	620,000 to 830,000	2,381,000 to 2,966,000	970,000 to 1,075,000	3,971,000 to 4,871,000	100.0%
Percent (2)	16.4%	60.5%	23.1%	100.0%	

Footnotes:

(1) In square footage

(2) Based on midpoint of the indicated range

Sources: Tulare Economic Development Corporation, Visalia Economic Development Corporation, Grubb & Ellis/Pearson Commercial

Visalia Industrial Park Expansion Assessment

In terms of building sizes, the largest percentage of inquiries were for buildings in the 100,000 to 250,000 square foot range (30.6%) and buildings over 500,000 square feet (41.8%). There was also substantial interest in buildings in the 250,000 to 500,000 square foot range (19.1%). In total approximately 91.5% of the inquiries were for buildings that were 100,000 square feet and larger.

Based on the subject information, approximately 60.5% of the potential industrial users were seeking ownership of space, while only 16.4% were seeking lease space. Approximately 23.1% were seeking either lease or ownership space.

D. Comparison of Requested Property/Building Space and Existing Supply

Table 17 below presents a comparison of the amount of property requested (by category of parcel sizes) related to the industrial prospects listed in Table 15 and the currently available industrial property within the study area. As indicated the amount of available industrial property (by category of parcel size) exceeds the requested amount of property for each of the categories except the "10.01 to 20.0 acres" and "over 40.0 acre" categories.

**Table 17:
Comparison of Requested Property and Available Property in Acres**

Category	Requested Property (1)		Available Property (2)		Difference (3)
	Acres	Parcels	Acres	Parcels	
Up to 1.0 acre	0.0	0	67.0	132	67.0
1.01 to 5.0 acres	11.0	3	82.0	29	71.0
5.01 to 10.0 acres	29.5	4	49.0	7	19.5
10.01 to 20.0 acres	103.0	7	19.0	2	(84.0)
20.01 to 40.0 acres	55.0	2	145.0	4	110.0
Over 40.0 acres	<u>770.0</u>	<u>4</u>	<u>240.0</u>	<u>3</u>	<u>(530.0)</u>
Total	968.5	20	602.0	177	368.5

Footnotes:

(1) See Table 14

(2) See Table 4

(3) Based on available acreage less requested acreage by category

**Table 18:
Comparison of Requested Building Space and Potential New Space**

Category	Range of Requested Building Size (SF) (1)	Potential New Space (2)	Difference (3)
Up to 10,000 SF	8,000	730,000	732,000
10,001 to 50,000 SF	183,000 to 218,000	893,000	675,000 to 710,000
50,001 SF to 100,000 SF	150,000 to 175,000	534,000	359,000 to 384,000
100,001 to 250,000 SF	1,180,000 to 1,520,000	207,000	(973,000 to 1,313,000)
250,001 to 500,000 SF	850,000	1,579,000	729,000
Over 500,000 SF	1,600,000 to 2,100,000	2,614,000	514,000 to 1,014,000

Footnotes:

(1) See Table 15

(2) Based on 25% site coverage factor applied to corresponding acreages in Table 8

(3) Based on comparison of potential new building space less requested building space by category

Visalia Industrial Park Expansion Assessment

Table 18 above presents a comparison of the range of building space (by category of building size requested by potential industrial user prospects and the potential new industrial building space that could be developed on the current vacant industrial property (see Table 8). As indicated, the only category that appears not to have potential industrial building space to accommodate the identified requirements of the subject prospects is the "100,001 to 250,000 square foot" category.

E. Employment

The Visalia Economic Development Corporation conducted a survey of existing businesses within the Visalia Industrial Park in 2005 as a means to identify full-time and part-time employment associated with existing businesses. Based on the survey information there is approximately 4,285 full-time employees and 766 part-time employees for the 82 existing businesses surveyed.

In reviewing the results of the subject survey, there are differences in the ratio of full-time employment to building size (square footage) depending on the type of business.

- For manufacturing businesses the ratio of full-time employment to building size (square footage) is one job per approximately 1,000 square feet.
- For distribution businesses it is one job per approximately 2,000 square feet; and for other businesses (e.g. service, contractors, etc.) the ratio is one job per approximately 600 square feet.

**Table 19:
Summary of Existing Employment**

No. of Businesses Surveyed	82
Building Area (SF)	3,872,000
Full Time Employment	
Total	4,265
Per Business	52
Per Building SF	904

Source: Visalia Economic Development Corporation, June 2006

F. Trends and Emerging Markets

According to the Emerging Trends in Real Estate 2006 (Price Waterhouse Coopers) industrial warehouse sector nationally should continue along as usual meeting expected economic expansion. According to that report:

- there should be steady improvement across most markets helping stabilize values
- development will temper the rate of vacancy declines in some areas and may undercut opportunities for rent increases
- buyer demand should continue.

Based on discussion with City of Visalia representatives, local commercial real estate brokers and industrial developers active in the Visalia industrial market the following are factors related to the projected trends and emerging markets in for industrial development in Visalia.

1. There is an increase in the number of prospects for larger parcel and building development (over 500,000 square feet), with approximately ten to twelve prospects searching for such size buildings in the Central Valley over the past year. Such interest potential could lead to development of additional larger parcel and building development in Visalia (e.g. JoAnn Stores and VF Corporation and Diversified Development Group Project (under construction))

Visalia Industrial Park Expansion Assessment

2. The average mid-size building development has been increasing from a range of 100,000 to 150,000 square feet to a range of 150,000 to 250,000 SF.
3. There continues to be smaller lot development serving the segment of the market in need of building space less than 10,000 square feet and in the range of 10,000 to 50,000 square feet.
4. There is an increased interest in potential users desiring to own a parcel and building instead of leasing such space. This tends to be an interest of potential users at various segments of the market in terms of required parcel and building size.
5. Visalia due to its location central to California and with excellent accessibility to Highway 99 will continue to be a place of interest to potential warehouse and distribution companies. In addition there is the opportunity to attempt to attract additional food processing and/or manufacturing companies due to the significant food/agricultural business based in Tulare County.
6. Larger building development along with the balance of warehouse, distribution and manufacturing businesses will help increase employment (job creation) with warehouse distribution users providing one job per approximately 2,000 square feet of space and manufacturing users providing one job per approximately 1,000 square feet of space.

Visalia Industrial Park Expansion Assessment

SOURCES OF INFORMATION

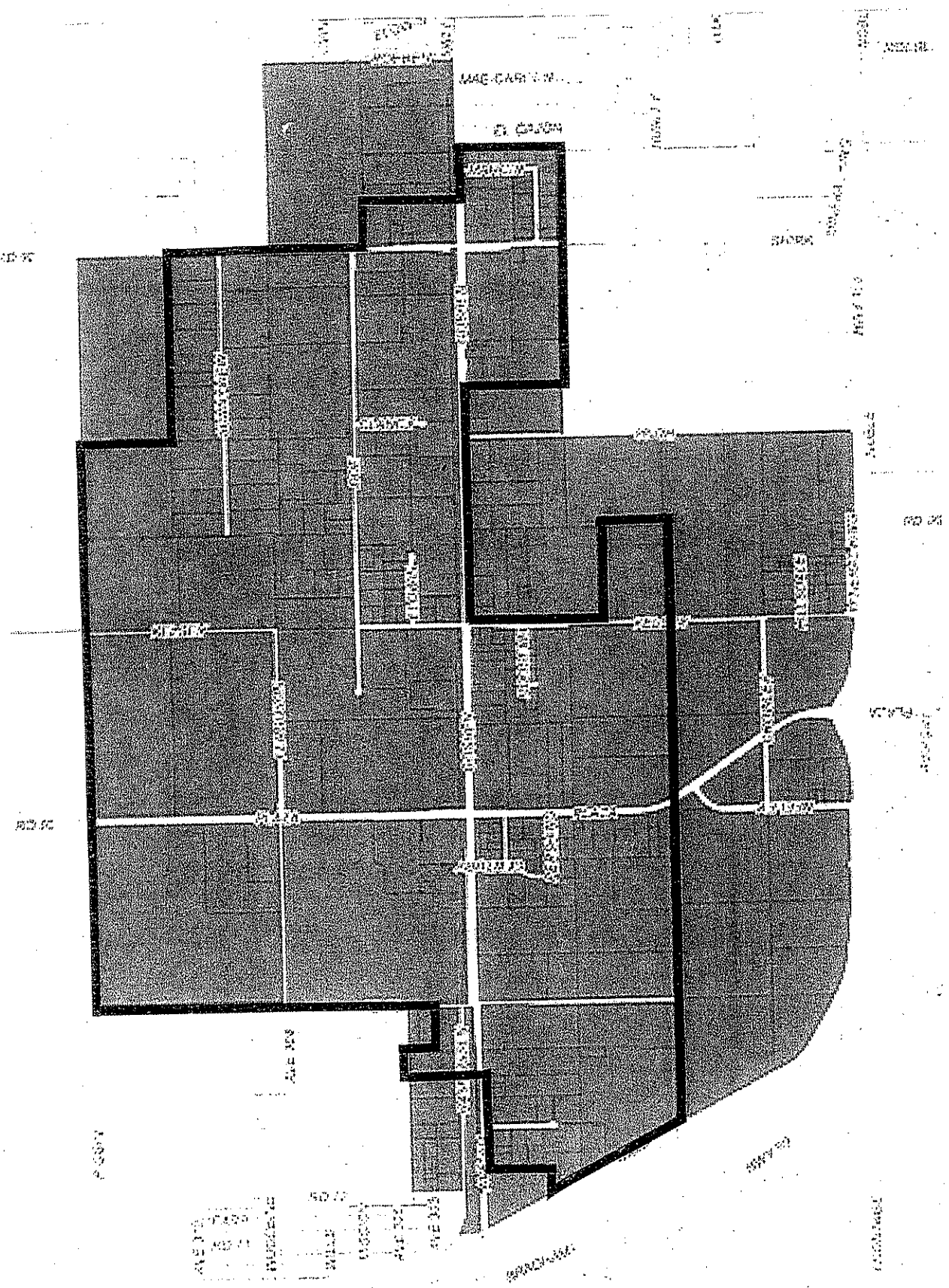
1. Land Use Element, Visalia General Plan, June 1996
2. Visalia Industrial Park Implementation Plan, October 2003
3. City of Visalia Zoning Ordinance (Title 17 of the Visalia City Ordinance) November 2004
4. City of Visalia Staff Report – Review of Current Activity and Land Use in Visalia Industrial Park, June 2005
5. City of Visalia Staff Report – Modification to Economic Development Policy for Financial Assistance for New/Expanding Businesses, September 2005
6. City of Visalia Staff Report – Annexation Application (Doe/Wonder), January 2006
7. City of Visalia Staff Report - Environmental Review for Potential Annexation of Property (Annexation 2006-01 (Doe), March 2006
8. Tulare County Economic Journal - Spring 2005, Tulare County Economic Development Corporation
9. Emerging Trends in Real Estate 2006, Urban Land Institute, October 2005
10. Guide to Classifying Industrial Property, Urban Land Institute, 2003

