



**VISALIA CITY COUNCIL STRATEGIC PLANNING WORKSHOP
FEBRUARY 4 & 5, 2011**

Visalia Convention Center – 303 E. Acequia, Visalia, CA 93291

AGENDA

FRIDAY, FEBRUARY 4, 2011

The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on any of these items, but a final decision will occur at a future Council Meeting).

The following agenda items are not time specific. A break for a buffet dinner will be taken at approximately 5:00 p.m.

12:00 p.m. - **Buffet Lunch**

12:30 p.m. - **Opening Comments**

Bob Link, Mayor

Public Comment

Steve Salomon, City Manager

Mike Ramsey, Facilitator

1. GETTING STARTED

An exercise to strengthen communication among council members and staff.

2. GENERAL OBSERVATIONS – Introduction by Facilitator

All council members gave their impressions of several facets of life in Visalia while being interviewed by the facilitator in preparation for the Workshop. The facilitator will share the collective results.

3. NEW RULES FOR ELECTED OFFICIALS IN TIMES OF ECONOMIC MELTDOWN

“Typically candidates have run on platforms to make community improvements. Once elected, governing board members have historically enjoyed access to some “slack resources” to respond to ever-increasing community demands. With the economic meltdown, no slack resources exist for new projects. In fact, ongoing budget cutbacks, layoffs and demoralized employees all threaten local government’s ability to deliver services...Based on my work with public agencies, I have crafted 10 new rules for local government leaders grappling with the current adverse economic conditions.” *Frank Benest – Western City Magazine*

We will briefly review the 10 rules presented by Frank Benest in a recent Western City Magazine article.

4. ACKNOWLEDGEMENT OF ACCOMPLISHMENTS

Budget constraints and staffing reductions made 2010 a challenging year in which to provide city services and pursue the top priorities established at the City Council’s Strategic Planning Workshop of 2010. Accomplishments that council members consider noteworthy will be reviewed.

5. WATER

Water is among the community’s most critical natural resources. The dramatic drawdown in recent years of the aquifers supplying Visalia’s water is evidence of a critical need to better manage this resource. The combined efforts of local and regional programs will be discussed.

6. FINANCIAL

The City Council has made difficult choices the past few years in order to maintain vital services, sustain Visalia’s quality of life and manage the community’s growth. The resulting financial stability has spared the community and the organization many of the dire circumstances facing similar communities around the state. Additional work remains to be done including managing health benefit costs of employees and retirees, funding public safety and funding the employee retirement program.

7. ECONOMIC STIMULUS PLAN

The City of Visalia adopted a local Economic Stimulus Plan in 2010 that was designed to boost local business activity. The costs and benefits associated with the plan will be reviewed. Changes for greater cost effectiveness will be considered.

7:00 p.m. - Adjourn

SATURDAY, FEBRUARY 5, 2011

7:30 a.m. – Continental Breakfast

8:00 a.m. - Convene Workshop

Welcoming Comments from Mayor Link

Public Comments

The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on any of these items, but a final decision will occur at a future Council Meeting).

8. LAND USE PLANNING

Planning for the optimum growth and development of the community remains a top priority for the City Council and staff. The General Plan Update is underway, infill development is being encouraged, opportunities for future Regional Retail are being discussed by potential developers, concerns arise about how much growth Visalia can accommodate, etc. City Council and staff will discuss the implications of these and other land use variables.

1. Encouraging infill development: a review of planning regulations and procedures along with administrative flexibility in applying them to projects
2. Significance of the GP Update and discussion of community policy issues including potential retail development along Hwy. 99 and open space setback

corridor and development opportunities along West Highway 198.

9. QUALITY OF LIFE

Many communities around the country are known for a signature event that draws tourists and bolsters the local economy. Pasadena has its Rose Parade, Albuquerque hosts its annual Balloon Festival, St. George, Utah hosts the annual Senior World Games, etc. Visalia enjoys many athletic, arts and entertainment events during the year but none are known as the community's signature event. Creating or adopting such an event may provide Visalia the same economic boost and widespread notoriety as enjoyed by these communities.

10. PRIORITIES FOR 2011

City Council members will list the City projects, programs and services that are of the greatest importance to them in 2011.

2:00 p.m. Adjourn Workshop

Breaks will be taken as needed throughout the Workshop.



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WESTERN CITY / JANUARY 2011 / 10 NEW RULES FOR ELECTED OFFICIALS IN TIMES OF ECONOMIC MELTDOWN

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10 New Rules for Elected Officials In Times of Economic Meltdown

BY FRANK BENEST



Frank Benest, Ph.D., is former city manager of Palo Alto. He currently serves as the senior advisor to the International City/County Management Association for Next Generation Initiatives and can be reached at frank@frankbenest.com. This article was prepared in collaboration with the Institute for Local Government.

This is a challenging new era for local elected officials charged with governing in the midst of economic meltdown.

Typically candidates have run on platforms to make community improvements. Once elected, governing board members have historically enjoyed access to some "slack resources" to respond to ever-increasing community demands. With the economic meltdown, no slack resources exist for new projects. In fact, ongoing budget cutbacks, layoffs and demoralized employees all threaten local government's ability to deliver services.

A Diminished Capacity to Respond

Local governments are experiencing permanent fiscal stress that undercuts their ability to respond to the big issues of the day. The financial crisis is exacerbated by a talent crisis as a whole generation of Baby-Boomer professionals retire. Elected officials' policy innovations are futile without staff talent to execute them.

To make matters worse, employees are feeling fearful, pessimistic and even victimized. In a culture of fear, creativity cannot flourish, and consequently local government cannot overcome its problems.

10 New Rules

Based on my work with public agencies, I have crafted 10 new rules for local government leaders grappling with the current adverse economic conditions.

1. Identify the "core."

To allocate scarce resources, governing boards must first identify core versus non-core businesses or program areas. For example, in one Northern California county, the county manager contacted city representatives to identify core and non-core businesses, with the intent of identifying possible functions that cities might wish to contract out to the county. The two top core functions that cities wished to keep in-house were land-use planning (determining the physical character of the community and promoting economic vitality) and park programming (affecting the quality of life in a community).

Without first deciding on what is core, governing boards may protect public safety programs at all costs and consequently gut the library and recreation services that are also vital to a community's well-being.

2. Focus on a few priorities.

The governing board as a whole must identify a few priorities (three to five at the most) and then relentlessly pursue those priorities with limited resources. To assist the board in this courageous conversation about hard choices, it is wise to engage a broad range of community groups and thus make the resulting priorities more legitimate and enduring.

When new demands for local government action arise, as they will, the governing board must insist that any new demand replace an existing obligation. When I first arrived in Palo Alto as the new city manager, the department directors identified 39 high-priority projects approved by the council. With the assistance of city management, the council was able to identify and then focus on five priorities. We then hung

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banners in the council chambers, one banner for each priority. When someone suggested a new priority, the mayor or the city manager could then ask which banner the council would like to remove.

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3. Subtract, subtract, subtract.

To aggressively pursue a few priorities with shrinking resources, governing boards must help their organizations relentlessly subtract. When I became city manager in Palo Alto, we created a 90-day "Office of Bureaucracy-Busting." Employees submitted hundreds of ideas to eliminate ritualistic activities that drained resources and provided no added value. Some ideas were simple and easy to implement, such as eliminating quarterly activity reports that no one read or verbatim minutes of commissions. Other ideas were more complicated, such as re-engineering and simplifying the city's contracting process, which ultimately reduced the time needed to approve major contracts from six months to three.

An organization must "accelerate" so it can effectively pursue a few priorities or respond to new demands in economic hard times. To accelerate, it must subtract.

4. Limit requests for new analysis and reports.

While governing board members may resist a community group's demand to immediately respond to some problem with a new service, the board often directs staff to conduct a new analysis or prepare a report. In good times, these kinds of governing board reactions to new demands may mollify constituents making the service request. In bad times, such referrals of nonpriority items to staff simply divert scarce staff resources and undercut the local government's ability to perform.

5. Have the courage to say "no."

Once a governing board identifies core program areas and a few priorities, it must remain focused and help the organization stay the course. Elected officials must have the courage to say "no" when groups make new demands.

6. Avoid a zero-risk environment.

To overcome the resource challenges facing local government, governing boards must encourage innovation. Examples include self-service kiosks for certain kinds of permits, selling computer support or other services to adjacent public agencies, or sharing public safety services with other jurisdictions (for more on this topic, read "What You Need to Know About Regionalizing Public Safety Responsibilities.")

The problem is that local governments are risk averse. In fact, in an economic meltdown, the media, community groups and elected officials jump on any mistake and personally criticize committed staff. In such a hypercritical culture, most employees will hunker down and avoid taking any calculated risks.

Innovation does not occur in a zero-risk environment. Learning from mistakes is a key element in the innovation process. Employees must be encouraged to experiment, test ideas and fix problems and mistakes along the way.

If governing boards do not protect creative and risk-taking employees from abuse, no innovation will occur — regardless of exhortations from the dais.

7. Pursue nongovernmental solutions.

Local government can no longer be the center of all problem-solving. Elected leaders must put the issue or challenge in the center and work with private, nonprofit and other community partners to address the problem. Elected leaders need to focus on their roles as conveners and facilitators and avoid proposing new direct services.

8. Free up funds for a few targeted investments.

Even in severe budgetary times, a local government must make a few strategic investments to position itself for the future. Consequently, it must "over-cut" to enable investing in areas such as employee development, information technology, critical capital improvements, energy efficiencies and strategic partnerships that address neighborhood violence or promote economic development.

9. Provide meaning and emotional support to staff.

Again, elected officials cannot achieve their policy agenda without the commitment of creative staff. To maximize employees' effectiveness, it's important to understand what motivates them. While salary is one motivator, people work for more than just a salary — particularly in the public sector. For many public employees, work-related rewards include the opportunity to contribute to their community's quality of life, help others and achieve a sense of accomplishment.

As Daniel Pink says in the book *A Whole New Mind*, "meaning is the new money." Elected officials should translate their requests to staff in terms of the meaning of the work. For example, board members need to talk about the meaning of a new bike lane in terms of making biking safer and promoting healthy lifestyles. Elected leaders are key translators.

Public agencies face a "productivity paradox." At precisely the point that local governments need giant leaps in productivity to overcome the cuts, productivity spirals downward. Elected officials can help the organization survive difficult times by showing concern for employees, providing encouragement and recognizing employee efforts. Simply telling employees to "suck it up" does not help overcome the productivity paradox.

10. Help develop talent and rebuild organizational capacity.

Without talent, the governing board cannot solve the problems facing the local government. In times of severe budget cuts, the local government faces a "free exiter" problem. The "stars" or "A players" of the organization can freely exit and get a job with better pay elsewhere. If they stay, they may look for new opportunities as the economy improves. Employees, especially the "A players," will stay as long as they are growing and stretching. In fact, learning is the new social glue that holds organizations together.

To support employee development, board members must resist gutting talent development budgets. The good news is that talent development programs are inexpensive. Cost-effective programs include talent exchanges with other agencies, leadership academies or educational webinars sponsored by a consortium of local governments, and interim or rotational assignments.

Courageous Conversations

Certainly, following these 10 rules will not be easy for elected officials. Adhering to the new rules requires focus, discipline and will. Perhaps more than anything, elected leaders must exhibit courage...

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Courage has always been a key attribute for leaders. Given the hard choices facing elected officials, courage will become a hallmark of effective governance. Convening stakeholders, starting courageous conversations and engaging all groups in difficult decisions will become the core competencies of leadership.

Elected officials are stewards of our local governments. To help our organizations adapt to change, governing board members must understand the nature of their environment; communicate a new reality to employees, labor unions, community and other stakeholders; and focus on new roles and behaviors. If elected officials adhere to these new rules of governance, their local governments can survive and even thrive in a permanently disrupted world.

This article appears in the January 2011 issue of Western City

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Visalia City Council Strategic Planning Workshop

February 4-5, 2011

Acknowledgement of Accomplishments in 2010

- Fiscal stability of the city
- Adoption of Local Economic Stimulus Plan
- Designation of High-Speed Rail station near Visalia
- Opening of the 2nd phase of the Sports Park and the Lions Park
- General Plan Update underway
- Conclusion of negotiations with all labor groups
- Response to 2010 flooding
- City provided assistance to homeowners related to FEMA maps
- Emphasis on business-friendly council and city staff
- Initiated “town hall” meetings in four quadrants of the city
- Hwy. 198 corridor open space/land use plan initiated
- VWR project
- Hobby Lobby opening
- Mangano project downtown
- Rehabilitation of Togni Branch building
- Mooney Blvd. roadway improvements
- Plaza Business Park standards clarified
- Improved relationship with the Chamber of Commerce
- More attention to unsightly signs and banners
- Gang suppression: Operation Streetsweeper

Memorandum

Date: February 4 & 5, 2011
To: Visalia City Council Workshop
From: Kim Loeb, Natural Resource Conservation Manager
Re: Visalia's Water Supply



City of Visalia
Natural Resource Conservation

Summary

The City of Visalia's water supply is obtained solely from groundwater that is primarily purveyed by California Water Service Company (Cal Water). The majority of the City's water is used for landscape irrigation. Groundwater beneath Visalia occurs in the Kaweah basin, which is part of an interconnected aquifer system that extends across much of the San Joaquin Valley. In the Kaweah basin, agricultural pumping accounts for more than 90 percent of the groundwater use.

The water table has been declining for decades, precipitously since the 1990s, and demand is projected to increase as the City's population grows. Reductions and uncertainty regarding surface water deliveries to the region cause further stress to the regional groundwater supply.

The City and others, principally the Kaweah Delta Water Conservation District (KDWCD), conduct programs in an effort to address the declining supply including groundwater recharge and conservation programs.

However, these efforts have not brought water usage into balance with available supply. More regional and local efforts are required to provide a long-term, sustainable water supply. The City's Water Conservation Plant upgrades will provide a large quantity of high-quality recycled water. To make the best use of planned recycled water trades and recharge opportunities, the City needs better recharge facilities in locations that will provide the greatest benefit to wells serving the City, primarily to the east and/or northeast.

Declining Water Levels

The water table beneath Visalia and regionally has been declining significantly for decades, especially since the 1990s. (See Figure 1) The depth to water in Visalia averaged less than 20 feet below the ground until about 1960; averaged between 20 and 40 feet from 1960 to 1990; declined precipitously to around 75 feet by 2000; and dropped down to an average of 115 feet in 2010. The December 2010 average was 110 feet, about 4 feet less than December 2009, most likely due to groundwater recharge efforts. It is difficult to measure the direct effect of groundwater recharge, as it may take 6 to 12 months for the water to percolate down to the water table.

Projected Increase in Cal Water Pumping

Cal Water is preparing an Urban Water Management Plan, which projects future pumping to meet population projections. Figure 2 is from Cal Water's draft Plan and shows pumping in acre feet from 1980 projected to 2040. Cal Water's annual pumping has increased about 233% from approximately 15,000 acre feet in 1980 to about 35,000 acre feet presently. Cal Water estimates it can pump 23,500 acre feet per year without contributing to the overdraft. Cal Water pumping has exceeded the estimated sustainable amount since 1995; however, regional overdraft has a significant impact on water levels beneath Visalia irrespective of Cal Water's pumping.

Recent State law requires municipal water purveyors to reduce per capita water use by 20 percent by 2020. Cal Water anticipates much of the reduction will come from its current flat-to-meter program.

Unless the reduction is at least as large as the increase in demand due to population growth, the overall water demand will still increase.