Visalia Industrial Park Expansion Assessment

CAVEATS AND LIMITATIONS

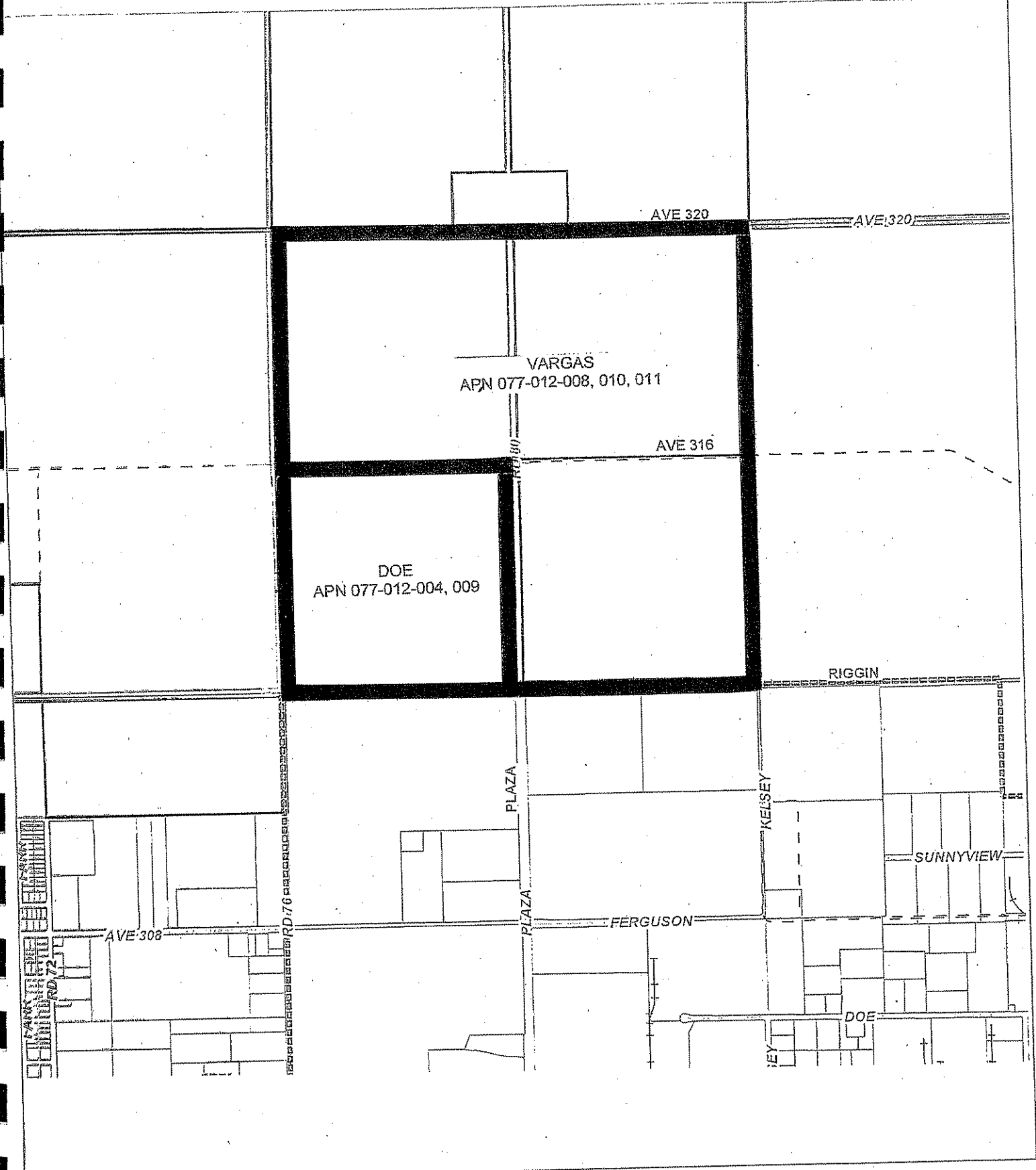
1. The analysis contained in this document is based, in part, on data and information from secondary sources. A. Plescia & Co. believes that these sources are reliable, however, A. Plescia & Co. cannot guarantee the accuracy of such data and information.
2. The analysis contained in this document is based on the assumption that neither the local, regional or national economy will experience a major recession. If an unforeseen change occurs in either the local, regional or national economy the information contained in this document might not be valid.
3. The preliminary information contained in this document is based on economic considerations, not political considerations. Therefore the preliminary information contained in this document should not be construed as a representation or opinion that any required governmental approvals could be secured for any proposed development projects.
4. The preliminary information, analysis and opinions contained in this document are based on the informed judgment of A. Plescia & Co. based on market, business and economic conditions as of the date of this document. The preliminary information, analysis and opinions contained in this document should not be relied upon as sole input, basis or determination for any final business decisions regarding any proposed development projects.
5. Any preliminary assessment of lease rates, land values, revenue or income projections, etc. is based on the best available data and information at the time of preparation of this document. There is no warranty or representation made by A. Plescia & Co. that these estimates would actually materialize.

Attachment A: Visalia Industrial Park



Study Boundaries

Attachment B:
Potential Annexation Properties



VARGAS
APN 077-012-008, 010, 011

DOE
APN 077-012-004, 009

AVE 320

AVE 320

AVE 316

RIGGIN

PLAZA

PLAZA

KELSEY

SUNNYVIEW

FERGUSON

AVE 308

DOE

SEMINOLE RD 72

RD 76

**Attachment C:
Summary of Vacant Industrial Property
Over 5.0 Acres in Size**

Assessor No. Parcel No.	Acres	Location	Status	Comments
1 077-110-031	7.80 (est)	South side of Ferguson between Plaza and Kelsey (vacant portion)	6	Property owned by Sequia Beverage; held for potential future expansion
2 077-110-026	18.84	Southwest corner of Ferguson and Kelsey	6	Property owned by Hormel; held for potential future expansion
3 077-130-013	29.81	North side of Goshen approximately 500 feet west of Shirk	5	
4 077-200-001	39.4	South east corner of Riggan and Kelsey	5	Property not being proactively marketed; owner/developer could sell based on offer
5 077-200-044	38.74	South side of Riggan approximately 1,300 feet east of Kelsey	5	Same as No. 4 above
6 077-200-045	37.04	East side of Kelsey approximately 1,300 feet south of Riggan	5	Same as No. 4 above
7 077-200-036	5.00	North side of Sunnyview at far west end of Sunnyview	5	
8 077-200-037	5.00	North side of Sunnyview at far west end of Sunnyview	5	
9 077-200-038	5.00	North side of Sunnyview at far west end of Sunnyview	5	Same owner as No. 4 through 6; same comment as No. 4
10 077-200-039	5.96	North side of Sunnyview at far west end of Sunnyview	4	Location of pending warehouse development
11 077-200-041	5.75	South side of Sunnyview at far west end of Sunnyview	4	Pending development
12 077-200-042	5.75	South side of Sunnyview at far west end of Sunnyview	4	Pending development
13 081-030-069	8.83 (est)	South side of Goshen approximately 600 feet west of Shirk (vacant portion)	4	Owner (CTX Building Supply) intends to develop as lumber yard with rail spur
14 077-360-001 (portion)	60.00 (est)	North east corner of Road 76 and Ferguson (Ave 308) (vacant portion)	2	Marketed by owner (Allen Group) for build-to-suit lease development
15 077-360-004	66.06	South side of Riggan between Plaza and Kelsey	2	Same as No. 14 above
16 077-110-037	114.32	Between Ferguson (Ave 308), Goshen, Plaza and Road 76	2	Same as No. 14 above
Total	452.88			

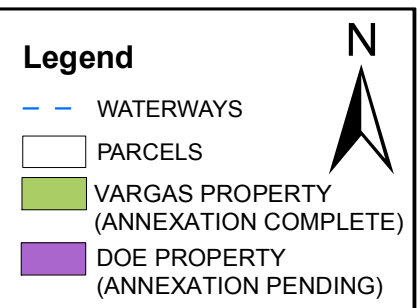
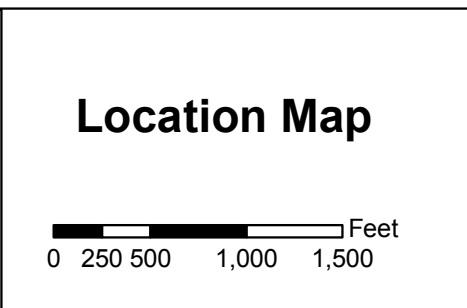
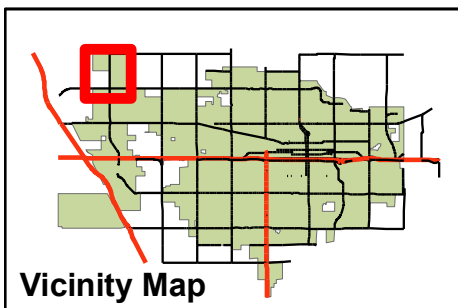
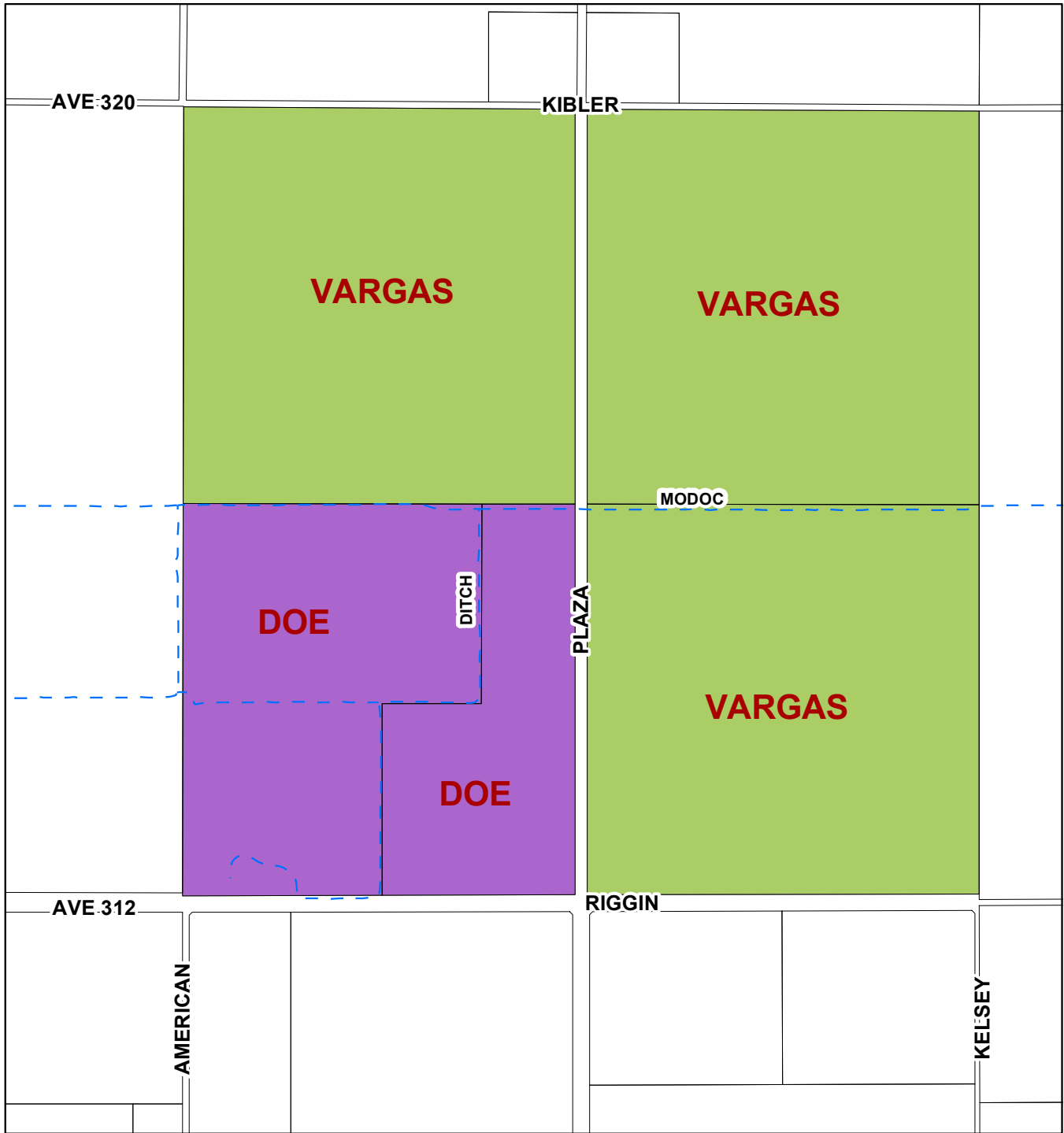
Legend:

- 1 - Actively being marketed for sale
- 2 - Actively being marketed for development (build-to-suit/lease)
- 3 - Actively being marketed for development (build-to-suit/ownership)
- 4 - Location of approved project yet to be constructed; pending development
- 5 - Not marketed for sale, lease or development; held for potential future development
- 6 - Property owned by adjacent company (business); held for potential future expansion

**Attachment D:
Sample of Industrial Prospects – 2003 to 2006**

<u>Business Type</u>	<u>Ownership or Lease</u>	<u>Building Size (SF)</u>	<u>Land Area</u>	<u>Desired Location</u>
Industrial Manufacturing	Ownership	150,000	20.0/40	Tulare County
	Ownership	120,000 to 160,000	6.0	California
Industrial Manufacturing	Ownership	150,000	12.0	California
Manufacturing	Ownership	100,000	7.0/10.0	Central California
Manufacturing	Ownership	40,000 to 50,000	2.0/4.0	Tulare County
Distribution	Ownership	500,000	130.0	Tulare County
Food Manufacturing	Ownership	100,000 to 200,000	7.0/20.0	Tulare County
Manufacturing	Ownership	300,000	12.0/15.0	Tulare County
Manufacturing	Ownership	30,000 to 40,000		Tulare County
Industrial Processing	Ownership	15,000	10.0/20.0	Tulare County
	Ownership	8,000	5.0	Tulare County
Metal Manufacturing	Ownership	35,000 to 40,000	3.0	Tulare County
Animal Feed Manufacturing	Ownership	18,000	10.0/20.0	Tulare County
	Ownership	20,000		Tulare County
	Or Lease			
Manufacturing Technology Service	Ownership	150,000	10.0/15.0	Central California
	Lease	10,000 to 20,000		Tulare County
Distribution	Lease	250,000		Southern California
Distribution Manufacturing	Ownership		10.0	Tulare County
	Ownership	15,000		Tulare County
	or Lease			
Food Manufacturing	Lease	15,000		Central California
Manufacturing	Lease	100,000 to 300,000		Central California
Manufacturing/	Ownership	150,000		Central California
Manufacturing/	Ownership	300,000	18.0/25.0	California
Distribution	or Lease			
Distribution	Ownership	600,000 to 700,000	25.0 acres	California
	or lease			
Food Manufacturing	Ownership	50,000 to 75,000		Central California
Recycling/	Lease	110,000	5.0	Central California
Manufacturing				
Food Manufacturing	Ownership		200.0/400.0	Central California
Distribution	Lease	150,000		Central California
Aquarium Products	Lease	40,000 to 60,000		West Coast
Distribution	Ownership	500,000 to 900,000	80.0/100.0	Tulare County
Food Manufacturing	Ownership		200.0/300.0	Central California

Sources: Tulare County Economic Development Corporation, Visalia Economic Development Corporation, Grubb & Ellis/Pearson Commercial



**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 11

Agenda Item Wording: 2010-15 Mobile Home Park Master Lease & Memorandum of Understanding (MOU)

Deadline for Action: May 2010

Submitting Department: Housing and Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director; 4190; James Koontz, City Attorney 636-0200

Department Recommendation: Staff is recommending approval of the 2010-15 Memorandum of Understanding (MOU) and Master Lease (Set to expire in May 2010).

Key highlights of the new MOU and Master Lease include:

1. **Extend MOU and Master Lease.** This would slightly revise the existing MOU and Master Lease program and continue it through June 1, 2015.
2. **5-Year Lease.** All city leases will expire on June 1, 2015 regardless of their start date.
3. **Documentation.** Park owners will be required to document when the Model Lease is offered to park residents in order to address complaints that the Model Lease is not being made available.
4. **Ombudsperson.** The City will provide a maximum of ten-thousand dollars per year to solely support questions related to the Master Lease.
5. **Annual Rent Increases.** Park owners insist on the Model Lease including a minimum of 3.5 percent and a maximum of 7 percent based on the Social Security Index (S.S.I.). Park owners are not required to increase rents if they choose not to do so.
6. **Vacancy Controls.** No limits on rent increases for vacated units.
7. **Sale of Units.** Staff recommends requiring park owners provide sellers or their agents a written justification as to why the park owner denied prospective purchasers within fifteen (15) days following rejection.

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):5__

Review:

Dept. Head _____
(Initials & date required)

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

City Mgr _____
(Initials Required)

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

8. Information Updates. Owners would be required to provide the total number of spaces rented in the park and the number of spaces the park owner is renting under a Model Lease annually to the City. Currently the City is unable to track program participation and it is difficult for the City to gauge the impact of the program.

9. Master Lease Program Apply to Park Transfers. This Agreement requires the park owners require assumption of the Agreement with City as a condition of sale or transfer.

10. Enforcement Provisions. Staff is proposing to specify a \$25 per day penalty for willful failure to provide information to the City as required under the Agreement. The fee would not be applicable to Master Lease violations.

Summary/Background. On February 16, 2010, staff presented a Work Session, which summarized two rent studies completed in 2009| the results of a Mobile Home Park Committee's meetings; tentative recommendations and a draft MOU and Master Lease for 2010-15. Council also received testimony from representatives from both mobile home park owners and residents.

The attached MOU and Master Lease contain most of the recommendations summarized in the February 16, 2010 meeting. However, there are some changes to the tentative recommendations:

1. Resident Subsidy Program. Park owners have indicated they are only willing to participate in this program if the City and residents contribute equally. Staff does not feel this makes sense since the City is already providing significant administrative support for the Mobile Home Park Program including funding the ombudsperson. Secondly, since park residents will receive no increase in Social Security benefits for 2010 and potentially for 2011, paying for a subsidy would create an additional financial burden on residents. The park owners also stated that some park owners already have existing subsidy programs and do not want to add on to what they are already doing. While a rent subsidy program is still possible it would require additional negotiation with the park owners. Considering the 2005 Agreement is set to expire in May, staff recommends approving the Agreement and 2010 Master Lease without an additional rental subsidy program.

2. Park Owner Involvement. At the February 16, 2010 meeting, staff indicated two parks (Sierra Vista and Country Manor) had no interest in participating in the program and have not participated in the program in the past. Staff has also discussed the Master Lease program with representatives from Rancho Fiesta. Rancho Fiesta stated they would not participate unless they could pass capital repair costs on to park residents. In addition, Rancho Fiesta wanted to limit the number of spaces within the mobile home park that could request a Master Lease to park spaces constructed before 1990. (Spaces constructed after 1990 are exempt from rent control ordinances Cal. Civil Code Section 798.45.) Rancho Fiesta agreed to provide specific written comments, but at the time of preparing this report staff has not received additional written comments. Based on the verbal comments from Rancho Fiesta staff believes only seven (7) parks will be signing the Agreement and offering the Master Lease.

3. Ombudsperson. Park owners expressed a desire not to contribute to this role since they feel it entirely benefits park residents. It is true that residents generate most calls to the ombudsperson and some have nothing to do with the MOU or Master Lease. The City will

provide a maximum of up to ten-thousand dollars to support the Ombudsperson role exclusively as it relates to Master Lease, questions and concerns.