Decreases in Surface Water Availability

Three principal factors may affect the supply of surface water to the Kaweah basin. First, the San Joaquin River Settlement reduces Central Valley Project (CVP) deliveries. This decreases the amount of water recharged to the aquifer and increases irrigation pumping.

The second is the loss of surface water supplies due to the increased unreliability of the Delta export pumps because of environmental concerns. This reduces water supplies to farmers in the former Tulare Lake area who then increase pumping from wells.

The third is climate change, which could significantly change precipitation patterns in the Valley and the Sierras. The California Department of Water Resources estimates at least a 25 percent reduction in the Sierra snowpack by 2050 due to climate change.

Artificial Groundwater Recharge

The volume of water stored in the aquifer can be increased through artificial recharge by diverting surface water into recharge basins and channels. The source of this water is principally CVP Friant water and Kaweah River water, which would otherwise flow out of the area in wet years. Regionally, several agencies, most notably KDWCD and Tulare Irrigation District (TID), conduct groundwater recharge efforts.

The City of Visalia has an ongoing groundwater recharge program. When funding is available and prices are reasonable, the City purchases surface water on the spot market to recharge groundwater. The water is run through waterways or placed in basins to percolate into the ground and recharge the aquifer. Over the last five years, the City has recharged an average of 2,800 acre feet per year. In 2010, the City purchased and recharged over 7,800 acre feet.

Better recharge facilities are needed in locations that will provide the greatest benefit to wells serving the City, primarily east and/or northeast of the City. The City's current basins are principally designed for stormwater retention or detention. While some basins can be used for recharge; they are primarily for stormwater runoff and not available for recharge in the winter.

Recycled Water

The Water Conservation Plant upgrade will enable the City to recycle 100 percent of our wastewater. Some of the recycled water will be used to irrigate facilities on the west side of the City, but plans are to trade the majority of the recycled water with irrigation users west of the City in exchange for surface water that can be used for recharge on the east side of the City. Approximately 14,500 acre feet of recycled water will be generated annually by the upgraded Water Conservation Plant, and as much as 24,500 acre feet may be generated by 2025. Staff continues to negotiate the details of the proposed water exchanges. New dedicated recharge facilities need to be sited to provide the best benefit to Cal Water's wells which provide the majority of the City's municipal supply.

Water Conservation

Demand reduction through water conservation can directly improve the City's water supplies. While analysis suggests that less than half of the water artificially recharged may provide a direct benefit to the City (although it does to the region); water conservation provides a one-to-one direct benefit. An acre foot not pumped is an acre foot saved.

The City Council enacted Visalia's Water Conservation Ordinance in 1989. The ordinance implements conservation in four stages. The City Council implemented Stage 3 in 2000, which restricts outdoor irrigation and implements other water conservation measures.

Because the majority of the City's water is used for landscape irrigation, staff plans to develop a simplified local version of the State Model Water Efficient Landscape Ordinance, which requires irrigation design packages for new or rehabilitated landscapes greater than 2,500 square feet, and to integrate it with an update to the Water Conservation Ordinance.

As discussed above, Cal Water is mandated to reduce per capita water demand by 20 percent by 2020. Cal Water has increased its ratepayer-funded annual conservation budget to \$475,000 beginning this year and plans to release its Water Conservation Master Plan soon.

Surface Water

Many communities utilize surface water for part or all of their municipal supply; however, Visalia does not have the available year-round source of water required to make capital and operational costs for a filtration plant and pipeline distribution network feasible. Further, all surface water easily available to the City on a consistent basis is allocated to existing users, and transfer of this water could raise significant political and economic issues.

Still, surface water likely will be needed as a source of municipal water at some point in the future. Staff understands Cal Water is considering this as part of its Water Supply and Facilities Master Plan.

Purple Pipe Recycled Water

"Purple pipe" refers to the color of piping used to deliver recycled water. Plans are to construct a purple-pipe infrastructure to deliver recycled water from the Wastewater Treatment Plant to irrigate Plaza Park, Valley Oaks Golf Course, and the Visalia Municipal Airport so that irrigation wells at these facilities can be turned off. This system can be expended to support new development on the west side of the City.

Graywater

"Graywater" refers to on-site nonpotable water reuse. The source water is typically from showers, sinks, and laundry, and is typically used for toilet flushing, laundry, and landscape irrigation. New California codes established statewide standards for installing both potable and recycled water plumbing systems in many types of buildings. Installation of dual plumbing systems is feasible in new buildings; retrofit of existing buildings may not be economically feasible. Simple residential graywater systems for landscape irrigation may also be feasible.

Integrated Regional Water Management Plan

The Regional Water Management Planning Act of 2002 authorizes local agencies to develop Integrated Regional Water Management Plans (IRWMPs). KDWCD is the lead agency and the City is an active participant in the Kaweah River IRWMP group.

Groundwater Funds

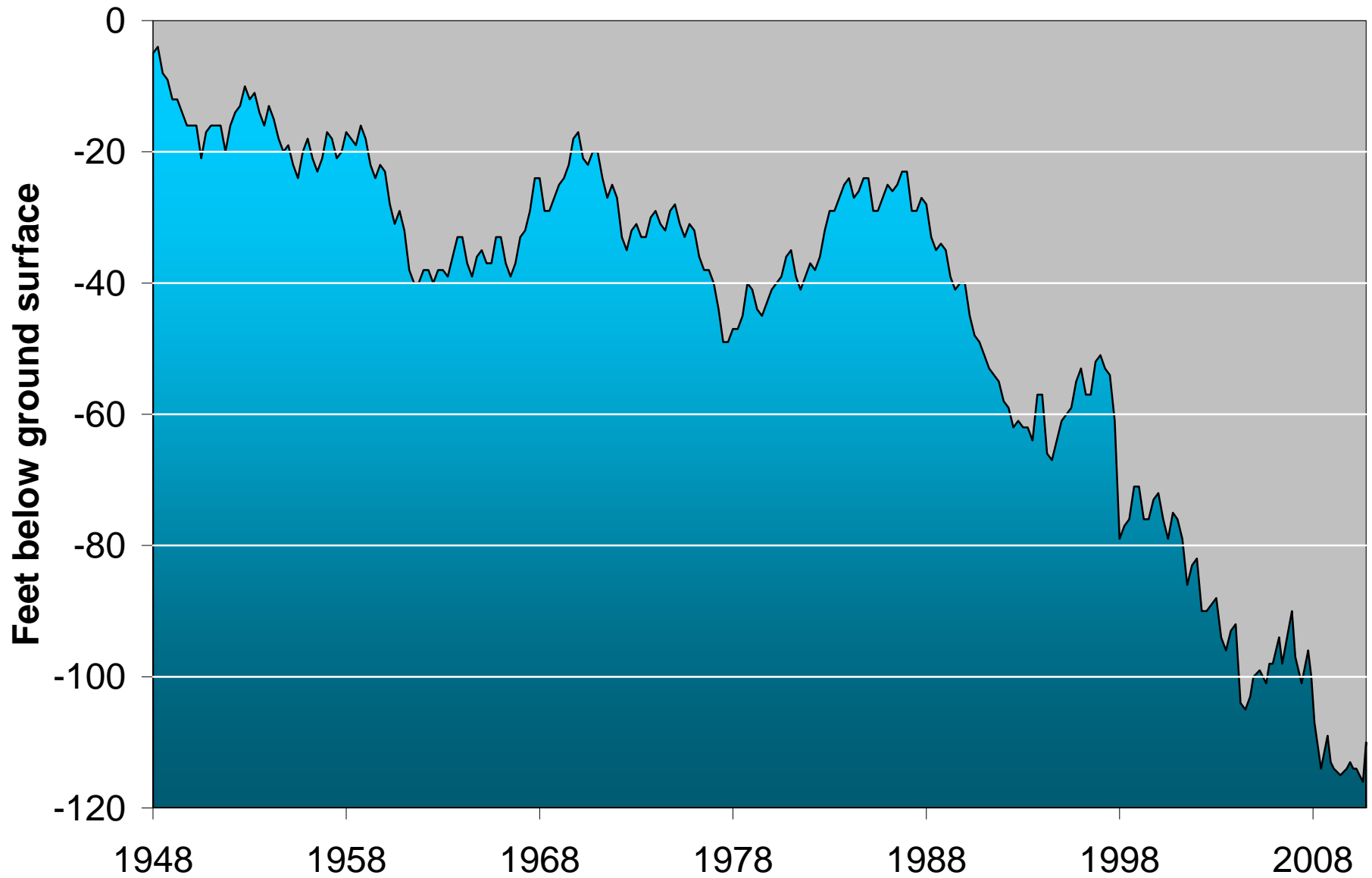
The City's Groundwater Recharge Fund pays for various groundwater recharge and overdraft efforts. The Fund's revenues are derived from the Groundwater Recharge Fee, the Groundwater Mitigation Fee, and the Groundwater Impact Fee (see the attached 11/8/2010 memo)

Conclusions

Visalia, and the region, is on an unsustainable course. We are using increasing volumes of groundwater while the reliability of surface water becomes more uncertain. The City has done a good job of decreasing per capita demand through water conservation and increasing supply through groundwater recharge; however, the City's total water use is projected to continue increasing as the population grows. The Water Conservation Plant improvements will provide a large quantity of high-quality recycled water. The City must do its part to reduce its increasing water demand and increase supply. However, long-term regional solutions are required as more than 90 percent of groundwater use in the Kaweah basin occurs outside of the City.

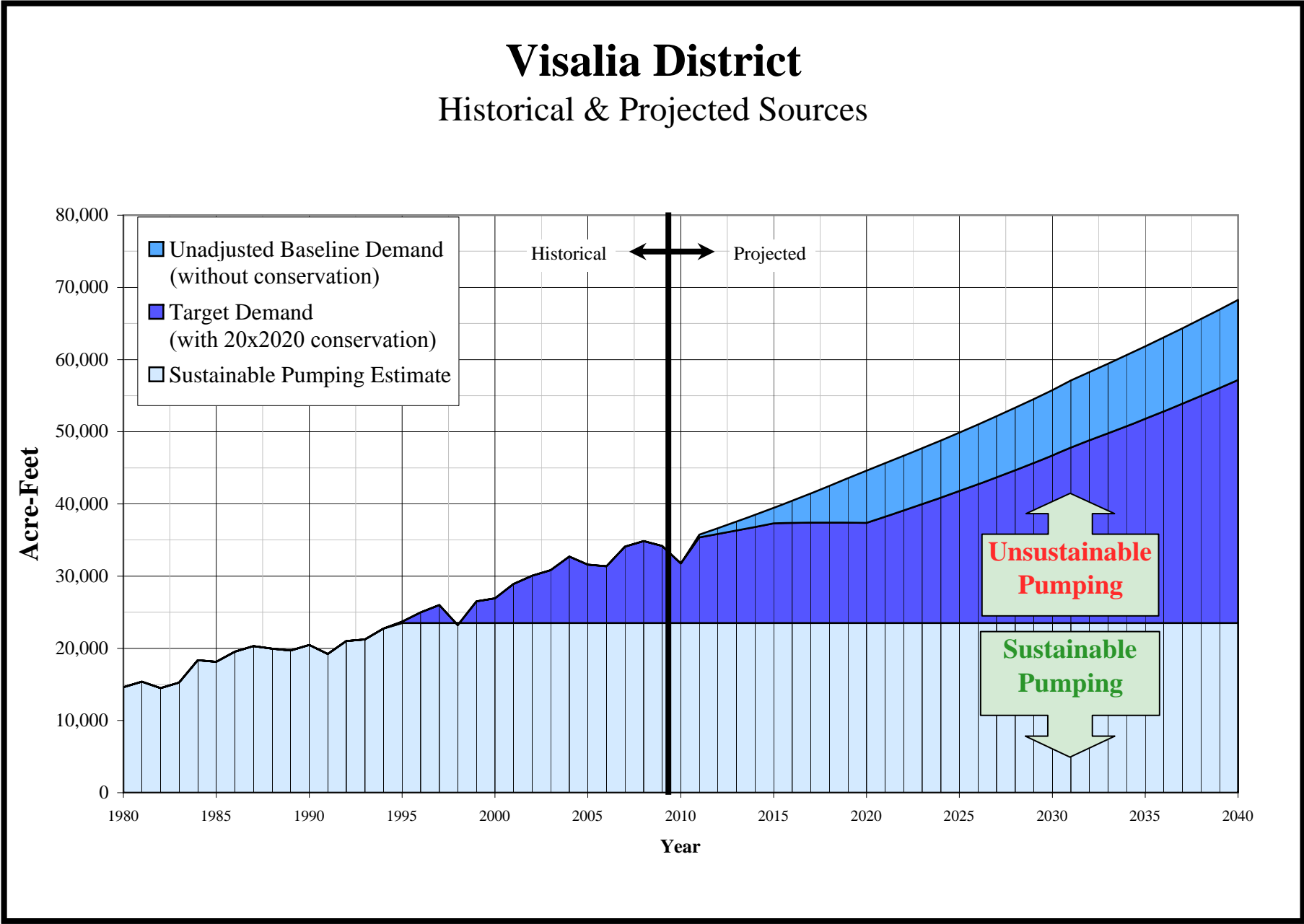
Figure 1

Avg Static Depth to Groundwater Beneath Visalia 1948 to 2010



Data from California Water Service Co.

Figure 2



Memorandum

City of Visalia
Natural Resource Conservation

Date: 11/08/2010

To: Steve Salomon

From: Kim Loeb x4530

Re: Summary of City of Visalia Groundwater Funds and Purchases for Recharge

The City obtains all of its municipal water supply from groundwater. Cal Water, the City's private water utility franchisee, pumps water from approximately 75 wells. Groundwater in the City, and in the region, is being pumped faster than nature can replenish it – a condition known as overdraft. Groundwater levels have been dropping for decades.

In an effort to address the overdraft, the City purchases surface water to recharge groundwater beneath the City when water is available at reasonable prices and sufficient funds are available to purchase the water. The water is then run through creeks and channels in the City and placed in certain basins to percolate into the ground and recharge the aquifer. Most of the purchased water originates from the Kaweah River watershed or from the Central Valley Project Friant Division, which originates at Millerton Lake in Fresno County.

Funds

The City's Groundwater Recharge Fund (CIP 1224) is used to pay for various activities that relate to groundwater recharge. The Groundwater Recharge Fund's revenues are derived from three fees: the Groundwater Recharge Fee, the Groundwater Mitigation Fee, and the Groundwater Impact Fee.

1. **The Groundwater Recharge Fee** was created in 2001 to fund payment to the Kaweah Delta Water Conservation District (KDWCD) as part of the City's agreement to compensate Tulare Irrigation District (TID) for seepage losses (resulting in groundwater recharge) incurred by not lining the TID main intake canal. The fee is collected as part of the monthly City utility bill, is based on the size of the water service line, and ranges from \$0.35 to \$39.65 per month. The first obligation of the Groundwater Recharge fee is to pay KDWCD annually as part of the TID agreement for the acquisition of water. Additional funds generated can be used for acquisition and construction of groundwater recharge basins, implementation of water conservation projects, planning and engineering projects related to efficient water management activities, and other related projects at the City's discretion. This fee currently generates approximately \$233,000 per year. The agreement requires the City to pay \$100,000 annually to KDWCD, adjusted annually based on the CPI, with the current payment about \$125,000 per year.
2. **The Groundwater Mitigation Fee**, effective August 2005, requires any person seeking to annex, subdivide or otherwise procure entitlement to develop property within the City, to pay a fee to mitigate the impacts of such development on groundwater overdraft. The fee is \$950 per acre of land, or in lieu of payment, the assignment of appropriate water rights, or a combination of the two. This fee currently generates approximately \$5,700 per year.
3. **The Groundwater Impact Fee**, effective January 2006, requires all municipal water suppliers (presently Cal Water) providing water service in the City to pay a groundwater

impact mitigation fee of \$14 per acre foot of water pumped. This fee currently generates approximately \$487,000 per year.