4. Documentation. There was significant discussion at the last Council meeting on this subject. Obtaining appropriate data regarding city leases and vacant units allows the City to assess the effectiveness of Master Lease program. Staff is recommending that at a minimum park owners provide by February 1, the total number of spaces rented and the number of spaces rented under the Model Lease at the end of the prior calendar year.

Staff requested park owners provide additional information concerning rents within the parks. Park owners have raised confidentiality concerns; specifically they do not want to reveal individual park resident information. Staff suggested owners provide the data without revealing the names or addresses of residents, or providing the rent information in ranges (\$25 increments) to preserve anonymity. At this time, there has not been a response from the park owners.

Prior Council/Board Actions:

- February 16, 2010; Work Session on Rent Studies, Draft MOU and Master Lease for 2010-15;
- January 5, 2009; Retention of consultant to complete economic study on mobile park rents in Visalia
- September 28, 2008; Status Report on Mobile Home Parks in Visalia

Committee/Commission Review and Actions:

Attachments:

- Draft Agreement between City and participating park owners
- Draft 2010 Model Lease

Recommended Motion (and Alternative Motions if expected): We authorize the City Manager to sign the 2010 Standardized Lease Program Agreement with participating mobile home park owners; this Agreement authorizes the use of the 2010 Visalia Master Long Term Lease Agreement. The City Manager may make reasonable changes to the 2010 Standardized Lease Program Agreement as necessary over the term of the Agreement to include additional mobile home parks. The Agreement between the City of Visalia and participating park owners may not be extended past June 1, 2015 without separate City Council authorization.

Environmental Assessment Status

CEQA Review: n/a

NEPA Review: n/a

2010 Visalia Master Long Term Lease Agreement

THIS AGREEMENT WILL BE EXEMPT FROM ANY ORDINANCE, RULE, REGULATION OR INITIATIVE MEASURE ADOPTED BY ANY LOCAL GOVERNMENTAL ENTITY, WHICH ESTABLISHES A MAXIMUM AMOUNT THAT A LANDLORD CAN CHARGE A TENANT FOR RENT.

This Agreement is made and entered into this _____ day of _____, 201____, by and between the management of _____ Park (hereinafter the "Owner") and those persons listed on the last page of this Long Term Lease Agreement (hereinafter "Model Lease" or "Agreement") as the Homeowner (hereinafter the "Resident") for Space No. _____, located at _____.

Resident shall have at least 30 days to review this Agreement. This Agreement may be cancelled within 72 hours after execution by written notification to the Owner. (Cal. Civil Code Section 798.17(f).)

1. Specific Information.

1.1 Homesite Owner rents to Resident, and Residents rents from Owner, Space No. _____ (hereinafter the "Homesite") located at the above listed Park Address.

1.2 Term The tenancy created under this Agreement shall commence on _____, and terminate *on June 1, 2015*, unless sooner terminated in accordance with the terms of this Agreement.

1.3 Anniversary Date The Anniversary Date of this Agreement shall be annually on the first day of the month following execution of this Agreement, unless specifically noted otherwise on the line below:

Optional: Specify anniversary date _____.

1.4 Rent

Beginning Monthly Base Rent:	\$ _____	per month
Late Rent Charge	\$ _____	per month
Check Handling Charge	\$ _____	per month
Vehicle Storage Charge	\$ _____	per month
Guest Charge	\$ _____	per month
Other _____ (describe)	\$ _____	per month
Other _____ (describe)	\$ _____	per month

Total \$ _____ per month

1.5 Park or providers shall furnish the following circled utilities without separate charge:

Water	Trash Removal Service	Electricity	Telephone
Sewer/ Sanitation	Natural Gas	Basic Cable Television	Premium Cable Television
Other -			

1.6 Park shall separately bill Resident for the following circled utilities:

Water	Trash Removal Service	Electricity	Telephone
Sewer/ Sanitation	Natural Gas	Basic Cable Television	Premium Cable Television
Other -			

1.7 Resident shall contract with the appropriate utility company or provider and pay directly for the following utilities and for all other utilities as required by Owner

Water	Trash Removal Service	Electricity	Telephone
Sewer/ Sanitation	Natural Gas	Basic Cable Television	Premium Cable Television
Other -			

2. DEFINITIONS

2.1 “Owner” includes, but is not limited to, the owners of the Park (including the Owner’s partners, directors, representatives, officers, employees, and agents) and the management of the park. Where appropriate the term “Park as used herein, is also synonymous with “Owner.”

2.2 “Resident” is a homeowner or other person who lawfully occupies a mobile home. All other persons, including but not limited to, prospective homeowners, purchasers, or those persons who have not been approved for tenancy by the Park, have not closed escrow or have not transferred title on the mobile home occupying the Homesite shall not be deemed a Resident.

2.3 “Guests” includes all of the Resident’s agents, employees, persons sharing the Homesite pursuant to Civil Code Section 798.34(b), invitees, permittees, licensees, or other persons in the Park or on the Homesite at the invitation, request or tolerance of Resident. The term “Guests” also includes any Resident *who does not have an ownership interest in the Homesite.*

2.4 “Park Facilities” means those services and facilities of the Park generally available to Residents and their Guests

2.5 “Homesite” means the real property rented to Resident by Owner. The boundaries of the real property rented to Resident shall be the lesser of either (1) the lot lines as determined by a governmentally approved survey, or by a recorded plot plan, or (2) the apparent physical boundaries of the Homesite as they exist at the time this Agreement is entered into.

2.6 “Mobilehome Residency Law” means those provisions of the California Civil Code §§ 798 through 799.6 which are known as the “Mobilehome Residency Law” and are acknowledged to be attached hereto and previously received.

2.7 “Owner’s approval,” “approval of Owner,” “Owner’s consent,” “consent of Owner,” or other similar terms as used in this Agreement or in the other documents referred to in this Agreement, means that the Owner’s prior written approval must have been obtained by Resident before Resident commences any such action requiring Owner’s approval. If Owner’s prior written approval is required in this Agreement for a proposed action to be taken by the Resident, Resident shall in such case, first submit to Owner a written request which describes the action Resident proposes to take. The written request shall state that it seeks prior written approval of Owner for such proposed action. The Owner shall give or refuse approval in writing, and shall not unreasonably withhold such prior written approval.

2.8 The definitions set forth in subparagraphs 2.1 and 2.7 shall apply unless the context indicates that a different meaning is intended.

3. RENT

3.1 Resident shall pay as rent to Owner, without deduction or offset, on the first day of each month:

A. The Rent (as it may be adjusted as defined and specified in paragraph 3.2 below.

B. All utility charges billed to Resident by Owner during each month. (Please note: Utility rates for utilities billed to Resident by Owner are set by the Public Utilities Commission and other governmental agencies. Therefore, charges and other related costs for these utilities and services may be increased at any time in accordance with the rates established by these other parties, and no advance notice of increases in these rates will be given to Resident by Owner.)

C. Charges for recreational and other extra vehicles that may be stored subject to the fees imposed by the Park’s Storage Agreement that can be obtained from Owner.

D. Guest charges listed in paragraph 1.4 above shall be assessed for each calendar month or any portion thereof for each Guest who has stayed more than a total of twenty (20) consecutive days or a total of thirty (30) days in any calendar year. Such guest fee shall commence the day after a Guest has

exceeded the grace time specified in the preceding sentence and shall be payable in full for each calendar month or portion thereof. This additional charge for Guests shall not, however, apply if the Guest is a member of Resident's immediate family as defined by the Mobilehome Residency Law or if the person occupies the Homesite pursuant to Civil Code §798.34.

E. Guest fees, charges for vehicle storage and charges for utilities not regulated by the Public Utilities Commission or other governmental agencies may be increased upon ninety (90) days notice to Resident. (Please note: It is Owner's intention to increase such amounts only on an annual basis, if at all, unless otherwise necessary.)

3.2 Base Rent: The Base Rent shall be the amount specified in paragraph 1.4 above and shall remain in effect *for the first year of the Lease. Upon the first Anniversary Date* as specified in paragraph 1.3 above, whereupon the base monthly rent then in effect shall be subject to the following *annual* increases: (All rent increases will take effect on Resident's Anniversary Date, except for property tax rent adjustments, which may take effect on ninety (90) days advance written notice when incurred by management *and increases to the City of Visalia Standardized Lease Program charge, which shall take effect on May 1, if the Resident has received at least ninety days notice of any increases.*)

The Base Rent for all Residents that have been residing within the Park shall be equal or less than their last monthly rent, subject to potential annual adjustment according to the formula stated in the 2010 Standardized Lease Program Agreement referred to below if the resident's last monthly rent has not been increased during the prior year. This increase may be waived by the Owner. For new residents, the Owner shall set the Base Rent.

Monthly rent will increase in accordance with the 2010 Standardized Lease Program Agreement, on the Rent Adjustment Date. (See Attached 2010 Standardized Lease Program Agreement.)

3.3 Government Required Costs: On each Rent Adjustment Date, monthly rent may be adjusted for increased costs for government required services (as defined below) on an item by item basis for the 12 month period ending four (4) months prior to the Rent Adjustment Date. The total costs of all government required costs services (as defined below) on an item-by-item basis for the 12 month period ending 4 months prior to the Rent Adjustment (Anniversary date) or each _____ (insert date if applicable) are compared to the total costs for the prior 12 month period. If any government required services has been instituted or increased during the latest 12 month period, the Monthly Rent shall be increased by such amount, divided by 12 and prorated among the number of spaces in the Park. "Government Required Costs" means "any new, additional, or changed services facilities or costs which the owner is required by the government to provide or pay, including without limitations, fees, bonds, assessments, taxes, charges, or other costs or expenses. However Government Required Costs occurring on a temporary or "one-time" basis shall not become a part of the Base Rent but shall instead be subject to the above described

prorated formula and shall be billed to Resident monthly and shown separately until such costs are satisfied, at which time such billing shall cease.

3.4 Increase on Sale: Effective upon sale of mobilehome Owner may increase the monthly Base Rent without limitation to the assuming new purchase. However, such increase shall not apply if the mobilehome is acquired through an inheritance from the mobilehome owner who was a parent or grandparent of the transferee and transferee actually occupies the mobilehome as a primary residence after approval by the management under purchaser approval requirements of this Agreement.