The purpose of the Groundwater Mitigation and Impact Fees is to fund programs to mitigate the impact of new development and existing water extractions upon conditions of groundwater overdraft. These activities include, but are not limited to:

- Acquisition of surface water rights and surface water supplies;
- Development of groundwater recharge facilities;
- Reconfiguration of stormwater facilities designed to retain as much stormwater as possible within and near the city;
- Enhancement of cooperative programs with local water management agencies and companies; and
- Development of more efficient water delivery systems.

The ordinance establishing the Groundwater Mitigation and Impact Fees states that the City Council may modify the fees annually by resolution if the assumptions utilized in calculating the fees have changed. Absent action by the City Council to modify the fees by resolution, each April of each year the chief financial officer shall review the current Engineering News Record Construction Cost Index (ENRCCI) for the cities of Los Angeles and San Francisco, California. When the average of such indices differs from the average of the indices for the preceding April, the factor of increase or decrease shall be applied to these fees. To date, the fees have not been increased.

The current Groundwater Recharge Fund balance is approximately \$2,063,000. There are obligations of about \$335,000 annually and \$460,000 over the next six years against these funds (see Other Groundwater Fund Obligations and Expenses below). Most of the remaining balance is being accrued to purchase and develop a large parcel (or parcels) of land for use as a groundwater recharge facility.

Water Management Committee

The City of Visalia and the Kaweah Delta Water Conservation District (KDWCD) have an agreement to improve groundwater recharge in the Visalia area. The agreement was created in 2001 as part of negotiations with the Tulare Irrigation District (TID) for an alternative to a canal-lining project they proposed. The primary purpose of the agreement is to maintain existing water rights and acquire additional water supplies for the primary benefit of the residents of the City. Pursuant to the agreement, the City makes deposits to a fund held by KDWCD, as discussed above. Presently, the fund balance is approximately \$698,700.

A two-member Visalia Water Management Committee (WMC) consisting of a City Council Member and a KDWCD Board member manage these funds. Council Member Nelson is the City's current representative on the Committee. The Visalia City Council approved the Water Management Committee's 2010 Annual Plan at its December 21, 2009, meeting.

Water Purchases

As discussed previously, the City purchases surface water for groundwater recharge when available at a reasonable price. The following table is a summary of the water purchases since 2005.

Summary of City of Visalia Groundwater Funds and Purchases for Recharge

Year	Amount (AF)	Cost/AF	Total Cost
2010	7,840	\$29	\$236,316
2009	2,761	\$23	\$66,176
2008	1,423	\$32	\$51,083
2007	-	\$0	\$0
2006	1,013	\$19	\$14,438
2005	2,902	\$27	\$76,903
Total / Average	15,940	\$27	\$444,916

The table below details the water purchases summarized above.

Date	Amount (AF)	Cost/AF	Total Cost	Source	Purchased From
May 2010	324	\$0	\$0	Cal Water – Kern Exchge	Hills Valley ID
May 2010	319	\$33.00	\$10,527	CVP Class 2	KDWCD by VWMC
May 2010	858	\$33.00	\$28,314	CVP Class 2	KDWCD
April 2010	5,039	\$25.00	\$125,975	CVP Class 2	TID by VWMC
February 2010	1,300	\$55.00	\$71,500	Cal Water – Kern Exchge	Hills Valley ID
May 2009	2,190	\$25.00	\$54,750	CVP Class 2	TID
December 2009	571.3	\$20.00	\$11,426	Kaweah	Oakes Ditch Co.
December 2008	323.3	\$25.00	\$8,083	CVP Class 2	TID
December 2008	100	\$30.00	\$3,000	Kaweah	Tulare Co RMA
June 2008	1,000	\$40.00	\$40,000	Kaweah	KDWCD
September 2006	763	\$10.00	\$7,630	Kaweah	KDWCD
March 2006	250	\$27.23	\$6,808	Kaweah	KDWCD
March 2005	2,902	\$26.50	\$76,903	CVP Class 2	TID

Capital and Technical Expenditures for Groundwater Recharge

The City and the Water Management Committee have made a number of investments to improve groundwater recharge facilities and operations. Additionally, the City has paid two thirds of the cost of development of a numerical groundwater model of the Visalia area; KDWCD paid the other third. It is anticipated that the groundwater model will be completed by the end of this year.

2005/2006 Fiscal Year

S-K Vander Stelt Property purchase \$187,015

Summary of City of Visalia Groundwater Funds and Purchases for Recharge

2006/2007 Fiscal Year

Numerical Groundwater Model \$61,987

2007/2008 Fiscal Year

Numerical Groundwater Model \$11,854

Blain Basin Improvements \$33,844

2008/2009 Fiscal Year

Numerical Groundwater Model \$21,985

2009/2010 Fiscal Year

Topo Survey & Hydraulic Study of Cameron & Packwood Creeks \$27,500 (WMC)

Police Station Basin connection to Packwood Creek \$36,000 (WMC)

Numerical Groundwater Model \$11,758

Other Groundwater Fund Obligations and Expenses

In addition to the payment to KDWCD for the Water Management Committee (TID agreement) discussed above, there are a number of other obligations and expenses charged against the 1224 Groundwater Recharge Fund. Following are current approximate annual expenses:

KDWCD TID Settlement	125,000
Oakes Ditch Stock Assessment	8,750
St Johns Irrigation Ditch Company Stock Assessment	789
Persian-Watson Irrigation Ditch Cos. Stock Assessment	11,067
Tulare County RMA Cross Valley Canal Assessment	18,000
Provost & Pritchard	30,000
Finance Dept. Allocations / Bad Debt / etc.	<u>15,000</u>
Approximate Annual Expenses	\$208,606

In October 2008, the City entered into an agreement with California Water Service Company, the City of Bakersfield, Arvin-Edison Water Storage District, and Hills Valley Irrigation District to transfer up to 10,000 acre feet of water stored in the Kern water bank to the Cal Water Visalia District portion of the Kaweah River Basin over a period of 8 years. The City is obligated to purchase the remaining 8,376 acre feet at a price of not to exceed \$55 per acre foot for a total of \$460,680.

Planned Future Expenses

The City is investing \$100 million to upgrade its Water Conservation Plant to recycle 100% of our wastewater. Some of the wastewater will be used to irrigate facilities on the west side of the City including Plaza Park and Valley Oaks Golf Course, but the majority of water will be traded to irrigation users in exchange for water on the east side of the City when it is not needed for irrigation.

The City presently does not have sufficient recharge facilities to handle the volume of surface water expected to be returned. The majority of the Groundwater Recharge Fund has been earmarked to purchase and develop groundwater recharge basins. Staff estimates approximately 160 acres of recharge property is needed. Staff envisions this facility, or facilities, would be developed for combined use as recharge basins and passive parks with gently sloping landscaped banks.

City of Visalia

Memo



To: City Council
From: Chris Young, Community Development Director
Date: February 4th – 5th, 2011 Council Workshop
Re: FEMA Update

Summary: Approximately 30% of the parcels within the City of Visalia are located in a “Flood Zone” and are subject to paying expensive flood insurance premiums. Council has directed City staff to identify and implement both short term and long term (economically feasible) measures/projects to remove as many parcels as possible from the Flood Zones. Staff is also continually thinking “outside the box” to develop long-term solutions including exploring the possibility of becoming “self-insured”.

If residents are forced to continue to pay the FEMA flood insurance, the annual cost to Visalia residents could eventually rise to (after the expiration of the Preferred Risk Program) between \$10 and \$15 million. In order to minimize the cost of flood insurance to our residents, we are proceeding with the following “work plan”:

City’s “Short Term Plan” (see details in background information)

- 1) Continue to assist residents with flood zone determinations, letters and exhibit maps enabling them to obtain the lowest flood insurance rate possible or even be removed from the Special Flood Hazard Areas.
- 2) Continue the outreach effort to residents by providing “FEMA Floodplain Updates”, insurance information, etc.
- 3) Pursue Proposition 84 Funding for detention basin property acquisitions and “enhancement” of existing “flood protection corridors”. Potential projects include the expansion of the “Oaks Basin”.

City’s “Long Term Plan” (see details below)

- 1) Explore the possibility of becoming “self-insured” (flood insurance)
- 2) Staff has worked with our consultant, Northwest Hydraulic Consultants (NHC), to identify potential flood mitigation projects that can be built utilizing a variety of different funding sources. URS, another City consultant is putting together a proposal for determining the feasibility of certifying portions of the levee (mitigation measure recommended by the local “FEMA Committee”).
- 3) Continue to work with the United States Army Corps of Engineers (USACE) toward the potential funding of up to \$7 million toward a potential “Section 205” USACE floodplain mitigation project. This funding could substantially fund any needed improvements to those sections of the levee (within the City limits) identified by the NHC report.

- 4) Continue to work with FEMA toward obtaining insurance discounts thru its *Community Rating System* (CRS).
- 5) The City will actively support an appropriately revised HR 5114 or related new legislation containing such items as an annual limitation on premium increases (no increases), allowing cities to be “self-insured” (which would result in a substantially lower rate for its residents), and proportionately discounted flood insurance rates for areas with flood protection systems that protect for less than the 100-year flood (i.e. discount given for protection against the 75-year flood).

Proposition 84 Funding

Grants opportunities for non-structural flood corridor protection are available through the California Department of Water Resources. These grants were authorized through Proposition 1E and Proposition 84. The grants are primarily used to purchase and develop land to protect, create and enhance flood protection corridors and enhance the wildlife or agricultural value of the property. The maximum grant award per project submittal is five million dollars. The City is currently in the process of selecting sites and preparing an application for several locations along the St. John’s River and Mill Creek. The projects are primarily used for the purchase of land and development of basins for flood “layoff” to minimize the potential for flooding within the City.

Self-Insurance

The City is working with a local insurance company to explore the possibility of becoming “self-insured” (flood insurance). Staff believes that flood insurance rates should be based on an analysis of the “real risk” of flooding within the local region. Insurance rates should consider a region’s past history of flooding, total amount and types of claims previously paid, and characteristics of potential flooding (depth, flow velocity, etc.). The concept of “one rate fits all” is not fair to City residents. Allowing the City to be self-insured would result in a substantially lower flood insurance rate for its residents.

Progress of the City’s Engineering Consultants (NHC and URS)

NHC presented flood mitigation alternatives to the “Local Working Group” in October and the consensus of the committee was to explore the option of certifying a portion(s) of the levees (up to 3.2 miles identified as Reach “A” and Reach “B” in the flood study). This alternative was selected because of its potentially favorable cost/benefit ratio. Staff has followed up on that recommendation and has met several times with both of our consultants (NHC and URS).

NHC is one of two engineering consultants that are working with us on the “FEMA floodplain issues”. NHC’s specialty is hydrology/hydraulic modeling. The other consultant is URS who has a team of professionals with extensive experience dealing with FEMA and the Corps of Engineers (including several former FEMA and Corps engineers). URS is developing a scope and proposal for doing a forensic evaluation of a section of the levees. This probably will involve a minimal amount of geotechnical testing. Members of URS’ staff have significant recent successful experience in getting existing levees certified. They accomplish this by demonstrating to the folks at FEMA and the Army Corps of Engineers that the levees are sound or what it would take to make them sound.

Staff expects to have a proposal from URS to provide these services within the next forty-five days. They need to have time to do some “on the ground” engineering reconnaissance to refine their proposal. After receiving their proposal, staff will update the Council regarding this and all the FEMA flood mapping related issues (probably at the first Council Meeting in April).

Community Rating System (CRS)

City staff has made contact with FEMA and their consultant that manages the Community Rating System (CRS) program (and met with the consultant several times). The CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum National Floodplain Insurance Program (NFIP) requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions.

The consultant has notified the City that it currently qualifies for a 5% discount. This discount will become effective in October of 2011. City staff will continue to work toward further discounts. For example, the City will earn “credit points” toward an additional 5% discount by participating with Tulare County on a Multi-Hazard Mitigation Plan. This plan will be ready for adoption by Tulare County and the participating cities in September 2011. The City's adoption of this plan will automatically result in CRS credit points being earned. These points will be incorporated into our rating level for 2012. Staff is working to ensure that the Tulare County on a Multi-Hazard Mitigation Plan provides the maximum benefit under the CRS program.

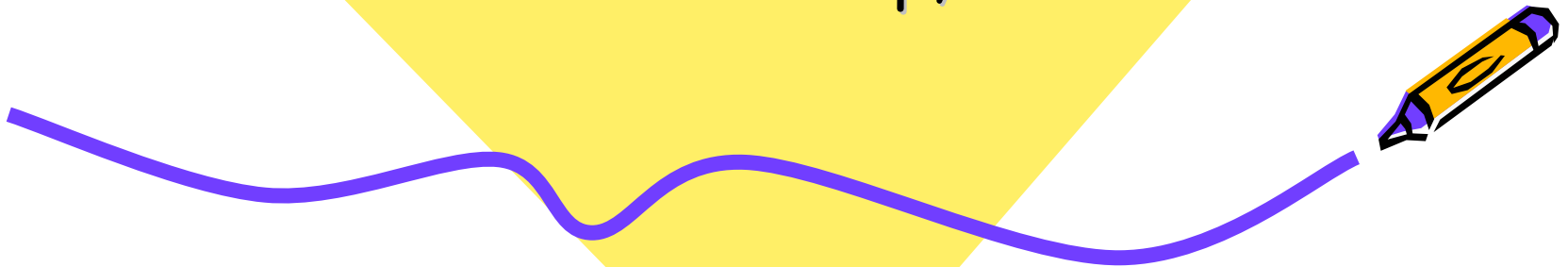
The Preferred Risk Program Extended (PRP)