3.5 All rent payable hereunder shall be paid by check or money order. If the rent is not paid to the park management office by 5:00 p.m. on the sixth (6th) day of the month, the late charge specified in paragraph 1.4 above shall be charged to cover Owner's costs for additional accounting and collections expense. Additionally, the handling charge specified in paragraph 1.4 above shall be required for all checks returned by the bank due to insufficient funds in the Resident's account for any other reason. The acceptance by owner of any late payment shall no constitute a waiver of any breach or any term of provision of this Agreement, or any rule, regulation, term or provision contained in any document referred to in this Agreement, nor shall it reinstate, continue or extend the term of this Agreement, or affect any notice, demand or suit hereunder. Late charges and returned check handling charges may be increased upon ninety (90) days notice to Resident.

4. UTILITIES.

Pursuant to current Mobile Home Residency Law Owner shall provide and separately bill to Resident for the utilities circled in Section 1.6 above, and on a monthly basis, Owner shall post those utility bills and rates described in subsection A through D of Section 4 herein:

A. Natural gas and electricity: The rate owner shall charge Resident for natural gas and electricity usage shall equal rates established by the Public Utilities Commission.

B. Water: The rate Owner shall charge Resident for water usage shall equal the rate charged by *California Water Service Company* for water supplied to a single-family residence. Such rate structure may include a minimum monthly service charge.

C. Sewer/Sanitation Service: The amount owner shall charge Resident for sewer/sanitation service to a single-family residence. Such rate structure may include a minimum monthly charge.

D. Trash Removal: Owner shall charge Resident for trash removal the amount billed to Owner by the trash removal company, prorated among the number of spaces in the park.

E. Basic cable television and other television services: Owner shall charge Resident for preexisting basic cable television or other television services by the amount determined by the *television service* provider.

F. If owner receives any notice concerning the cost of any of the utilities and/or services listed in Paragraph 1.6 above, Owner shall provide Resident such information within 30 days of Owner's receipt of such notice.

G. Owner shall provide without separate charge to Resident for the utilities and services circled in Paragraph 1.5 above. Owner may, upon 60 days notice to Resident, elect to charge Resident for any of the utilities, which have previously been provided to Resident without separate charge.

H. In the event the Owner elects to submeter water and separately charge Resident for the water Resident uses, the rate Owner shall charge shall equal the rate structure used by the *California Water Service Company* to a single family residence. Such rate structure may include a minimum monthly charge. Furthermore, in the event Owner elects to submeter the water the base monthly rent paid by Resident shall be reduced by an amount equal to eighty percent (80%) of the Park's average monthly water bill during the last twelve (12) months for water service to the Park, prorated over the number of spaces in the Park.

I. In the event the Park elects to separately bill for any other utility or service, the Park shall reduce the base monthly rent paid by Resident by an amount equal to the fees and charges existing at the time the Owner initiated separate billing.

J. Resident shall contract with the appropriate utility company or provider and pay directly for all utilities and/or services circled in paragraph 1.7 above, as required by Resident.

K. Owner shall not be liable for any loss or injury, and Resident shall not be entitled to any abatement or reduction of rent by reason of Owner's failure to furnish any of the foregoing utilities when failure is caused by accident, breakage, repairs, strikes, or other labor disputes or by any other cause, similar or dissimilar, beyond the reasonable control of Owner. Resident shall not connect, except through existing electrical or natural gas outlets or water pipes on the Homesite, any apparatus or device for the purposes of using electric current, natural gas, or water.

5. EXEMPTION FROM RENT CONTROL

Resident understands and acknowledges that, by the offering of this Agreement, Resident's Homesite is removed from the jurisdiction of any rent control ordinance, rule regulation, or initiative measures which is either currently in effect or which may be adopted by any local entity during the term of this Agreement.

6. HOLDOVER TENANCY

If Resident remains in possession of the Homesite after the expiration of the term of this Agreement and has not executed a new occupancy Agreement with respect to the Homesite, said possession by Resident shall be deemed a month-to-month tenancy, and Owner may terminate or refuse to renew Resident's tenancy in accordance with Paragraph 14 of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Owner may also, upon ninety (90) days notice to Resident increase the Base Rent then in effect and other charges of the Park to the Resident who is holding over.

7. RESPONSIBILITY OF THE PARK

7.1 It is the responsible of the park management to provide and maintain the physical improvements in the common facilities of the Park in good working order and condition. Owner shall provide all of the physical improvements and services which are now in existence in the Park and provided to Residents or which may be added at a later date. The physical improvements include the non-exclusive use of all streets, non-restricted parking areas, all recreational facilities and equipment, pools, lawns, laundry facilities and all other facilities for the use by Residents. These services include the services provided by the Owner and other persons employed by the Park and the utilities specified in this Agreement. (Please note: Furniture and equipment that belong to Resident's clubs, associations or other organizations services provided by the Residents or such organizations, are not the responsibility of the Park to maintain.) The physical improvements of the Park are as follows:

7.2 The clubhouse, if provided, will be kept well ventilated as required by law, but the heating system and *cooling* system will not be operated on a constant basis in order to conserve energy. Rather, heating and/or cooling will be turned on as required to maintain reasonable temperature levels.

7.3 The park may, upon the giving of lawful notice, amend, delete, add or modify any of the services or facilities provided, pursuant to all applicable laws.

7.4 Management shall have a reasonable period of time, with respect to the physical improvements in the common facilities, to repair the sudden or unforeseeable breakdown or deterioration of these improvements and bring the improvements into good working order and condition after management knows or should have known of the breakdown or deterioration. The period of time to do so shall not exceed thirty (30) days except where exigent circumstances justify a delay, or otherwise as specified by the Mobilehome Residency Law, as it may change from time to time. Such repairs or other appropriate action shall be accomplished as soon as possible in the event of any condition which may relate to health and safety.

8. NO ADDITIONAL CHARGE FOR CAPITAL IMPROVEMENTS

No rental adjustment will be based upon *the construction, repair, or maintenance*, of any individual capital improvement during the term of this Agreement.

9. INCORPORATED DOCUMENTS

The following documents, as they may be amended, modified, or otherwise changed from time to time, as permitted by the terms of this Agreement, are attached as exhibits to the Agreement and incorporated herein by this reference; (1) California Civil Code provisions known as the Mobile home Residence Law, (2) City of Visalia Municipal code pertaining to Mobilehome Parks (Chapter 15.52 §§ 15.52.010 – 15.53.220), (3) The Park's Rules and Regulations and any other residency document of the Park ~~not~~ in effect, including, but not limited to, Pet Rules and Swimming Pool Agreement. (4) *2010 Standardized Lease Program Agreement*.

10. USE OF MOBILEHOME PARK

10.1 The mobilehomes and Homesite shall be used only for private residential purposes, and not business or commercial activity of any nature shall be conducted thereon. This prohibition applies to any commercial or business activity, including, but not limited to, any of the following:

A. Any activity requiring the issuance of a business license or permit by any government agency.

B. The leasing, subletting, sale or exchange of mobilehomes.

C. In-park commercial mobile home sales will be permitted only where the mobile home park is located to a C-4, service commercial district and the sales activity is carried on in such area.

10.2 At all times at least one of the persons listed on the last page of this Agreement as a Resident must be the legal or registered owner of the mobilehome that occupies the Homesite.

11. COMPLIANCE WITH LAWS AND RULES AND REGULATIONS

Resident and park managers living on-site shall abide and conform with all applicable laws and ordinances, all terms and conditions of this Agreement, the Rules and Regulations in accordance with California Civil Code Section 798.23, all rules regulations, terms and provisions contained in any document referred to in this Agreement, and said rules, regulations, terms, and provisions as may, from time to time, be amended, modified or otherwise changed by Resident or Owner as permitted by the terms of this Agreement as per civil Code Section 798.25. Any violation of these rules and regulations shall be deemed a public nuisance. Resident and Owner agree that a breach of this Agreement or any of the rules and regulations cannot reasonable or adequately be compensated in damages in an action of law, therefore, either party shall be entitled to

injunctive relief, including but not limited to, a restraining order prohibiting Resident or Owner from continuing to breach any such rules or regulations, term, or condition, or to allow a condition violative of a rule or regulation, term or condition to exist or continue to exist.

12. OWNER'S OPTION TO MAINTAIN HOMESITE

In the event Resident fails to maintain Resident's Homesite as provided in the Rules and Regulations, Owner may, upon giving written notice to Resident, perform the required maintenance and charge Resident a reasonable fee for said maintenance. The written notice shall state the specific condition to be corrected, that Owner will perform the maintenance if Resident does not perform within fourteen (14) days of the notice, and an estimate of the charges to be imposed.

13. WAIVER OF DEFAULT

No delay or omission in the exercise of any right or remedy of Owner provided by this Agreement related to any default by Resident related to obligations provided by this Agreement shall impair any such right or remedy or be construed as a waiver. No waiver by Owner of Owner's right to enforce any provision hereof after any default on the part of Resident shall be effective unless made in writing and signed by Owner, nor shall it be deemed a waiver of Owner's right to enforce each and all of the provisions hereof upon any further or other default on the part of Resident. The acceptance of rent hereunder shall not be, or become construed to be a waiver of any breach of any term or provision of this Agreement or any rule, regulations, term or provision contained in any document referred to in this Agreement, nor shall it reinstate, continue or extend the term of this Agreement or affect any notice, demand, or suit hereunder.

14. TERMINATION OF TENANCY

This Agreement may only be terminated by Owner in accordance with the Mobilehome Residency Law, for example, non-payment of rent, substantial annoyance, violation of rules and regulations, etc.

15. TRANSFER OF OWNER'S INTEREST

In the event Owner transfers Owner's interest in the Park, Owner shall be automatically relieved of any obligations hereunder which occur after the date of such transfer, provided such obligations are assumed in writing by the transferee. The purchaser of the Park must be bound by this Agreement.

16. TERMINATION BY RESIDENT

Resident may elect to terminate this Agreement on sixty (60) days written notice to Owner if one of the following occurs: (a) All persons occupying the Homesite rented to Resident by this Agreement terminate their tenancy as to said Homesite and remove Resident's mobilehome from the Park. In such event, the

Homesite shall revert to Owner's control, and Owner may lease or rent the Homesite to any party on any terms Owner chooses, (b) All persons occupying the Homesite rented to Resident by this Agreement terminate their tenancy as to said Homesite rented to Resident by this Agreement terminate their tenancy as to said Homesite and sell Resident's mobilehome to another party who has been approved by Owner for tenancy in the Park in accordance with the terms set forth in the paragraph entitled "APPROVAL OF PURCHASER AND SUBSEQUENT RESIDENT."

17. APPROVAL OF PURCHASER AND SUBSEQUENT RESIDENT

17.1 Resident may sell Resident's mobilehome at any time pursuant to the rights and obligations of Resident and Owner under the Mobilehome Residency Law, *specifically California Civil Code Section 798.74*, and other applicable law. *In addition, Owner agrees to make their standards for the approval of subsequent purchasers available to Residents or potential purchasers upon request and acknowledges these financial requirement standards are not confidential. If Owner rejects a potential purchaser of a mobilehome, then Owner shall notify Resident and provide a general explanation as to why the Owner rejected the potential purchaser within fifteen days of rejecting the prospective purchaser. This Agreement does not require Owner to provide the Resident with any information that might be considered confidential.*

17.2 Any additional rights granted to Resident or to Owner due to amendments, deletions, or modifications of the Mobilehome Residency Law and other applicable law may be enforced by Owner or by Resident. If the prospective buyer does intend for the mobilehome to remain in the Park, said buyer must do the following before occupying the mobilehome: (a) complete an application for tenancy, (b) be accepted by the Owner (c) execute a new rental agreement or other agreements for the occupancy of the Homesite, and (d) execute and deliver to the Owner a copy of the Park's then effective Park Rules and Regulations and other residency documents. IF THE PURCHASER FAILS TO EXECUTE AN ASSIGNMENT OF THIS AGREEMENT OR NEW RENTAL AGREEMENT, SUCH PURCHASER SHALL HAVE NO RIGHTS OF TENANCY. The rental agreement, Rules and Regulations and other residency documents signed by the prospective purchaser may be different in their own terms and provisions than this Agreement, the Rules and Regulations, and other residency documents now in effect.

17.3 Notwithstanding anything contained herein to the contrary, Owner may, in order to upgrade the quality of the Park, require the removal of the mobilehome from the Homesite upon its sale to a third party, in accordance with the provisions of the Mobilehome Residency Law and other applicable law. Any such rights granted either party due to amendments, deletions, or modifications of the Mobilehome Residency Law and other applicable laws may be enforced by either party at that party's option.

18. OCCUPANCY QUESTIONNAIRE

Residents shall complete, sign and provide to Owner, on three (3) days written notice, an Occupancy Questionnaire. (Please note: Such Occupancy Questionnaire shall be required only on an annual basis, unless otherwise necessary.) Such executed Questionnaire shall contain the following upon completion:

- A. The names of all occupants of the Homesite.
- B. Nature of occupancy, i.e. guest, resident, shared tenancy under California Civil Code Section 798.34.(b), family member,
- C. The legal owner and registered owner of the mobilehome,
- D. Names and addresses of all lienholders of the mobilehome,
- E. A copy of the registration card issued either by the Department of Housing and community Development or the Department of Motor Vehicles for the mobilehome occupying the Homesite.

19. LIENS AND CLAIMS

19.1 Prohibition Against: Resident shall not suffer permit to be enforced against Owner's title to the Park, or any party thereof, any lien, claim, or demand arising from a work of construction, repair, restoration or maintenance of the Homesite or mobilehome.

19.2 Removal of Liens by Resident: Should any lien demand, or claim be filed, Resident shall cause it to be immediately removed. In the event Resident, in good faith, desires to contest such lien, demand, or claim, he may do so, but in such case Resident agrees to and shall indemnify and save Owner harmless from any and all liability for damages, including reasonable attorneys fees and costs, resulting therefrom and agrees to and shall, in the event of a judgment of foreclosure on said lien, cause the same to be satisfied, discharged, and removed prior to execution of the judgment.

19.3 Removal of Liens by Owner: Should Resident fail to discharge any such lien or furnish bond against the foreclosure thereof, Owner may, but shall not be obligated to discharge the same or take such action as it deems necessary to prevent a judgment of foreclosure on said lien from being executed against the property, and all costs and expenses, including but not limited to, reasonable attorneys fees and court costs incurred by Owner in connection therewith shall be repaid by Resident to Owner on written demand.

20. ENFORCEMENT BY CITY OF VISALIA

The parties hereto specifically grant to the City of Visalia the authority to enforce the terms and conditions of the *2010 Standardized Lease Program Agreement*, which provides the offering of this lease to the Residents of Parks within the city limits of Visalia. The parties agree that the prevailing party shall be entitled to recover any costs and attorneys fees incurred in the enforcement

of the terms and conditions of the *2010 Standardized Lease Program Agreement* it seeks to enforce on behalf of the parties hereto.

21. INDEMNIFICATION

Owner and Park shall not be liable for any loss, damage or injury of any kind whatsoever to the person or property of any resident or to any of the employees, guests, invitees, permittees, or licensees of any resident, or to any other person whatsoever, caused by any use of the Park or Homesite, which is the result of any defect in improvement erected thereon, or arising from any accident in the Park or Homesite arising from any fire or other such casualty thereon, or arising from any cause whatsoever. Resident hereby agrees to indemnify and hold Owner and Park free and harmless from liability for all claims and demands for any such loss, damage, or injury, including attorney fees, together with all costs and expenses arising therefrom or in connection therewith. The foregoing release and indemnification shall not apply to the negligent or willful acts or omissions of Owner or Park, the breach of this Agreement by Owner or Park, or any other duty owed by Owner or Park as compensation for diminution in value of the leasehold or for taking of the fee or the taking of any interest Resident may have had due to this Agreement or Resident's tenancy in the Park. Nothing contained herein, however, shall be deemed to preclude Resident from obtaining any award for loss of, damage to, or relocation of Resident's removable personal property, or to give Owner any interest in such award.

22. ENTIRE AGREEMENT

This Agreement and the documents referred to herein constitute the entire Agreement between Resident and Owner pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties, whether written or oral.

23. ATTORNEYS' FEES AND COSTS

If any action arises out of Resident's tenancy, this Agreement, the attached *2010 Standardized Lease Program Agreement*, or the provisions of the Mobilehome Residency Law, the prevailing party shall be entitled to reasonable attorneys' fees and costs. A party shall be deemed the prevailing party if judgment is rendered in his or her favor or where the litigation is dismissed in his or her favor prior to or during trial, unless the parties otherwise agree in the settlement or compromise.

24. HEADINGS

The title of the paragraphs and subparagraphs contained herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as any part of this Agreement.

25. NOTICES

All notices required or permitted under this Agreement must be in writing and may be served upon Owner or Resident by any means then permitted by law.

26. TIME OF ESSENCE

Time is of the essence with respect to the performance of every provision of this Agreement in which time is a factor.

27. INVALIDITY OF PROVISIONS

27.1 Certain terms and provisions of this Agreement and other documents referred to in this Agreement refer to, restate, or summarize provisions of the Mobilehome Residency Law and other applicable laws. In every instance, it is intended that these references, restatements and summaries will accurately reflect the law and correctly set forth Resident's and Owner's rights, liabilities, duties and obligations to one another and to other persons. The same is true of all of the other provisions of this Agreement and the other documents used by the Park. If any of the provisions of this Agreement or the other documents used by the Park fail in any way to meet the above criteria, then it is unintentional and all such provisions shall be deemed to be automatically revised to correctly reflect the Owner's and Resident's rights, liabilities, duties, and obligations under the provisions of the Mobilehome Residency Law and all applicable laws. Resident agrees to promptly notify Owner in writing of any instance where Resident believes that any of the provisions of this Agreement or other documents used by the Park fail to meet the above criteria.

27.2 If any term or provision of this Agreement or any document referred to in this Agreement or the application thereof to any person or circumstances shall to any extent be invalid, or unenforceable, the remainder of this Agreement or the other document or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement or the other document shall be valid and be enforced to the fullest extent permitted by law.

28. CHOICE OF LAW

This Agreement and all documents referred to in this Agreement shall be construed and enforced in accordance with the laws of the State of California.

29. EXTENSION OR RENEWAL

Pursuant to the terms of the 2010 Standardized Lease Agreement, the prescribed term of this Agreement is until June 1, 2015. Resident and Owner may negotiate the renewal or extension of this Agreement for an additional term mutually agreeable to the parties as long as such agreement is in writing. Any such extension is beyond the term of the 2010 Standardized Lease Agreement and shall state the terms that 2010 Standardized Lease Agreement expires on June 1, 2015. The 2010 Standardized Lease Agreement does not apply after June 1, 2015 shall no longer be applicable, any renewal or extension shall strike out all

references to the 2010 Standardized Lease Agreement, including ombudsman services that may be provided by the City of Visalia.

30. ASSUMPTION OF AGREEMENT

Resident shall have the right to assign Resident's interest in this Agreement upon the sale of Resident's mobilehome, and a purchaser shall be allowed assume Resident's interest in this Agreement, as long as: (a) the provisions of the paragraph above entitled "APPROVAL OF PURCHASER AND SUBSEQUENT RESIDENT" is complied with, (b) Resident is not in arrears in his or her rent at the time of assignment, and (c) Resident is not in violation of any of the park Rules and Regulations or any provision of this Agreement. Resident must, however, immediately notify Owner in writing of Resident's intent to sell Resident's mobilehome, and shall provide Owner with the name, address and telephone number of such prospective buyer. Within fifteen (15) days of such notification, Owner shall notify such prospective buyer that this Agreement may be assumable if the prospective buyer of the mobilehome intends to remain in the Park.

31. MEDIATION/DISPUTE RESOLUTION

With respect to any dispute between the parties as to this Agreement, the parties shall attempt, in good faith, to meet and confer to resolve the dispute prior to litigation or other formal forms of dispute resolution. The parties agree that the City of Visalia Economic Development Department (contact person) shall be contacted. The City of Visalia contact person shall contact the Resident and the on-site Park Owner representative in an attempt to resolve the dispute. Disputes concerning the mobile home park facilities, mobile home park utilities, rules and regulations of the mobile home park and other issues not directly subject to the terms of this Agreement are not a subject of this provision. The City of Visalia shall not be responsible for mediating any disputes that the City, in its discretion, determines not to be the subject of this Agreement.