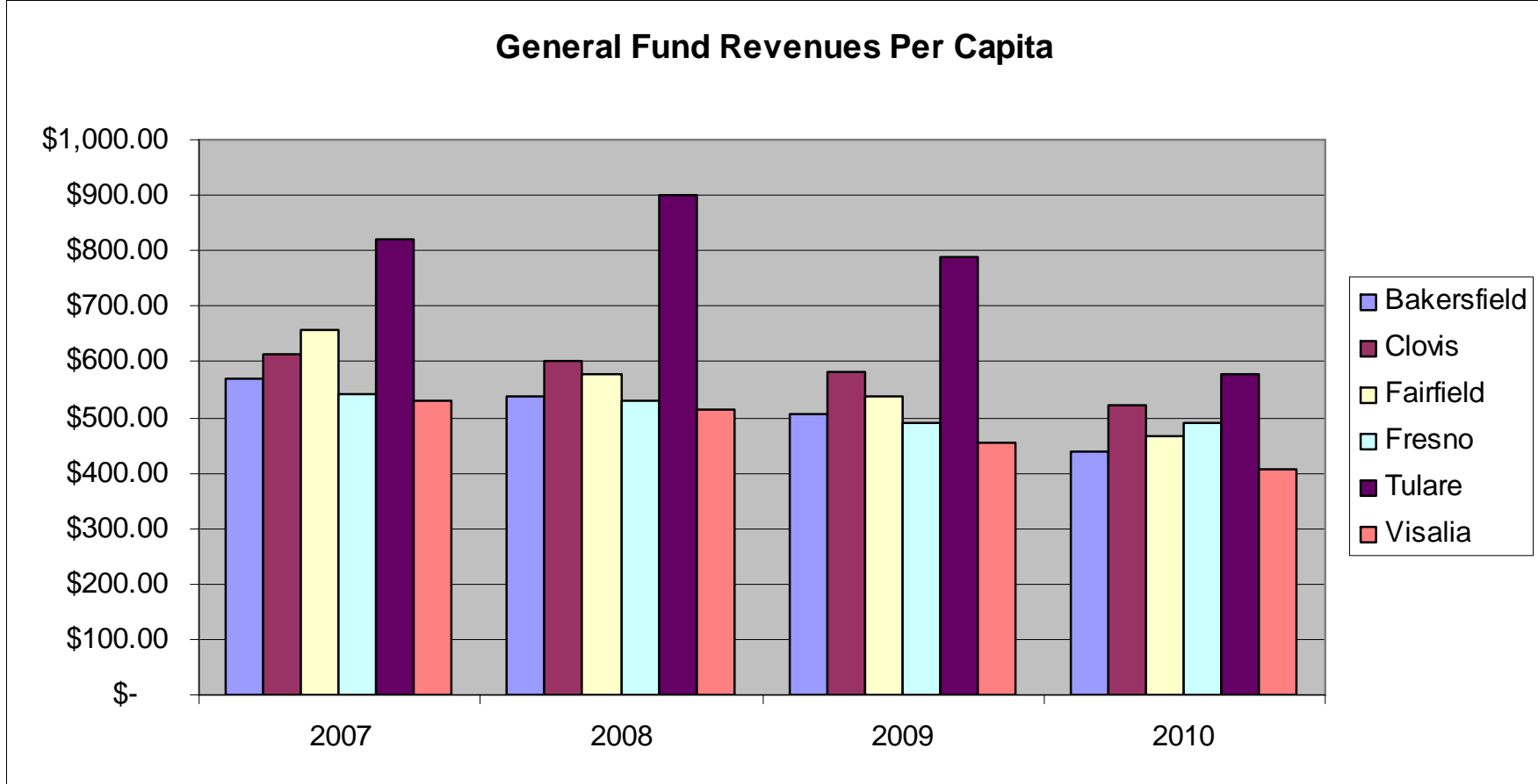
The PRP provided for a substantial discount on the flood insurance rate during the initial one-year period following the implementation of the new Flood Insurance Rate Maps (FIRMs). Following this initial period, the insurance rates increased substantially. The Council and staff continually worked toward having FEMA grant an extension of the PRP. Late in 2010, FEMA agreed to extend this PRP for a period of two years beginning on January 1, 2011.



City of Visalia Comparisons

Council Workshop, 2011

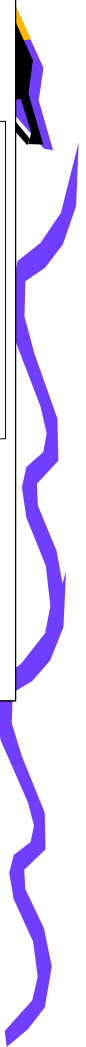




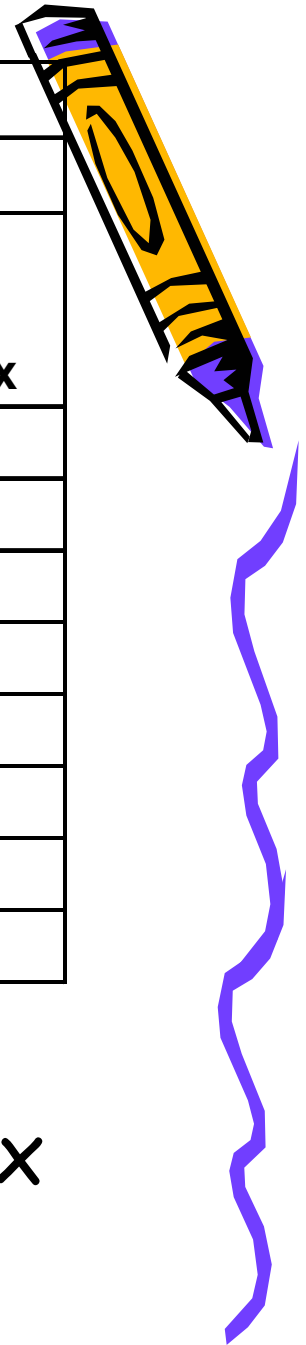
Note: Fresno data estimated for 2010.



Visalia's General Fund Revenues Per Capita trails other governments

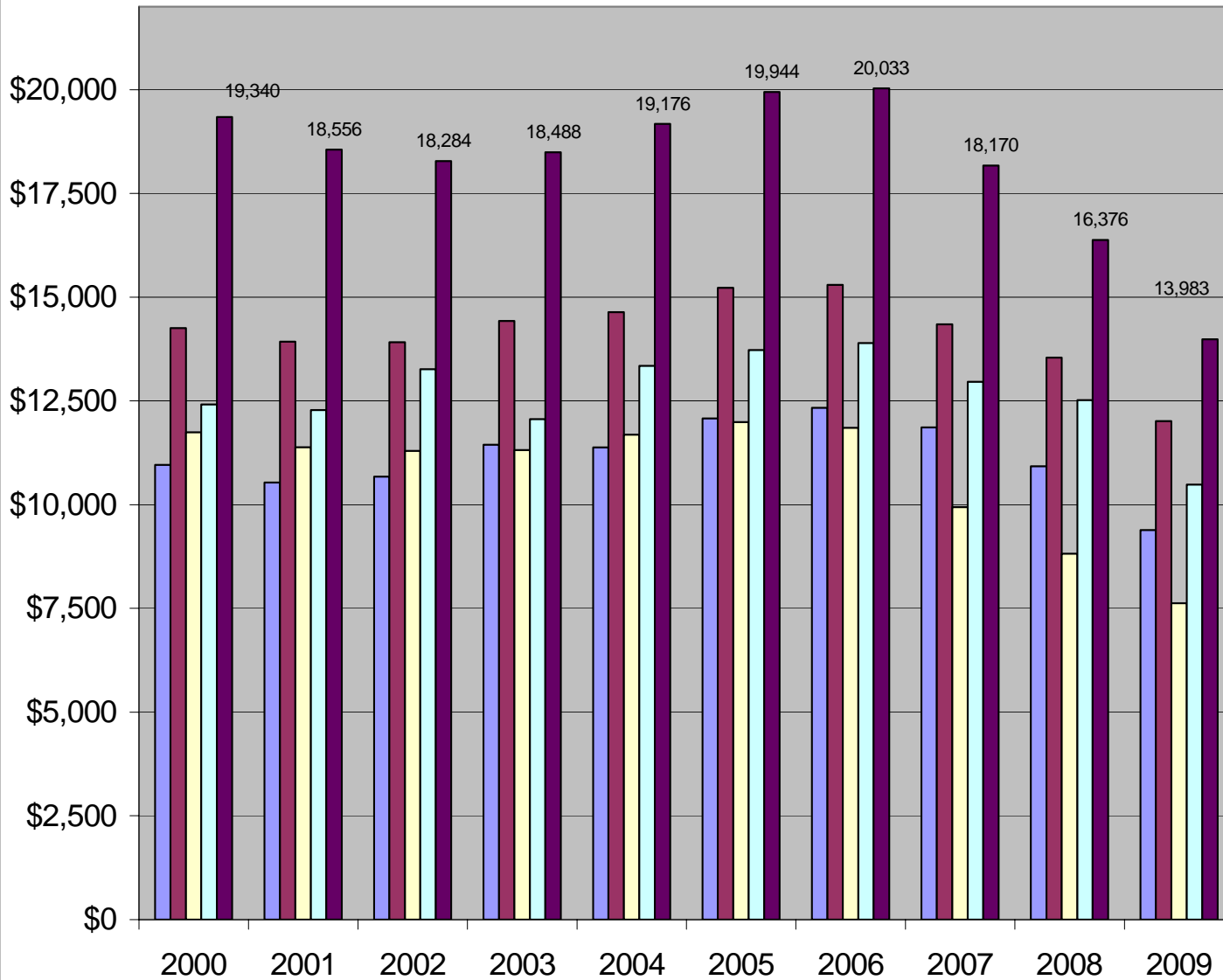


Cities in Tulare County				
Varied Tax Bases				
	Share of 1% Property Tax Rate	Sales Tax Override	Utility Users Tax Rate	TOT tax
Dinuba	18.79%	0.75%	7%	10%
Exeter	15.32%	<u>None</u>	5%	4%
Farmersville	11.81%	0.50%	<u>None</u>	<u>None</u>
Lindsay	14.79%	0.50%	6%	15%
Porterville	11.80%	0.50%	6%	8%
Tulare	14.09%	0.50%	6%	10%
Visalia	<u>11.57%</u>	0.25%	<u>None</u>	10%
Woodlake	15.76%	<u>None</u>	6%	<u>None</u>



Visalia has a more narrow tax base than other cities

Taxable Sales Per Capita (Adjusted for Inflation)