This Mediation/Dispute Resolution clause terminates on June 1, 2015 with the termination of the 2010 Standardized Lease Agreement.

*The City of Visalia contact person, with the permission of both parties in dispute, may refer the matter to be heard by a dispute resolution panel to be made up of two Owner representatives, and two Resident representatives from one of the Parks that signed the 2010 Standard Lease Agreement. A hearing will be held before the panel and each side will be allowed to present their case without objection although panel members may ask questions. No formal rules of evidence will be required to be followed and neither side will have the right to subpoena documents or witnesses. The dispute resolution panel will issue a **non-binding** decision on the matter or note that no majority decision could be reached. The parties agree that if the hearing process is used then all information presented during the hearing will be considered confidential and being revealed in order to settle the dispute. Either Owner or Resident may refuse to participate in this alternative dispute resolution procedure. If this procedure is used then both sides agree that the applicable statute of limitations*

*shall be tolled during until after the panel issues its **non-binding** decision or statement that a majority decision could not be reached. The matter may then be referred to the City ombudsman or the parties may pursue the matter through other means.*

Signatures

City of Visalia and Visalia Mobile Home Park Owner
2010 Standardized Lease Program Agreement

The following mobile home parks owners within the City of Visalia,

and the City of Visalia agree that continuing the standardized lease program will provide stability to rental rates and hereby agree to the following:

1. The parties agree that this Standardized Lease Program Agreement will supersede the terms of the MOU dated May 16, 2005 and the obligations of the parties participating in the 2005 MOU will be extinguished and replaced with this Agreement upon signing.

2. It is understood and agreed that the 2010 Master Long-Term Lease Agreement (Lease) attached hereto as Attachment 1 shall be offered to those tenants that are on the 2005 Master Long-Term Lease when those 2005 Leases expire.

3. The terms contained in the Lease must be offered to residents of the mobile homes ("Residents") in the mobile home parks in the City of Visalia pursuant to the terms and conditions stated in this Agreement. In addition to the terms provided pursuant to this Agreement, the Owners may include additional terms that are applicable to each specific park. The City must review and approve these additional terms prior to their inclusion in the Lease.

3.1 Annual Rent Adjustment Floor and Ceiling – All Leases entered into under this Agreement must have the same Annual Rent Adjustment as required by this Agreement. The Annual Rent Adjustment for all leases shall be the applicable the Federal Social Security Act for the prior year subject to the following provisions. The Owner may make the Adjustment three and one-half percent (3.5%) if the Social Security Index increase is less than three and one-half percent (3.5%) and the Owner may not Adjust the Rent more than seven percent (7%) per year if the annual Social Security Index increase is more than seven percent (7%).

4. Owners may offer alternative lease forms but must indicate, in writing, to every Resident, that the Lease negotiated pursuant to this Agreement between the Owner and the City in lieu of a rent control ordinance exists. In addition, Owners must provide each Resident with a copy of this Lease and the contact information for the person named by the City as the point of contact concerning the Lease. City agrees that it will provide educational information to Residents about the terms and conditions of the Lease upon request.

5. The term of this Agreement shall continue for five (5) years. Parties agree that all Leases entered into under the terms of this Agreement shall terminate on June 1, 2015. The duties under this Agreement shall terminate on June 1, 2015.

City and Owner agree to begin meeting to discuss whether to extend, modify, or terminate this Agreement by June 1, 2014. A decision is not required by that date.

If an Owner and Resident extend the term of a Model Leases over five (5) years, then, as stated above, the City is not required to provide ombudsman services after June 1, 2015. Owners agree to notify Residents that the City is not required to offer ombudsman services after June 1, 2015.

6. The Model Lease shall be offered to all existing Residents that are not otherwise parties to a lease agreement once per year. The Model Lease shall also be offered to Residents with expiring leases no later than forty-five (45) days prior to the expiration of their lease.

Residents that are on month-month leases or otherwise eligible to enter into a new lease agreement shall be able to request a Model Lease with the Owner at any time they are eligible to enter into a new lease agreement. Owner agrees that upon such request they will enter into a Model Lease with the Resident.

7. Owner agrees to document when the Lease was offered to any new Resident or to any Resident with an expiring lease. The documentation form will request the Resident sign and date the form indicating they were offered the Lease by the Owner. It shall not be necessary to list whether the Lease was signed. The form must also be signed and dated by the Owner's representative. All persons signing the form shall also print their name and provide a mailing address. If the Resident refuses the sign the form, then the Owner's representative shall print the name of the Resident and indicate the refusal to sign.

Individual Residents may request a copy of any document that they sign or was signed by the Owner representative if the Resident refused to sign it. This request by the Resident may be made at any time.

Owner shall maintain the documentation form in case of any disputes concerning whether the Model Lease is being offered to new Residents or Residents with expiring leases. If there is such a dispute, then the documentation may be made public at the request of the Resident.

8. Each Owner must post a copy of the Lease in public view for all Residents to see with a notification that Residents may contact the City with any questions. The contact information for the person named by the City as the point of contact concerning ombudsman services shall also be listed.

9. Owners agree to supply City with the contact information for their mobile home park managers and to update this list within thirty days of any changes in management.

10. Every Owner shall file an annual mobile home park registration statement to the City no later than February 1, of each year. The registration statement shall include the number of mobile home spaces within the park at the end of the year; the number of spaces that were being rented at the end of year; the number of spaces that were being rented pursuant to a Lease at the end of the year; a description of each charge, including utilities, not included in space rent that are billed to Residents by Owners; the name and address to which all required notices and correspondence to the Owner may be sent.

11. All the terms, covenants, and conditions of this Agreement shall inure to the benefit of and be binding upon the successor and assigns of the parties hereto.

12. Owners agree that all transfers of a mobile home park by the Owners shall include a condition stating that the new Owner is bound to the terms of this Agreement. Upon the sale or transfer of a mobile home park, the seller or transferor shall notify the City of the sale or transfer and of the name and address of the buyer or transferee. Within thirty (30) days following the sale or transfer of a mobile home park, the buyer or transferee shall register with the City and provide the information described above.

An Owner may terminate this Agreement if one of the following occurs to it: (i) upon the institution by or against that Owner of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of that Owner's debts, (ii) upon that Owner making an assignment of a mobile home park in the City of Visalia subject to this Agreement for the benefit of creditors, or (iii) upon that Owner's dissolution or ceasing to do business. If an Owner terminates this Agreement under this subsection, then this Agreement still continues with the remaining Owners and the City.

13. The City, if it determines such an ordinance is warranted, may impose a rent stabilization ordinance that would apply to mobile home parks within the City that are not a party to this Agreement.

14. When disputes under Leases arise, each party to this Agreement agrees to participate in the dispute resolution process as described in the Lease.

15. To the extent any of the provisions of this Agreement are not met, any party to this Agreement may initiate appropriate action to seek compliance, including injunctive relief. The prevailing party shall be entitled to recover costs and reasonable attorney's fees expended in enforcing the terms and conditions of this Agreement.

15.1 The parties agree that as liquidated damages for willfully failing to violating o provide the annual mobile home park registration statement to the City and the contact information for their mobile home park managers the Owner shall pay the City \$25 per day. This amount begins to accrue five business days after the date the Owner is required to provide the information to the City.

The liquidated damages described above only apply to willful failures of an Owner to provide the annual mobile home park registration statement to the City and the contact information for their mobile home park managers. The liquidated damages provision does not apply to any other violations of this Agreement or to violations of any Model Lease term.

16. Any notice to be given to either party under the terms of this Agreement, shall be written and served either by personal delivery or by first class mail, postage prepaid, addressed as follows:

City of Visalia:

CITY OF VISALIA
707 W. Acequia
Visalia, CA 93291

INSERT NAME AND ADDRESS FOR EACH MOBILE HOME PARK

17. It is the intent of the parties to this Agreement that its terms and conditions be enforceable and shall supersede any and all prior Agreements. This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either party. Each party has relied on his own examination of this Agreement, counsel of his own advisors and the warranties, representations, and covenants in the Agreement itself.

18. If any provision of this Agreement is held invalid or unconstitutional, such decision shall have no effect on the validity of the remaining provisions of the Agreement, and such remaining provisions shall continue to remain in full force and effect.

19. Notwithstanding any of the provisions of this Agreement, the parties may hereafter, by mutual consent agree to modifications herein or additions hereto in writing which are not forbidden by law.

20. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement on behalf of the entity that he or she represents. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

(Signatures)

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 15, 2010

Agenda Item Number (Assigned by City Clerk): 12

Agenda Item Wording:

Adoption of Negative Declaration No. 2009-91, for the 2009 Housing Element Update (GPA 2009-03).
Resolution No. 2010- , required.

Adoption of the 2009 Housing Element Update, General Plan Amendment GPA 2009-03.
Resolution No. 2010- , required.

Deadline for Action: None, except that State law requires that the 2009 Housing Element Update be certified by the State no later than August 31, 2009. The City satisfied the basic submittal deadline for the State's preliminary review. The intervening six months between the certification deadline and now is permissible by State administrative procedures that recognize that delays in subsequent State reviews are not the fault of the local agency. Consequently, the City is not under a specific adoption deadline other than to maintain its good faith effort to comply with the basic intent of the State's laws and its administrative procedures.

Submitting Department: Community Development Department

Contact Name and Phone Number:

Paul Scheibel, AICP, Planning Services Manager, 713-4369

For action by:

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

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 30

Review:

Dept. Head
(Initials & date required)

Finance
City Atty 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.

Recommendation: Staff recommends that the City Council adopt the resolution for Negative Declaration No. 2009-91, for the 2009 General Plan Housing Element Update, and that it adopt the resolution approving the 2009 General Plan Housing Element Update (GPA 2009-03).

Background:

The General Plan Housing Element is one of the seven mandatory General Plan elements for cities and counties in California. **It is the only General Plan element that requires state review and approval to become effective at the local level.** Under recent state law, the effective lifespan of a Housing Element is seven years, which is up from the previous five year lifespan.

The purpose of a Housing Element is to set forth the policies that are compliant with state and federal Fair Housing laws, particularly with regard to facilitating the provision of "affordable" housing in the jurisdiction. Each city and county in California is assigned a share of the total of housing units the state anticipates will be needed to accommodate

expected population growth. This unit total is known as the Regional Housing Needs Allocation (RHNA). The term “affordable” is a somewhat subjective term. **For state housing purposes, “affordable” is most closely associated with housing unit development density potential.** By state criteria, the higher density that a given site can yield theoretically makes the future housing units on the site more affordable.

The Housing Element also includes an available lands inventory that shows where the jurisdiction’s RHNA units *could* be located, although there is no specific requirement for a jurisdiction to actually build its share of housing identified in the RHNA. Rather, the jurisdiction is merely required to demonstrate through the Housing Element that its housing and land use polices, and available land inventory are “inclusionary” as opposed to “exclusionary” as they relate to affordable housing (That is, the policies provide reasonable opportunities for affordable housing to be created). The actual purchase of land and construction of housing- including affordable housing is not a City responsibility. It is largely accomplished by private sector developers and not for profit housing advocacy organizations.

In November 2009, the City Council authorized \$90,850 to hire the consulting firm of Mintier Harnish to prepare the Housing Element Update. Between November 2008 and May 2009, the City Council-appointed Housing Element Advisory Committee, the consultant, and City staff conducted a series of community outreach efforts and developed a strategy to adequately address the State’s housing policies and our own housing program goals and implementing policies in the new Housing Element document.

Summary:

Early in the process, the **City Council directed that the Housing Element strategy employ some key features, including accounting for the RHNA on land only within the City’s existing City limits.** The draft Housing Element was completed in June 2009, and formally delivered to the state Department of Housing and Community Development (HCD) in late August 2009.

Between August 2009 and February 2010, HCD and the City and consultant worked through several issues with HCD to resolve their outstanding concerns. None of the concerns caused the City to alter the original direction given by the City Council. On February 10, 2010, HCD sent a conditional approval letter to the City, indicating the final draft Housing Element will be certified by the State, so long as no additional changes are made.

On February 22, 2010, The Planning Commission held a public hearing on the draft Housing Element, and approved the resolution recommending adoption of the Negative Declaration, and approval of the Housing Element. No person spoke in opposition to the action.

Discussion of RHNA:

Based on the current Regional Housing Needs Allocation (RHNA) Plan, the City was assigned

REGIONAL HOUSING NEEDS ALLOCATION BY INCOME						
Visalia						
January 1, 2007 to June 30, 2014						
	Extremely Low	Very Low	Low	Moderate	Above Moderate	TOTAL
RHNA	1,154	1,154	1,848	2,279	7,400	13,835
Percent of Total	10.5%	10.5%	15.6%	19.9%	43.4%	100.0%

responsibility for 13,835 total housing units for the 2007 to 2014 RHNA period. Of this total,

4,156 units are assigned for low-, very low-, and extremely low-income categories. By comparison, under the 2005 Housing Element, the City was required to facilitate 8,650 housing units, including 3,960 low- and very low-income units, in accordance with the 2001 to 2008 RHNA Plan.

The good news is that the City can comfortably meet the new RHNA allocations with land currently in the City limits and within the 129,000 UDB. Therefore, it will not need to annex any lands or rezone any residential land to achieve its available land inventory requirements.

City Strategy Guiding the Housing Element Update:

During the Progress Review period, the Housing Element Advisory Committee, Planning Commission, and City Council preferred and ultimately selected the moderately aggressive implementation scenario (Scenario 2). Key points of this scenario are:

- Assumes the densities for sites in the East Downtown are the same as those outlined in the East Downtown Strategic Plan. Assumes development of EDT Neighborhoods 1, 2, and 4 at 40 du/ac.
- Assumes a new set of aggressive policies/programs to encourage second dwelling units.
- Assumes 1,662 units could be developed along the South Mooney Blvd. corridor under the current mixed-use planned unit development (PUD) zoning ordinance provisions between 2009 and 2014.

In addition, several Housing and Land Use policy, Zoning Code revisions accompanied the land inventory totals to complete the Housing Element Update. **These include raising the threshold of multi-family projects permitted by right above the present 40-unit minimum to 60 units, amending the size and location criteria of higher density projects, allowing emergency shelters by right in the IL (Light Industrial) zone, and providing further allowances for second dwelling units.** The proposed policy revisions were favorably reviewed and accepted by HCD.

Final Revisions Resulting From HCD Review:

On February 10, 2010, HCD accepted final revisions and conditionally approved the draft Housing Element. The final revisions from HCD reviews and City responses are summarized as follows:

- A. Even though the City included RMD land as available for lower-income households, HCD did not agree with this strategy. This was not a significant problem since the Inventory already has adequate RHD (Residential High Density) land designated for lower-income housing.
- B. Affirmed and strengthened the City's commitment to support in-fill development through existing policies and programs.
- C. Affirmed and strengthened the City's commitment to support assembling large parcels for affordable housing projects through existing policies and programs.
- D. Provided a more detailed site analysis of existing conditions in the East Downtown Area.

Alternatives and Next Steps:

The Housing Element becomes effective upon its adoption. There are a few Zoning Text Amendments that must be completed within one year of the City's adoption date, including the amendment pertaining to the 60-unit threshold as a permitted use in the multi-family residential zones, and provisions to allow emergency shelters by-right in the IL zone. A General Plan Amendment (Land Use Policy 4.1.20) to increase the siting flexibility for multi-family projects will

also be initiated. Adoption of the East Downtown zoning overlay must be completed by December 2012. If the City Council changes the current version of the draft Housing Element, the changes will require review and acceptance by HCD before the City can adopt the Housing Element's final version.

Environmental Review:

Negative Declaration No. 2009-91 was circulated for a minimum of 30 days through the State Clearing House and to local interested parties, beginning October 14, 2009. The Environmental Initial Study concluded that adoption of the Housing Element would not directly result in any significant impacts on the environment.

Prior Council/Board Actions: N/A

Committee/Commission Review and Actions: On February 22, 2010, the Planning Commission adopted a resolution recommending approval of Negative Declaration 2009-91 and the final draft 2009 Housing Element Update (GPA 2009-03).

Attachments:

- Exhibit "A" – Final draft Housing Element Update dated February 16, 2010 (distributed by separate correspondence)
- Exhibit "B" - Resolution adopting Negative Declaration 2009-91
- Exhibit "C" – Resolution approving GPA 2009-03 for the 2009 Housing Element Update
- Exhibit "D" - State HCD Conditional Approval Letter, dated February 10, 2010
- Exhibit "E" – Errata sheet reflecting all changes in the draft HE Update per HCD review

Recommended Motion (and Alternative Motions if expected):

I move to approve the resolution adopting Negative declaration 2009-03; and further move to approve the resolution for General Plan Amendment 2009-03 adopting the final 2009 Housing Element Update.

Environmental Assessment Status

CEQA Review: Negative Declaration 2009-91

NEPA Review: N/A

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

Copies of this report have been provided to:
Planning Commission
Housing Element Advisory Committee

RESOLUTION NO. 2010-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA,
ADOPTING NEGATIVE DECLARATION NO. 2009-91, WHICH
EVALUATES
ENVIRONMENTAL IMPACTS FOR GENERAL PLAN AMENDMENT NO.
2009-03, 2009 HOUSING ELEMENT UPDATE

WHEREAS, General Plan Amendment No. 2009-03, (hereinafter "Project") is a request to approve the 2009 Housing Element Update.

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice, held a public hearing before said Council on March 15, 2010, for the Project; and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this Project, and that no mitigation measures would be required for the Project; and

WHEREAS, on the basis of this Initial Study, a Negative Declaration has been prepared for the Project pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended; and

WHEREAS, the Initial Study and Negative Declaration for the Project were prepared and noticed for review and comment for 30 days beginning on October 22, 2009; and

WHEREAS, any comments received during the advertised comment period were reviewed and considered in accordance with provisions of CEQA; and

WHEREAS, the City Council of the City of Visalia considered the Initial Study and Negative Declaration and found that the Initial Study and Negative Declaration contain and reflect the independent judgment of the City of Visalia; and

NOW, THEREFORE, BE IT RESOLVED that a Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and the City of Visalia Environmental Guidelines.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia hereby finds, on the basis of the whole record before it, that there is no substantial evidence that the project will have a significant effect on the environment and hereby adopts Negative Declaration No. 2009-91. The documents and other material which constitute the record of the proceedings upon which the decisions based are located at the office of the City Planner, 315 E. Acequia Avenue, Visalia, California, 93291.

RESOLUTION NO. 2010-12

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA, APPROVING THE
FINAL DRAFT 2009 HOUSING ELEMENT UPDATE

WHEREAS, The draft Housing Element Update was prepared by the City of Visalia in accordance with all applicable portions of State of California Planning and Zoning Law; specifically Article 5, Section 65300 et.seq., and Article 10.6 Section 65580, et. Seq; and,

WHEREAS, The Planning Commission of the City of Visalia, after thirty days published notice held a public hearing before said Commission on November 23, 2009, and continued said hearing on December 14, 2009 and January 25, 2010, and conducted said hearing on February 22, 2010; and,

WHEREAS, The Planning Commission of the City of Visalia found the draft Housing Element Update is in conformance with the purposes, intent, and policies of the General Plan of the City of Visalia, and the Initial Study prepared for the project is consistent with CEQA, which disclosed that environmental impacts are determined to be not significant, and that Negative Declaration No. 2009-91 could be adopted,

WHEREAS, The City Council of the City of Visalia, after ten days published notice held a public hearing before said City Council on March 15, 2010; and, approved a resolution adopting Negative Declaration 2009-91 for the project, and considered said project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Visalia approves General Plan Amendment GPA 2009-03 for the final 2009 Housing Element Update, in accordance with the terms of this resolution under the provisions of Section 17.54.070 of the Ordinance Code of the City of Visalia and based on the following findings:

1. That the proposed Housing Element Update is in conformance with the purposes, intent, and policies of the General Plan of the City of Visalia.
2. That the proposed Housing Element Update has been prepared in accordance with all applicable portions of State of California Planning and Zoning Law; specifically Article 5, Section 65300 et.seq., and Article 10.6 Section 65580, et. Seq.