**% Change From
2006-2009**

Tulare County -
24%

Porterville -
36%

Visalia -30%

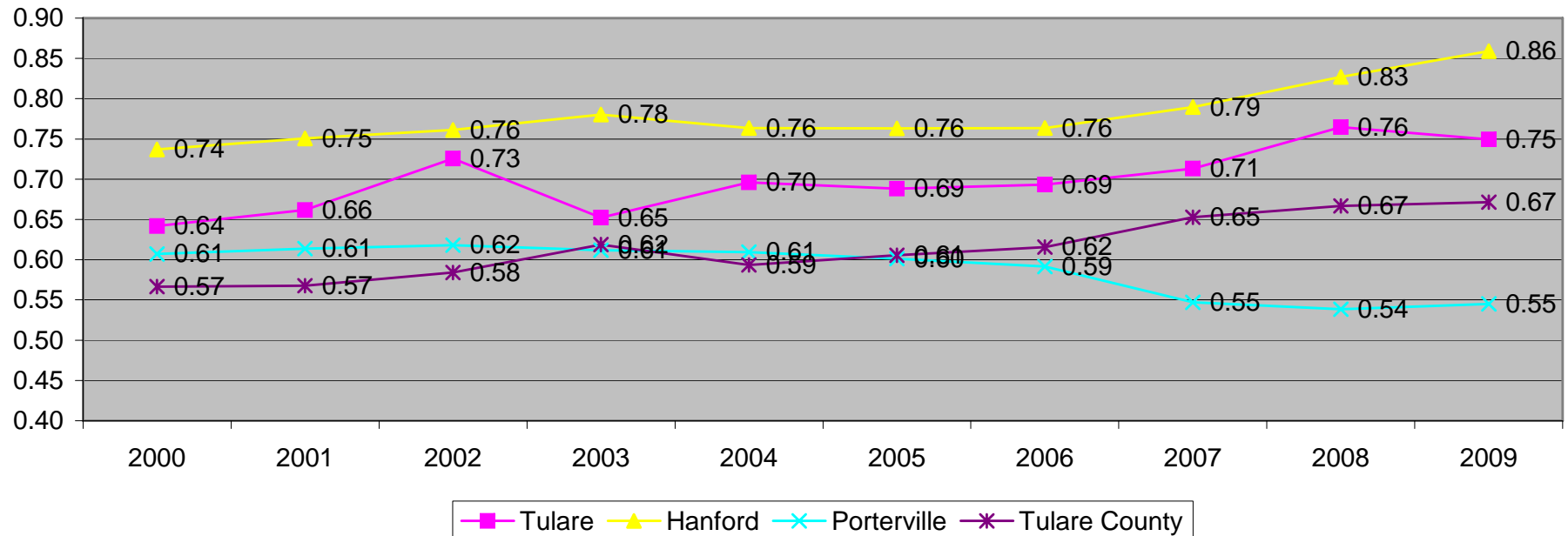
Tulare -25%

Hanford -21%

■ Tulare County ■ Hanford ■ Porterville ■ Tulare ■ Visalia

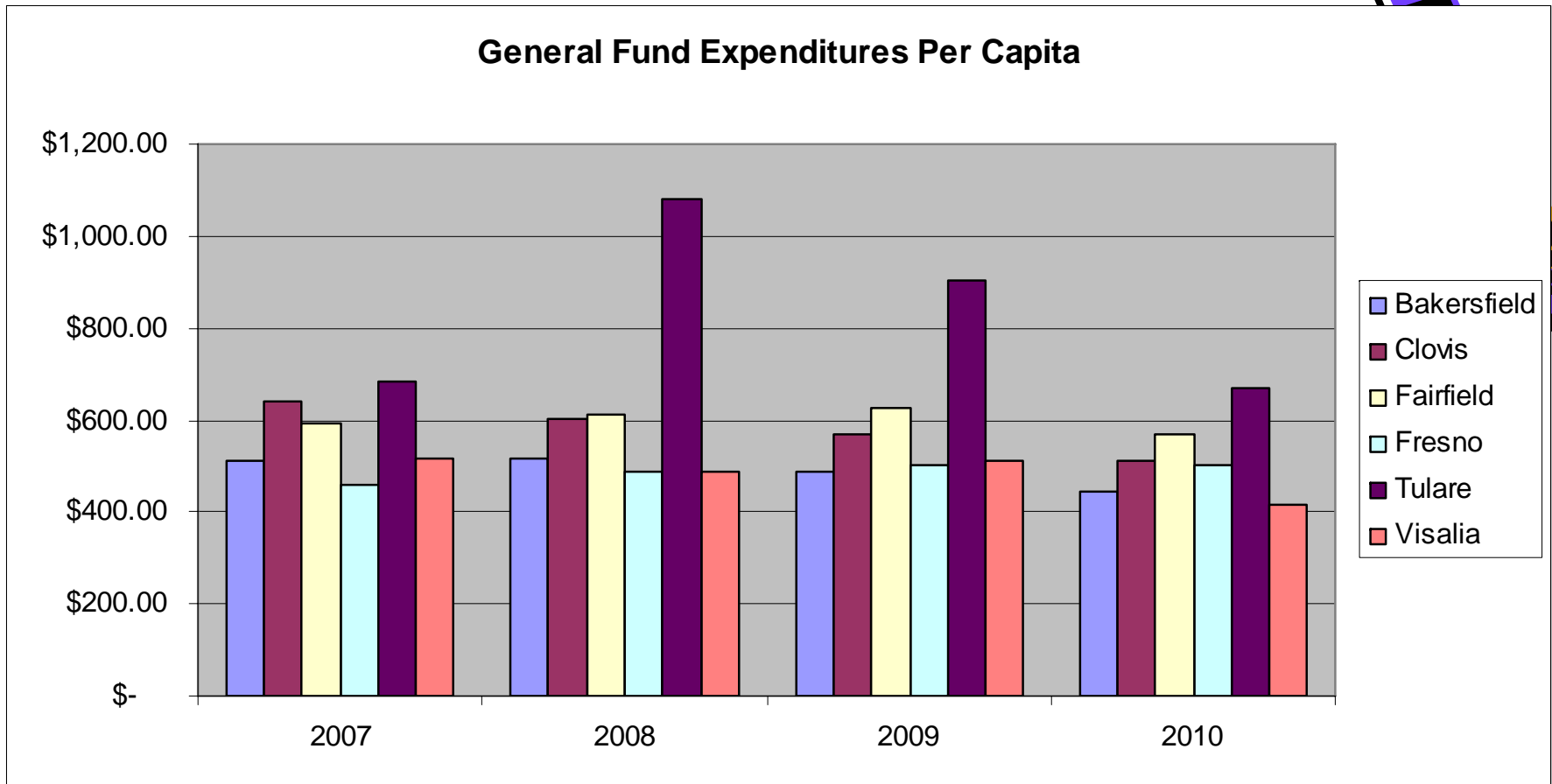


Per Capital Sales Tax as a Percentage of Visalia's Per Capita Sales Tax



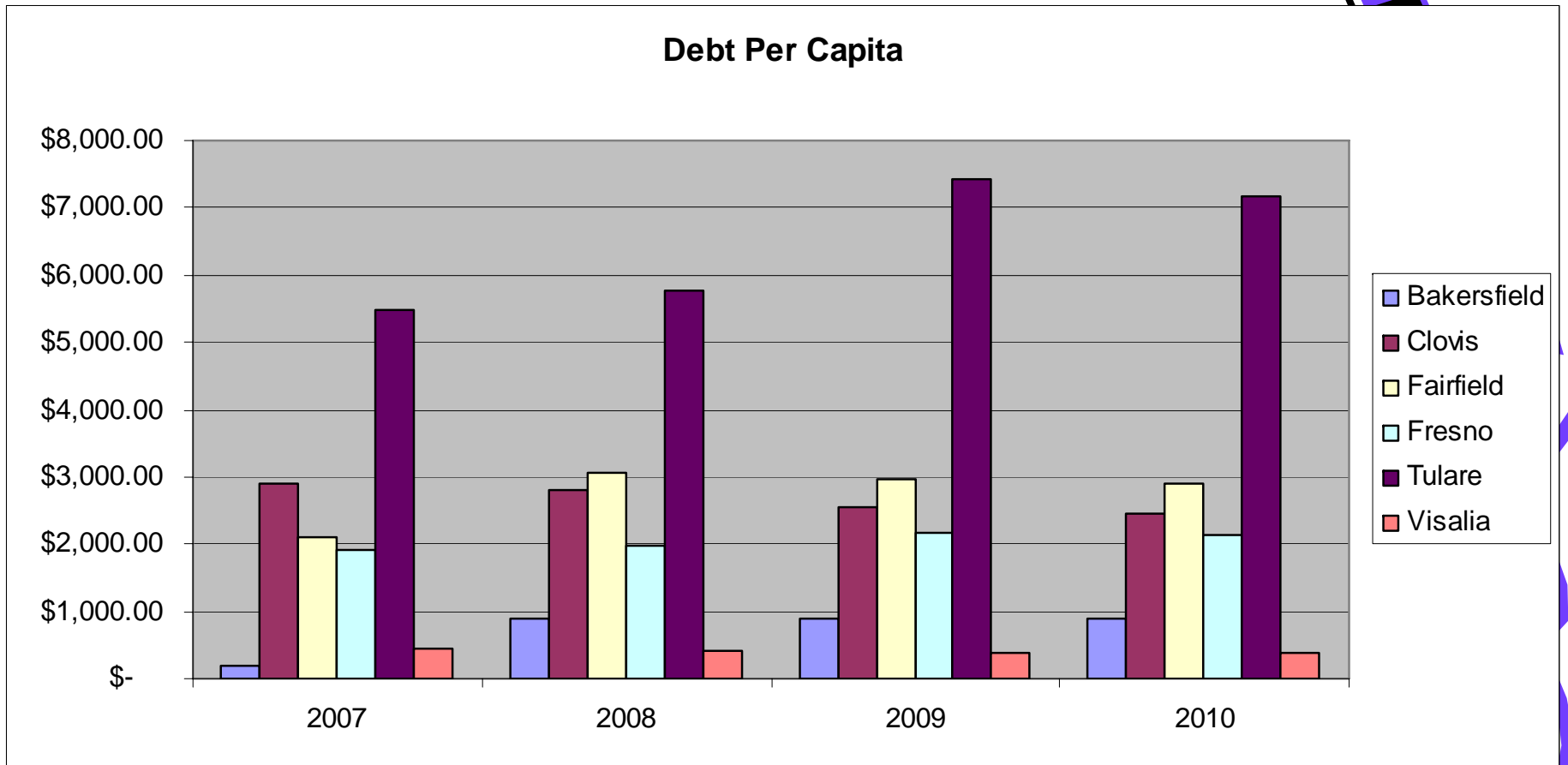
Other local governments are approaching Visalia's Per Capita Sales Tax





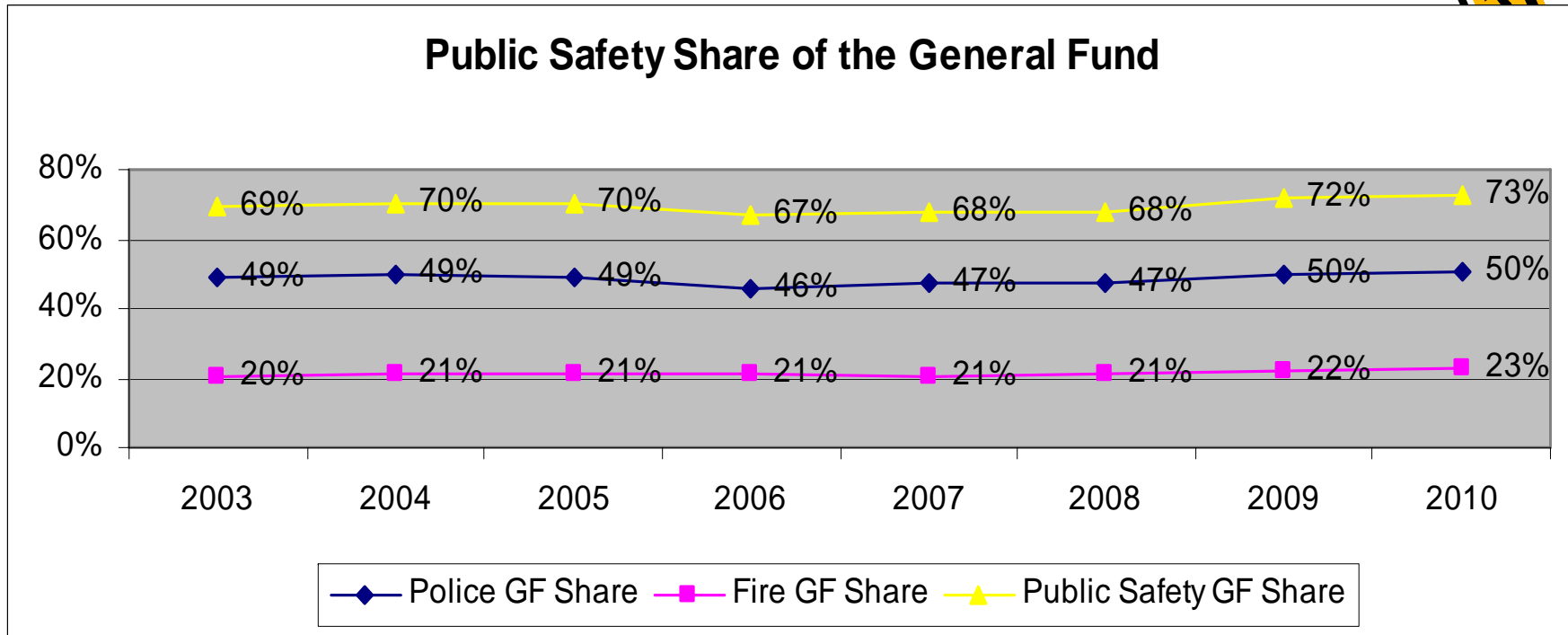
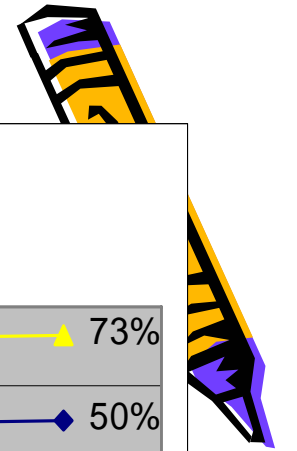
Visalia's General Fund spends less per capita than other cities





Visalia has lower debt levels than other cities



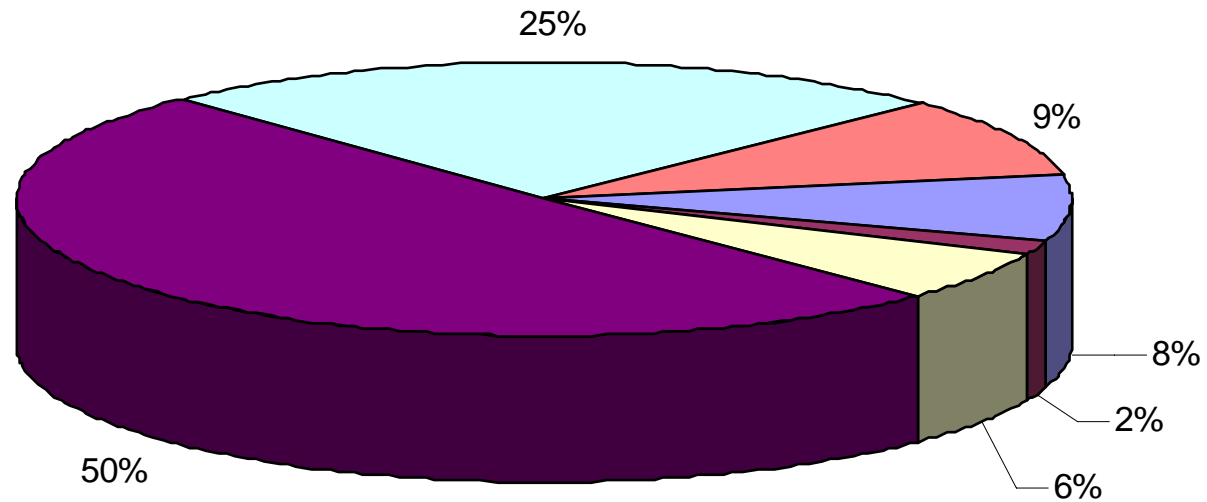


A Majority of the General Fund goes to Public Safety

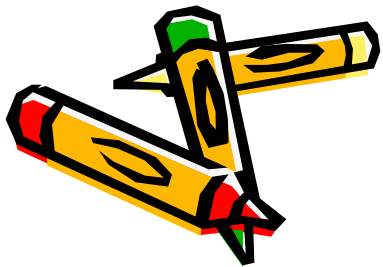




Percent of Net Expenses & Revenues (GF only)



- Gen. Gov., HEDD and PW
- Police
- Community Development
- Fire
- Community Development - Eng
- Parks & Recreation

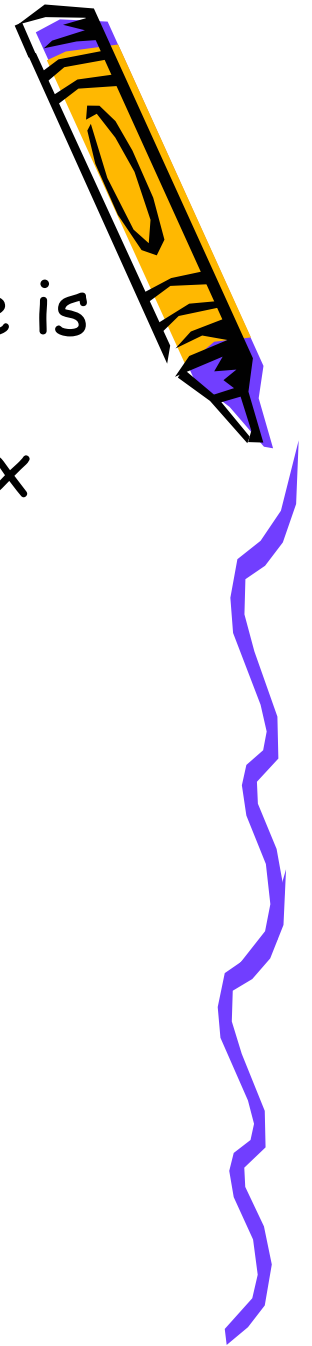
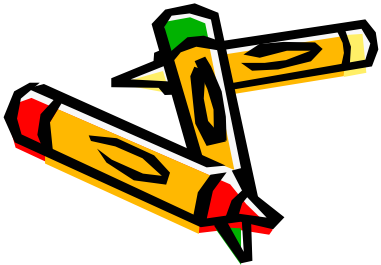


Net taxes to public safety are even a little higher, 75% vs 73%



Things to remember

1. Visalia's historical sales tax dominance is fading
2. Other governments have a broader tax base:
 - Higher property tax share
 - Utility Users tax
 - Higher sales tax override
3. Other Governments are now spending more per capita than Visalia
4. Public Safety is the # 1 use of the General Fund



MEMORANDUM

DATE: 01/26/2011

TO: Steve S. Salomon, City Manager

FROM: Eric Frost, Administrative Services Director

SUBJECT: Preliminary Budget Forecast

Finance has prepared a preliminary budget forecast into the future given what we know today. The forecast shows that we expect to have a General Fund deficit of \$2.4 million this year and \$1.3 million in FY 2011/12. The deficit remains about \$1 million into the future, but assumes:

- No general increase in employee wages
- No additional positions into the future

Such a forecast is probably unreasonable because as the City grows, new employees will be needed. And as time passes, desires for some raises will mount. However, for a 1% increase per year in either employees or general employee raises, the General Fund's costs increase by \$800,000 by the end of the planning period.

The main reasons that the deficit is larger in FY 2010/11 than anticipated are:

- Budget savings from changes in compensation will only partially take affect this year. For example, the discontinuance of the DAP will become fully effective next December, the salary saving measures were implemented after 3 months had passed and some holiday leave payouts will change not this year but next year. These savings, however, will help next year's budget.
- The City is paying out more overtime. Part of this is anticipated because Fire is paying for an administrative position with overtime and the Police had a gang member sweep which was also paid for by overtime. The model, however, anticipates that such actions will continue in the future.

The major cost impact which the General Fund faces is the increase in PERS costs. After the next three years, General Fund's annual PERS costs will have increased by \$2.5 million.

The reasons that FY 2011/12 is expected to have some improvement are:

- Some additional compensation savings will begin to occur in FY 11/12. This year full salary savings were not achieved and the City paid final DAP payments of \$120,000.
- The budgeted capital is only \$600,000. Long-term, Finance believes ongoing capital should be at least \$1 million a year.

If the only concern was the General Fund and the local economy, management might be able to recommend relying on a combination of reserves and cost cutting efforts to balance the budget.

However, several other emerging issues require the City to take a more cautious approach, namely:

- ***State Budget Impacts.***

Redevelopment. The governor has proposed to eliminate Redevelopment. The change would eliminate the City's \$8 million tax increment. This tax increment is devoted roughly to the following purposes:

- \$4 million for pass-throughs to other agencies
- \$2 million for low cost housing
- \$1.5 million for debt service

Thus, the net available for operating costs was \$500,000, used mainly for employee costs.

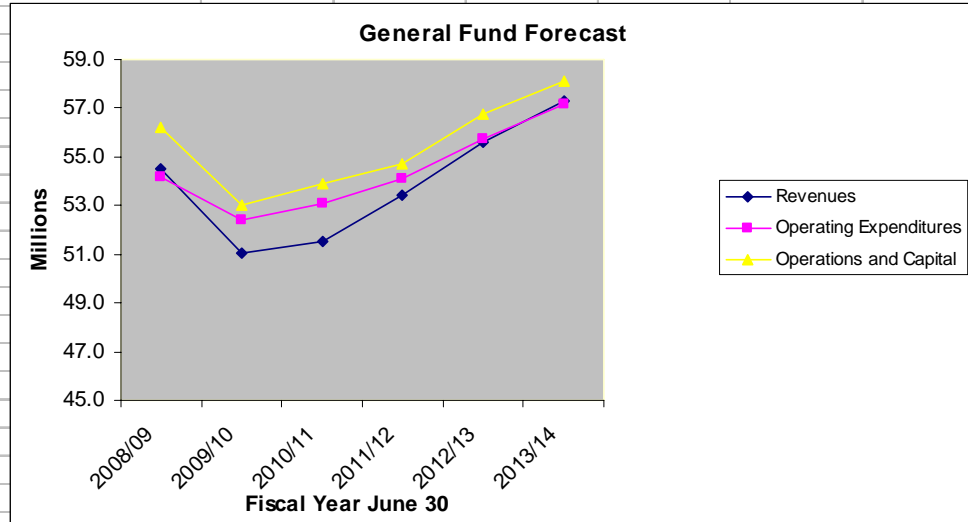
Realignment. The governor's budget proposes to move certain programs from the State to local agencies, mainly counties. With those programs would come some money which is funded from taxes scheduled to sunset June 30, 2011. The Governor's proposal is that the taxes be extended 5 years if approved by the voters in a June election. These revenues represent roughly \$6 billion. Without these revenues, the realignment proposal becomes a \$6 billion drain on local agencies.

Specific losses to Visalia would include COPS (\$100,000) and Booking Fee Reimbursements (\$200,000), but other costs might increase to the City if the County of Tulare had to incur additional costs.

Unforeseen Impacts. Proposals could come out of the budget process which may negatively impact the City. As a result, some revenue loss should be anticipated.

- ***The General Economy.*** Although the beginnings of improved economic activity appear to be developing, a prolonged period of slow growth or no growth revenues could hamper the City's ability to fund services.
- ***The Federal Budget.*** During the President's State of the Union speech, the President proposed freezing spending and cutting back in some areas. The City could potentially see reductions in Community Development Block Grants, Economic Development Administration grants, Airport Improvement Programs, SAFER and Federal COPS programs. The exact detail of what will happen is not clear. However, some reductions appear probable.
- ***Financial Commitments.*** The City has some financial commitments which must be met. The largest contingent commitment is to the Transportation Impact Fee (TIF) Fund. The fund has \$8 million of potential reimbursement commitments. These commitments can be delayed if the fund does not have cash, but no longer than 2 years from Notice of Completion of improvements. Already, \$1 million worth of reimbursements are waiting to be paid. The earliest of these will be due February of 2012. The options to fund these if TIF revenues are insufficient are: 1) A General Fund loan; 2) an external loan or debt offering; or, 3) a loan from another fund such as Measure R local.

The forecast of a deficit and the number of potential ***budget problems leads to a recommendation of extreme caution.*** In the past, ***the City has used a strategy of maintaining open vacant positions and/or transferring individuals from deleted positions to vacant positions. Finance recommends implementing this strategy at this time.***



	Actual	Actual	Projected			
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenues						
<i>(All Amounts in Millions)</i>						
Sales Tax	14.8	14.2	14.5	15.0	15.5	16.1
Property Tax	9.6	8.5	8.2	8.3	8.6	8.9
Property Tax - Triple Flip	5.5	4.3	4.8	4.9	5.0	5.2
Property Tax - VLF Swap	9.4	8.9	8.7	8.7	9.1	9.4
Allowance for Delinquencies		0.0	0.0	0.0	0.0	0.0
Investment Earnings	0.9	0.5	0.5	1.0	1.3	1.3
Transient Occupancy Tax	1.8	1.8	1.8	2.0	2.0	2.1
Franchise Fee	2.1	1.9	2.0	2.1	2.2	2.2
Business License Fees	2.0	2.1	2.2	2.2	2.3	2.3
VUSD YSO contract	0.5	0.5	0.3	0.3	0.3	0.3
Street Maintenance Fees - City	0.5	0.4	0.5	0.5	0.5	0.5
Property Tax - Prior/Current Supplemental	0.6	0.2	0.2	0.2	0.2	0.2
Real Property Tax Transfer	0.3	0.3	0.3	0.5	0.7	0.7
All Other Revenues	6.5	7.4	7.5	7.7	7.9	8.0
Total	54.5	51.0	51.5	53.4	55.6	57.3
Expenditures						
Full-time Employee Wages	23.9	23.8	23.7	23.5	23.5	23.5
Group Health Insurance	5.6	5.3	5.6	5.9	6.2	6.6
Public Safety PERS	4.0	3.9	3.9	4.3	4.9	5.3
Misc. PERS	2.0	2.1	1.8	2.0	2.4	2.7
Professional Services	2.4	2.9	2.9	3.0	3.0	3.1
Net Transfer Out	3.1	3.4	3.4	3.4	3.4	3.4
Overtime	1.8	1.3	1.9	1.9	1.9	1.9
Edison	1.5	1.7	1.8	1.8	1.9	2.0
Other Expenditures	9.9	8.0	8.2	8.3	8.5	8.7
Total	54.2	52.4	53.1	54.1	55.8	57.1
Available for Capital	0.3	-1.4	-1.6	-0.7	-0.2	0.2
Capital Program	-2.0	-0.6	-0.8	-0.6	-1.0	-1.0
Use of Reserves						
Reserves - Teeter Advance						
Reserves - General Reserves						
Projected Surplus/(Deficit)	-1.7	-2.0	-2.4	-1.3	-1.2	-0.8
Operating and Capital	56.2	53.0	53.9	54.7	56.8	58.1

Trend		Assumptions					
Revenues		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	Sales Tax			2.0%	3.5%	3.5%	3.5%
	Property Tax			-3.0%	1.0%	3.5%	3.5%
	Property Tax - Triple Flip			0.0%	2.0%	3.5%	3.5%
	Property Tax - VLF Swap			-3.0%	1.0%	3.5%	3.5%
	Allowance for Delinquencies			0.0%	0.0%	0.0%	0.0%
	Investment Earnings			0.0%	1.0%	1.0%	1.0%
	Transient Occupancy Tax			0.0%	10.0%	2.0%	2.0%
	Franchise Fee			4.0%	4.0%	4.0%	4.0%
	Business License Fees			5.0%	2.0%	2.0%	2.0%
	VUSD YSO contract			0.0%	1.0%	1.0%	1.0%
	Street Maintenance Fees - City			15.0%	2.0%	2.0%	2.0%
	Property Tax - Prior/Current Supplemental			0.0%	2.0%	2.0%	2.0%
	Real Property Tax Transfer			1.0%	1.0%	1.0%	1.0%
	All Other Revenues			2.0%	2.0%	2.0%	2.0%
Expenditures							
	Full-time Employee Wages			0.0%	0.0%	0.0%	0.0%
	Group Health Insurance			3.0%	6.0%	6.0%	6.0%
	Public Safety PERS			0.0%	0.0%	0.0%	0.0%
	Misc. PERS			0.0%	0.0%	0.0%	0.0%
	Professional Services			0.0%	2.0%	2.0%	2.0%
	Net Transfer Out			0.0%	0.0%	0.0%	0.0%
	Overtime			0.0%	0.0%	0.0%	0.0%
	Edison			4.0%	4.0%	4.0%	4.0%
	Other Expenditures			2.0%	2.0%	2.0%	2.0%
One-time Adjustments							
Revenues							
	Sales Tax			0	0	0	0
	Property Tax			0	0	0	0
	Property Tax - Triple Flip			0.5	0	0	0
	Property Tax - VLF Swap			0	0	0	0
	Allowance for Delinquencies			0	0	0	0
	Investment Earnings			0	0.5	0.3	0
	Transient Occupancy Tax			0	0	0	0
	Franchise Fee			0	0	0	0
	Business License Fees			0	0	0	0
	VUSD YSO contract			-0.2	0	0	0
	Street Maintenance Fees - City			0	0	0	0
	Property Tax - Prior Supplemental			0	0	0	0
	Real Property Tax Transfer			0	0.2	0.2	0
	All Other Revenues			0	0	0	0
Expenditures							
	Full-time Employee Wages			-0.1	-0.2	0	0
	Group Health Insurance			0.1	0	0	0
	Public Safety PERS			0	0.4	0.6	0.4
	Misc. PERS			-0.3	0.2	0.4	0.3
	Professional Services			0	0	0	0
	Net Transfer Out			0	0	0	0
	Overtime			0.6	0	0	0
	Edison			0	0	0	0
	Other Expenditures			0	0	0	0

Note: The assumptions list can adjust the budget forecast in two ways: 1) a trend increase which adjusts the category by a percentage; and/or, 2) A one-time adjustment if the amount of the adjustment is known.

	Assumptions - 2010/11	Assumptions - 2011/12
Revenues		
(All Amounts in Millions)		
Sales Tax	Begin recovery, 2%, 1/2 long-term trend	Trend, 4% less 0.5% due to changed consumer behavior
Property Tax	Assumes roll declines -3%	For 11/12, assume 1% (CPI adj. is 0.75%) Future is 3.5%
Property Tax - Triple Flip	Lag sales tax by one year, however expect \$0.5 mm adjustment due to prior State Calcs.	Lag sales tax by one year
Property Tax - VLF Swap	See Property Tax	See Property Tax
Investment Earnings	Assume same as last year.	recover 50% of 9/10 drop. Long-term trend earns 4%, double
Transient Occupancy Tax	Same as last year.	11/12 return to 08/09 level. Thereafter, return to 07/08 level
Franchise Fee	Population growth plus 2% = 4%	4%
Business License Fees	Good growth this year	2%
VUSD YSO contract	Lose 20% of contract - 3 officers	Flat
Street Maintenance Fees - City	2%	2%
Real Property Tax Transfer	Same as last year.	up by 10%
All Other Revenues	2%	2%
Total		
Expenditures		
Full-time Employee Wages	Reductions included in forecast - Group M and E reductions come in reduced PERS costs	No salary or employee increases assumed. Assume \$200K reduction from no DAP and full year of salary savings
Group Health Insurance	3% cost increase	6%, long term trend is 8%, partially shared by City and employees. 2% for unusual cost increases from new health care legislation
Public Safety PERS	See memo on PERS Cost Increases	See memo on PERS Cost Increases
Misc. PERS	See memo on PERS Cost Increases, Assumes \$0.3 savings due to Group E and M pick-up	See memo on PERS Cost Increases, Assumes \$0.1 savings due to Group E and M pick-up
Professional Services	0%	2%
Net Transfer Out	0%	0%
Overtime	Inc. \$600,000 based upon YTD experience	follow wages, 1% + 2% employee growth - 3%
Edison	4%	4%
Other Expenditures	2%	2%

Known PERS Increases according to Annual Valuation Statements

Potential Impact of Increased PERS Costs							
	Misc.			Safety			
	Rate	Payment		Rate	Payment	Total	
2010	15.043%	3,156,975	2010	27.661%	4,400,732	7,557,707	
2011	17.417%	3,655,191	2011	30.672%	4,879,768	8,534,958	12.9%
2012 *	20.900%	4,386,145	2012 *	35.400%	5,631,970	10,018,115	17.4%
2013 *	23.550%	4,942,283	2013 *	38.400%	6,109,255	11,051,538	10.3%
Increase							
2011		498,216			479,036	977,251	
2012		730,954			752,202	1,483,156	
2013		556,138			477,286	1,033,424	
	Total	1,785,308			1,708,523	3,493,831	
	43% is non-GF			14% in non-GF			
Allocation							
	<u>GF</u>	<u>Non-GF</u>		<u>GF</u>	<u>Non-GF</u>	<u>GF</u>	<u>Non-GF</u>
2011	283,983	214,233	2011	411,971	67,065	695,954	281,298
2012	416,644	314,310	2012	646,894	105,308	1,063,538	419,619
2013	316,999	239,139	2013	410,466	66,820	727,464	305,959
	1,017,625	767,682		1,469,330	239,193	2,486,955	1,006,876
* Estimated, adds also an increase for changing the earnings rate assumption from 7.75% to 7.5%. Change is 2.25% and 4.0% for Misc. and Public Safety, respectively, in 2011/12.							

MEMORANDUM

DATE: 01/31/2011
TO: City Council
FROM: Eric Frost, Administrative Services Director
SUBJECT: Risk Management Activities and Strategies

The purpose of this report is to review the City's Risk Management coverage and past performance. Because the City devotes extensive resources to this activity, optimal performance is essential to protect the City's operations and maintain cost controls.

The City has four primary areas of risk management:

- Workers Compensation
- Property Insurance
- General Liability Coverage
- Employee Health Plan

In addition, the City carries some smaller policies dealing with specific risks. Attachment #1, Insurance in Force, recaps all the City's insurance policies. Collectively, these insurance activities represent a significant dedication of resources, as shown in Table I, Risk Management Costs over the past 6 years.

Table I
Risk Management Costs for the Past 6 Years
By Fiscal Year Ending
All Amounts in Thousands

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Average</u>
Risk	2,941	4,328	2,647	4,641	2,421	2,030	3,168
Health	<u>9,145</u>	<u>7,605</u>	<u>8,801</u>	<u>9,490</u>	<u>9,628</u>	<u>9,612</u>	<u>9,047</u>
Total	12,086	11,933	11,448	14,131	12,049	11,642	12,215

Over the last 6 years, risk management costs have stayed fairly constant. Health Insurance is the major program to watch, representing $\frac{3}{4}$ of the cost. However, the other three programs can be costly programs if not managed effectively. Careful management of these programs keeps resources for the primary purposes of the City.

Worker's Compensation Program

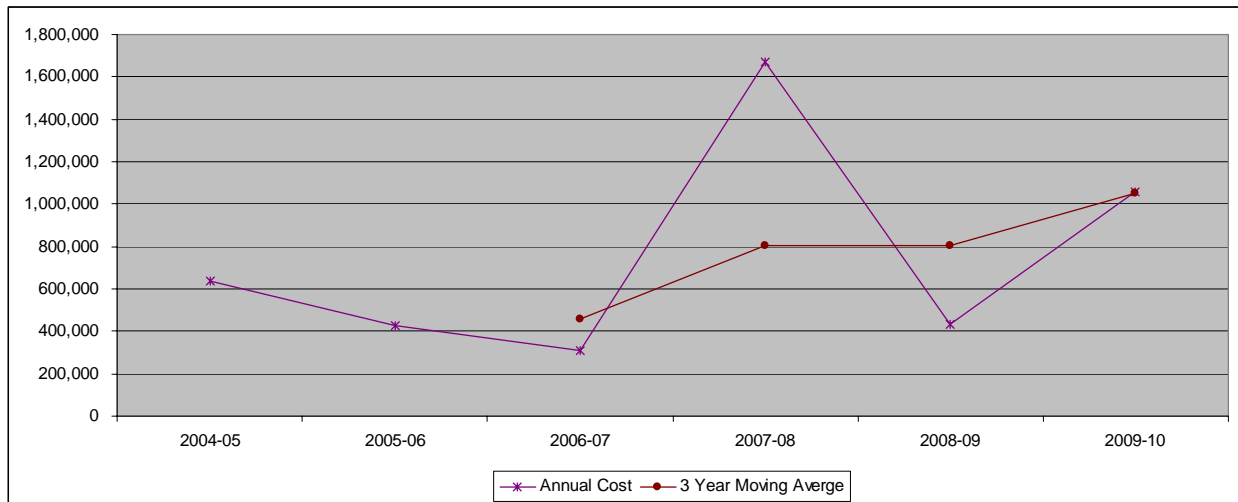
Beginning July 1, 2004, the City began self-insuring its employees for worker's compensation claims for the first \$1,000,000 of each incident. The City purchases excess insurance for claims in excess of \$1,000,000 to \$25,000,000. In addition, the City sets aside reserves to pay for known claims and anticipated claims.

The Worker's Compensation program works as follows:

- A third party administrator manages the City's claims.
- The City pays all legal, medical and indemnity claims costs per case up to \$1,000,000.
- Claims in excess of the City's self-insured retention (SIR) are paid by a reinsurance company.

Chart I, Worker's Compensation Program Cost, shows annual cost of the City's Worker's Compensation Program. The chart also shows a 3 year moving average of the cost. Average cost has risen, particularly recently with an in-service death of a firefighter. However, even with an average cost of over \$1 million a year, the City's current cost is \$1.3 million less than the what was paid the last year Visalia was in a fully insured program.

Chart I
Worker's Compensation Program Cost



Worker's Compensation costs include temporary and permanent disability payments, legal and medical costs, job displacement and 4850 time (Public Safety Salary Continuation for one year). Worker's Compensation costs do not include the accrual of benefits such as health insurance and leave accruals nor does it cover the cost to backfill for injured workers.

To help manage worker's compensation cost, the City has implemented a number of cost strategies to control costs, namely:

- Revitalized the City's Injury and Illness Prevention Program;

- Allotted a City safety officer position;
- Ongoing monitoring of safety prevention activities by department; and,
- Department head review of injury claims with each injured employee to assess strategies for avoiding such claims in the future.

Management Strategies. To manage the City's workers compensation claims, management recommends that the following:

- Continue to actively manage its workers compensation claims. Specific internal staff has been assigned to work directly with our third party administrator. Cases are managed until a resolution is achieved.
- Continue management practice of having Department Heads review with all injured workers their compensation claims in order to identify risk exposures to avoid future claims.
- Continue monthly meeting of safety committee to review all new claims; continue quarterly risk management meetings with 3rd party administrator to review all claims.
- Continue to evaluate, process and coordinate disability leaves and retirement options as appropriate.
- Work legislatively to prevent abuse, maintain the current worker's compensation system and not expand benefits further. During the Schwarzenegger administration, benefits were curtailed. New pressure may exist to expand these benefits with a new governor.

Liability and Property Program

The City is a member of the Authority for California Cities Excess Liability (ACCEL), a joint powers authority, which provides general liability coverage up to \$35,000,000. The City retains the risk for the first \$1,000,000 in losses for each occurrence under this policy.

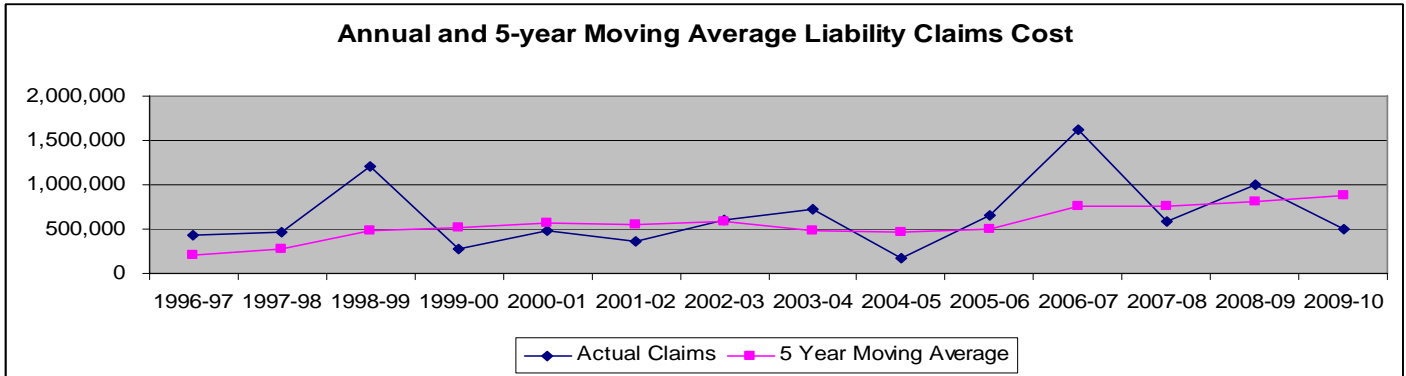
ACCEL was established for the purpose of creating a risk management pool for California municipalities. ACCEL is governed by a Board of Directors consisting of representatives of its member cities. The board controls the operations of ACCEL, including selection of management and approval of the annual budget.

The City's deposits with ACCEL are calculated based on the ratio of the City's payroll to the total payrolls of all entities, the losses of all members and the City's experience rate. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The City also purchases a number of property insurance policies that are paid for from this fund. The property insurances are shown on Attachment #1, Insurance in Force.

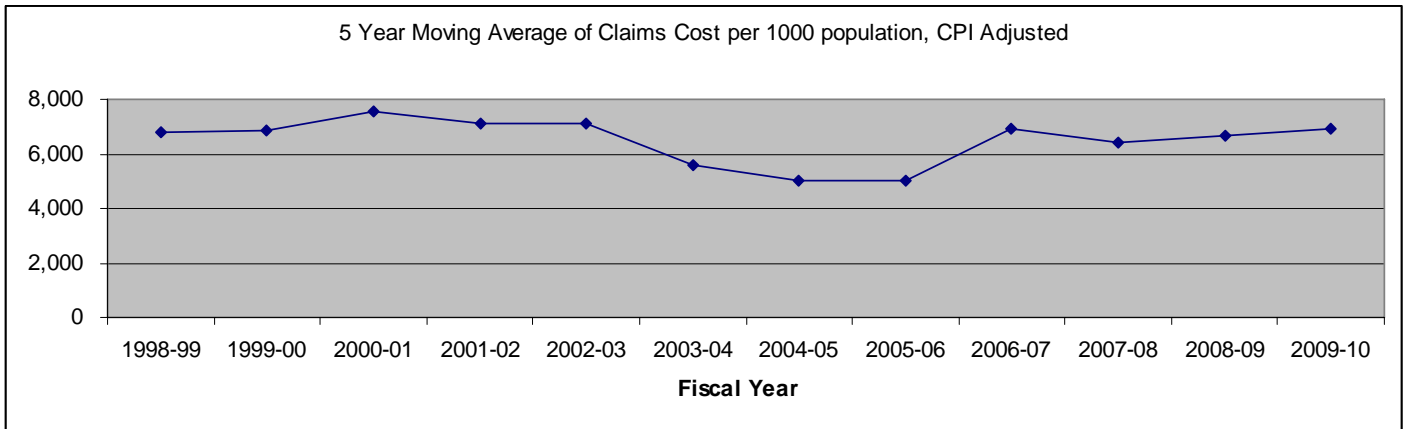
Claims cost can vary year to year based upon one large claim. As a result, a better indicator of claims is a moving average. Chart II, Annual and 5-year Moving Average Liability Claims Costs, shows the City's costs since the 1996/97 Fiscal Year. Notice that in FY 98/99, 06/07 and 08/09, the City had claims in excess of \$1,000,000. Over time, average claims costs have risen from under \$500,000 to nearly \$1,000,000 a year.

Chart II



The impression given by Chart I, is that claims are rising substantially. However, another way to consider claims is to adjust the cost of claims by the Consumer Price Index and then further adjust the claims for the growth of the City, showing claims per 1,000 residents. Chart III, 5 Year Moving Average of Claims Cost per 1000 Population, CPI adjusted, shows that claims have held fairly steady at about \$7,000 per 1000 residents for the last 12 years.

Chart III



Ideally, the City would like to see the claims cost reduce over time. However, given that the City has experienced two large claim years in recent history and still is maintaining claims cost at past levels is a good indicator of the success of this program.

Management Strategies: The Liability and Property Program is the least costly of all the City’s programs. Nevertheless, some action items to continue or improve the City’s position are:

- Continue monthly interdepartmental meeting to review all open claims and develop practices to avoid future occurrences.
- Continue practice of sending all claims back to a responsible department for review and recommended settlement or action.
- Develop an employee hot line to allow employees to anonymously report any perceived wrongdoing. Employer liability is a growing and potential costly liability that the City is striving to reduce.

- Continue to evaluate the viability of the various insurance products the City purchases. When appropriate, revise the policies to best meet the City's needs.

Employee Health Plan

The City currently provides three self-insured medical plan options for employees and retirees; a Preferred Provider Plan (PPO), Exclusive Provider (EPO) and a High Deductible PPO (HDPPPO). The City provides medical benefits via an insurance pool. The insurance pool rates the City's plan each year and assesses an insurance premium. At the end of each year, the City's loss ratio is compared to that of the other member entities. If Visalia's loss ratio is less than the average by 4.9% or more, then the City will be eligible for a rate deduction. Conversely, if Visalia's loss ratio exceeds the other member entities by more than 4.9%, the City will be assessed an additional premium, attempting to bring the City's loss ratio in line with other member entities. The City provides dental and vision coverage to employees through programs which are administered by a third party service agent. The City is self-insured for the dental and vision coverage.

The City has taken steps to control costs by including employees in the management of the City's health plan. A City Employee Health benefits Committee, EHBC, meets almost monthly to review the plan's results, consider changes in the health plan and other actions which might improve the City's health plan's performance.

City employees have a vested interest in the performance of the health plan because when costs go up, employees share in those cost increases. Group G's MOU (Firefighters) has the following clause:

- Group "G" members agree to share increases in future health plan costs over the current cost (if any) by up to 50%. In no case, however, will the cost sharing be increased more than \$50 per month per year of this agreement.

The other bargaining groups have similar clauses in regards to health plan increases.

Because monies in the health benefit fund may partially be attributed to employee contributions, the City has had a practice of using these funds only for health benefits. Past successes in controlling costs led the City's JPA to declare a \$1 million dividend for Visalia. This money remains in the City's health fund and is available for programs that will lower employee health costs.

Health benefits are expensive. But because the City has taken steps to manage the plan properly and employees are involved in shaping the health plan alternatives, the City has experienced desirable results. Table II, Health Costs as a Percentage of Employee Compensation, shows that the City has been able to keep health costs at or below 30% of employee compensation. Although this stability is commendable it also stands in stark contrast to what health cost were in the past. During the early 1990s, health cost represented 15% of payroll.

Table II
Health Costs as a Percentage of Employee Compensation
By Fiscal Year Ending
All Amounts in Thousands

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Health Plan Costs	9,145	7,605	8,801	9,490	9,628	9,612
Employee Compensation	25,926	27,000	30,033	32,817	35,064	34,654
Ratio	35%	28%	29%	29%	27%	28%

Over the last 5 years, the City has been able to maintain the City's health plan cost as a percentage of payroll. In addition, the City's health plan compare favorably with the best health plan offered by PERS, PERS-Care. Table III, Visalia's Monthly Health Plan Costs Compared to PERS - Care, compares Visalia's plan to PERS-Care.

Table III
Visalia's Monthly Health Plan Cost Compared to PERS - Care

	Visalia	PERS	Difference
Single	617.50	831.50	214.00
Employee + 1 Dependent	1,235.00	1,663.00	428.00
Employee + 2 or more	1,605.50	2,161.00	555.50

Conversely, Visalia's health care contribution tends to be higher than other communities as shown in Table IV, Comparison of City's Effective Monthly Health Care Contribution. Most governments appear to pay about 80% of the plan's costs. However, Visalia's plan is more expensive than most.

Table III
Comparison of City's Effective Health Care Contribution

	Visalia	Bakersfield	Clovis	Fresno	Tulare
Total	1,235	923	979	928	1,261
City Cont.	994	738	881	729	755
Percent	80%	80%	90%	79%	60%

The net result is that each benefited employee costs the City in excess of \$7 per hour just for health care costs. Of that \$7, about \$2 per hour is for retiree health benefit costs. This retiree health benefit deserves further discussion.

City has contractually obligated itself to provide retirees access to its health benefits plan. In addition, the City has generously provided a contribution to the plan, buying down the cost for the retiree. The total cost for the retiree health plan is a bit complicated to explain. Strictly on a premium paid basis, the City subsidizes retiree health care by \$2 million a year. However, City's premium does not differentiate between regular employees and retirees. Actuarial studies performed for the City suggest that if retirees were rated separately from the employee population, retiree health costs would increase by \$700,000 and current employee costs would drop by \$700,000.

To grapple with this problem, the City Council has raised retiree health care rates for the last several years in such a way as to have retirees pay for all cost increases, regardless if the cost increase was caused by increased health care cost or additional retirees accessing the plan.

These actions have led to the City's health plan's cost not increasing due to retiree health plan usage. At the same time, City Council has expressed a desire to reduce or eliminate the City's contribution towards retiree health care. If the Council wishes to move in that direction, Staff recommends that:

City retiree health care contributions be decreased gradually, say 5% to 10% or \$100,000 to \$200,000 a year. Such a move would allow individuals an opportunity to develop other alternatives;

If Council directed staff in this direction, staff would recommend meeting with employee groups to discuss the Council's proposed direction. After meeting with employee groups, Council would hold a public hearing to discuss a policy which might say something like:

The City provides City retirees access to the City's Health Plan. The City determines the cost to the retiree. As a matter of policy, the City intends to continue offering current employees and retirees access to the City's health plan but also plans to discontinue providing a contribution to the retiree health plan contribution. That total contribution will decrease by 5% or \$100,000 (or 10% or \$200,000) a year until no City contribution is made.

One factor to consider is the new Federal health care law which provides employers who have a retiree health plan with some assistance. This assistance will last for a short time, but it may be sufficient to pay for any additional costs for the next year or two.

Management Strategies. To manage the City's health care costs, a number of efforts need to be conducted in 2011, namely:

- Participate in the City's health care JPA, discovering and implementing industry best practices.
- Encourage the Employee Health Benefit Committee (EHBC) to better understand the issues facing health care and at least understand the discussion as events unfolds.
- Devote \$30,000 annually to wellness programs recommended by the EHBC.

- Continue to develop health plan alternatives that might allow for lower premiums such as HMO or HSA alternatives. Such a plan might provide catastrophic health care coverage but would have a smaller monthly contribution.
- Explore the use of in-house clinics to lower health costs and improve treatment. Santa Barbara County has had some success with this strategy by offering 20 hour a week in-house clinics to employees staffed by physician assistants supervised by a doctor saving Santa Barbara County \$300,000 a year.
- Follow up on any direction given to staff in regards to Retiree Health Care.
- Price retiree health care contributions according to the cost of the program. For example, if it is found that those retirees on Medicare cost substantially less than pre-Medicare retirees, contribution rates should be priced to show that difference.

Summary

The City spends about \$12 million a year in risk management activities. Although significant cost savings have been achieved by revising programs, further management will continue to control these activities.

Attachment #1, Insurance in Force

Coverage	Underwriter	Limits of Coverage	Deductibles	Policy Number	Period of Policy	Premium	Broker
PRIMARY POLICIES							
General liability over \$1,000,000 per occurrence (covers bodily injury, personal injury, property damage and errors/omissions, auto liability, or any combination thereof) ACCEL coverage effective 6/1/86	Authority for California Cities Excess Liability (ACCEL)	SIR \$1,000,000; ACCEL pooled layer \$4,000,000; Pool purchase \$30,000,000; total limits \$35,000,000	\$1,000,000 SIR		7/1/2010 to 6/30/2011	271,613 Deposit and 35,154 admin fee for 2010-2011	Mike Simmons; Alliant Insurance Services in San Francisco
Commercial Property Policy	Fireman's Fund Ins Co.	Bldg limits \$82 mil (blanket \$42 mil, VCC, WWTP \$42 mil; equip/contents limit \$20 mil; blanket business income \$6.4, extra exp corp yd \$266k; Sprinkler leakage bldg VCC \$2.7 mil, contents \$109k) North & South Precincts \$9 mil	\$50,000 bldg; \$5k contents;	MX80906515	7/1/10 to 7/1/11	192,387	Cliff Dunbar; Buckman Mitchell Group
Pollution Liability (Underground Storage Tank)	Commerce & Industry Ins Co	\$1 mil liability; \$1 mil aggregate	\$5k deductible	PLC001926209	10/12/09 to 10/12/10	668	Cliff Dunbar; Buckman Mitchell Group
Excess Workers Compensation	Keenan & Associates/Safety National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4042335	7/1/10 to 7/1/11	203,180	Cliff Dunbar; Buckman Mitchell Group
Excess Health & Medical Coverage	CSAC EIA	Potential pool assessments when total pool claims exceed excess ins.	None		1/1/10 to 12/31/10	1026.39 PPO/EPO; 891.75 HD PPO	Judy Fussel; Buckman Mitchell
SPECIAL COVERAGES							
Aviation Liability	Caitlin Insurance Group	A) Single limit bodily injury and property damage liability combined \$25Mil; B) Hangarkeepers Liability \$25 mil; limits included in A; C) No errors & omissions; Endorsements - Personal Inj \$5 mil; Premises med \$1k person/\$10k occurrent; Non owned physical damage legal liab \$50k	None	NAL4007595	7/14/10 to 7/14/11	24,500	Cliff Dunbar; Buckman Mitchell Group
Contractors Equipment/Mobile Equipment/Fine Arts/Valuable Papers & Records	AGCS Marine Insurance Company	Contractors equip/mobile equip \$9,133,263 all covered property, including rented and leased; limit \$500 ee tool/\$5k per occurrence; Fine arts/Valuable papers & records \$500k blanket all locations; Commercial Fine Arts Floater, \$85k limit,	\$500 deductible	MX93020563	7/1/10 to 7/1/11	28,278	Cliff Dunbar; Buckman Mitchell Group
Builders Risk Policy 210 NW 2nd Street	Max America Insurance Company	Blg & Material \$300k with \$5,000 deductible	\$5,000 deductible	MAXA41M0047 463	05/10/10 - 11/10/10	2,500	Cliff Dunbar; Buckman Mitchell Group
Employee Dishonesty Bond - General	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP0047816	4/27/10 to 4/27/11	9,433	Cliff Dunbar; Buckman Mitchell Group
Employee Dishonesty Bond - Police	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP6127891	4/27/10 to 4/27/11	4,269	Cliff Dunbar; Buckman Mitchell Group
Special Events Insurance	Diversified Risk	Liability policy available to citizens holding events in city facilities/parks				No cost to City	
EAP	Kawah Delta Assistance Program				1/1/10 to 12/31/10	\$95 per session	Judy Fussel; Buckman Mitchell
Long Term Disability (LTD)	Sunlife	66% of pre-disability earnings up to \$5,000 monthly benefit			1/1/08 to 12/31/10	.52 per \$100: DHG, Confidential, Group E, Group A and Group B Members pay the premium; City pays premium for Group M Members; Group G does not participate in the City program	Judy Fussel; Buckman Mitchell
Life Insurance	Sunlife	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000			1/1/08 to 12/31/10	.29 per \$1,000	Judy Fussel; Buckman Mitchell
Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/10 to 12/31/10	78.58 Monthly composite rate per employee	Judy Fussel; Buckman Mitchell
Vision	Vision Service Plan	Annual benefits with VSP provider			1/1/10 to 12/31/10	20.98 monthly composite rate per employee and retiree	Judy Fussel; Buckman Mitchell

MEMORANDUM

DATE: 01/31/2011

TO: Steve S. Salomon, City Manager

FROM: Eric Frost, Administrative Services Director

SUBJECT: Council/Management Actions which have controlled or lowered costs or raised revenue

Over this last decade, the City has taken a number of actions to control and reduce costs. The need to find ways to control or reduce costs has increased during the last four years as General Fund revenues have declined by \$10 million. Additionally, the City has been successful in raising some revenues also. Collectively, the actions below have freed up or conserved resources to focus on the core mission of the City of Visalia. The cost controlling activities can be divided into three areas: work with vendors, employees and management of resources.

Vendor Work. In a number of areas, the City has found that outsourcing services has been a cost effective method of providing services. Specifically, the City has outsourced:

- Golf Course operations
- Street sweeping
- Park mowing
- Park litter control
- Park restroom cleaning
- Senior meals
- Tree trimming

These actions have tended to lower costs while still providing good service.

Employee Management. The City has done a number of things that have helped the City control costs with employees, including:

- Sharing Health Care cost increases with employees and encouraging employees to help manage the health plan
- New retirement tiers for new employees
- Limited layoffs
- Use of time-limited positions or contract employees
- Transferring of employees from General Fund positions to Enterprise or Special Revenue Funds to avoid a layoffs

- Heavily managing vacancies
- Relatively low employees per thousand compared to other entities

Internal Management. Revising how the City works has also saved money, such as:

- Extending the useful life of computer and vehicles before replacement
- Early pay off of debt
- Refinancing debt when advantageous
- Revising the City's Health Plan and joining a Joint Powers Authority
- Revising the City's Worker's Compensation program and becoming self-funded
- Reworking internal controls to monitor return to work, liability claims and other internal processes.
- Cut programs that are not core

In addition, the City has done a number of things to enhance the City's revenues, namely:

- Working to present to voters revenue measures such as Measure T (Public Safety) and Measure R (County-wide roads)
- Conducting annual review of rates and fees
- Implementing Landscape and Lighting Maintenance Assessment Districts (LLMAD)
- Reviewing and appropriately balloting LLMADs when costs exceed revenues
- Aggressively pursuing grants
- Reviewing impact fees and implementing appropriate funding plans

Many more programs should probably be listed, but this provides a sampling of the activities the City has pursued to manage its fiscal affairs.

City of Visalia

Memo



To: City Council
From: Chris Young, Community Development Director
Date: February 4th – 5th, 2011 Council Workshop
Re: Economic Stimulus Plan Update

The City of Visalia adopted a reduction to Impact Fees as part of a “Local Economic Stimulus Plan” in June, 2010. Impact Fees were reduced as shown below:

- The reduction of Transportation Impact Fees (TIF) by 15% “across the board”
- The reduction of Park Acquisition Impact Fees by 15%
- The reduction of Waterways Acquisition Fees by 15%
- Establishment of a “Special Downtown TIF Credit Zone” with a TIF credit of 25%
- Increase of the “Infill Credit” from the current 15% to 25% (City wide)
- Amend the Gas Station TIF fees by utilizing a tiered fee structure.
- Waive the 2009 ENRCCI (Engineering News Record’s Construction Cost Index) increase of 6.5% for fiscal year 2010 – 2011.

Decreased Impact Fees by 21.5%: During the period of June 7, 2010 to February 1, 2011, the City collected \$1,336,612 in Impact Fees. These fees were lowered substantially as a result of the 15% “across the board” Impact Fee reduction and the 6.5% waiver of the 2009 ENRCCI increase. In other words, the impact fees have been reduced by a total of \$338,083. A breakdown of the impact fees collected is shown in the table below.

Impact Fees Collected Since June 7, 2010

Park Acquisition Fees:	\$21,263
Transportation Impact Fees:	\$1,282,684
Residential:	\$377,341
Commercial:	\$660,784
Office:	\$148,630
Industrial:	\$ 95,930
Waterways Acquisition Fee:	\$32,663

In addition to the 21.5% Impact Fee reductions, several other policies (**bolded below**) were adopted by Council as part of the “Local Economic Stimulus Plan”. The “result” of each measure is shown in *italics*.

- 1) **Until December 31, 2010, deferred all impact fees until close of escrow or December 31, 2011, whichever comes first for projects with impact fees greater than \$10,000:** *Only one development took advantage of this venue and deferred \$36,976 (Visalia Rescue Mission).*
- 2) **Continued to offer the 5-year impact fee financing for industrial projects secured by a lien against real property:** *No one took advantage of this option. There is a similar program still in place that is limited to the industrial park zone (BIZ). Currently the VWR project is pursuing the BIZ 5-year deferral agreement for deferral of \$630,000 over 5 years secured by the real property.*
- 3) **Until December 31, 2010, offered a 5-year financing of transportation impact fees for all commercial projects in the same manner that industrial projects are provided a 5-year impact fee financing, if the project is completed by December 31, 2011 and has fees greater than \$10,000:** *During the 8 month period no one used this option.*
- 4) **Expedited commercial and large residential subdivisions (projects in excess of \$1,000,000):** *Large projects, such as VWR, have been expedited and/or outsourced if necessary to speed up the plan check process.*
- 5) **Implement the real estate sign revisions:** *Changes to the Real Estate Sign Ordinance were approved by Council. The “second reading” of the changes to the Subdivision Sign Ordinance are going before the Council on February 7, 2011.*

Of the various options for deferring development impact fees, the original option (prior to the other special programs) of deferring to final inspection or Certificate of Occupancy still remains the choice of most developers prefer to defer the payment of impact fees. This program will be continued and was not a part of the temporary stimulus program implemented in April 2010. Visalia has been a pace setter as far as promoting development and partnering with the developers and builders as our fee deferral program began in 1994 (Ordinance 9418 and Resolution 94-54) and some other cities are just now implementing this policy. Forty-nine permits deferred a total of \$789,303 during this period (since April 19, 2010).

The stimulus actions taken by the City were well received by the development community. For example, the developers of the Dillon and Sons Gas Station (Plaza and Crowley), DD’s Retail (north Dinuba), VWR (Riggin and Kelsey), and the Promenade (Bridge and Main) have all stated that the “Local Economic Stimulus Plan” positively influenced their decisions to proceed with their projects. The implementation of the “Local Economic Stimulus Plan” sent a clear message to developers that the City is creating an economic development climate that is conducive to development.

City of Visalia

Memo



To: City Council
From: Mike Olmos, Assistant City Manager
Date: February 4-5, 2011 Council Workshop
Re: Ordinance strategies to increase economic activity

While the national economy is gradually emerging from the “Great Recession”, California, especially the Central Valley, has seen very limited economic recovery. Given the bleak economy, the City Council has worked hard to implement strategies for Visalia to “help itself” by improving the local regulatory environment to stimulate economic activity. In addition, the City Council has placed emphasis on streamlining City processes and services to better serve the public, development community, and businesses while also being more cost effective. Given these priorities, Council is interested in considering additional ordinance strategies to streamline our services and stimulate local economic growth.

Council has already authorized several stimulus and streamlining strategies. While these strategies have had positive effects, the lingering recession and continued low building activity may warrant consideration of additional stimulus measures. Toward that end, staff has identified additional strategies that Council can consider to further streamline the City’s permitting processes and provide additional stimulus to the building industry and economy as a whole. These are:

1. Consider revising the Administrative Adjustment Ordinance to increase the maximum available adjustment from 10% to 20% for development standards related to setbacks, site area, lot width, and building height.
2. Consider amending the Administrative Adjustment Ordinance to add a category for encroachment of parking improvements into required landscape setback areas for commercial, professional office and industrial zone districts.
3. Consider alternatives for a Zoning Administrator to review and make decisions on minor land use permits, subject to appeal to the Planning Commission.
4. Consider revising our Building Code to remove our local requirement for fire sprinklers for new and re-occupation of existing non-residential buildings over 5,000 square feet, and instead utilize the state building code standard of 9,000 square feet.
5. Consider initiating a process to form a parking district for a portion of the Mooney Boulevard corridor and expand the Downtown Parking Districts to provide voluntary parking flexibility for site redevelopments and building re-occupancy.

6. Consider directing staff to prepare a draft ordinance to set a definition for “infill parcels” and provisions for 5,000 square foot residential lots as authorized in the current General Plan.
7. Consider initiating a review of conditional uses in the Industrial Zone Districts to determine whether some uses can be re-classified as “permitted” uses (no CUP required).

Administrative Adjustment Process

The Visalia Zoning Ordinance contains a process for consideration of administrative adjustments up to 10% for the following development standards: setbacks, site area, lot width, and building height. This process allows the City Planner to reduce the setback requirements up to 10% for these specific development standards. The City Planner has authority to grant administrative adjustments subject to confirmation of certain findings as described in the attached Administrative Adjustment Ordinance. This process is valuable in helping developers and landowners situate buildings on existing lots, and can be an effective tool for infill development.

In 2010, the City Planner issued 8 administrative adjustments. This process is not well used, in part due to the relatively small 10% adjustment that is available. Council could consider increasing the amount of adjustment available under the process to 20%. As an example, this change would increase the available adjustment (if findings can be made) for a five foot residential side yard from six inches to one foot. This expanded adjustment capability could be helpful to landowners and designers in the placement of buildings on existing lots and help achieve development of existing parcels.

Parking Encroachment in Landscaped Setback Areas

A common problem in site planning for new developments or expansions to existing developments is the placement of parking spaces in sufficient numbers to meet City parking standards. As landowners try to maximize the size of buildings on their properties, the placement of parking becomes difficult. The parking requirement may also force landowners to scale back the size of buildings to provide room for sufficient parking to meet City standards.

Council may consider adding flexibility to the site plan process by allowing limited parking improvements to extend into required setback areas. A potential strategy would be to amend the Administrative Adjustment Ordinance to include authority for City Planner consideration and approval of limited encroachment of parking improvements into landscaped setback areas. As an example, the ordinance could be modified to allow the City Planner, upon making the required findings under the attached Administrative Adjustment Ordinance, to allow parking improvements to occupy up to 20% of the landscaped setback area, provided that at least 50% of the depth of the landscaped setback shall be maintained along the entire frontage. This encroachment would be managed through the Administrative Adjustment process and applied as allowed under the mandatory findings.

Zoning Administrator Process

Council has discussed in the past the idea of setting up a Zoning Administrator (ZA) process to streamline the planning permit process for development projects. There are different variations on the ZA concept used by cities in California. One alternative would designate a person to act as a hearing officer on minor land use permits, such as minor conditional use permits, variances, and other minor types of permits that are now heard by the Planning Commission. The ZA would have authority to conduct a noticed public hearing and approve (with conditions as appropriate) or deny the project. The decision of the ZA would be final unless appealed to the Planning Commission. A streamlined staff report is prepared for ZA items and a hearing notice is distributed to property owners within 300' of the affected site.

The City of Fresno and other communities use different processes. In Fresno, the Planning Director receives and his/her staff processes all conditional use permits as a staff level review. The Director has authority to approve CUPs (with conditions as appropriate) without a public hearing. A written notice is then sent to property owners around the site notifying them of the project description and location, and the Director's approval. The notice also provides a 15 day period during which a property owner(s) or other affected person may file an appeal of the Director's decision. The appeal is heard by the Planning Commission in a noticed public hearing.

A ZA process is intended to be more nimble and less formal than a Planning Commission review, and usually directed at projects that are minor and routine in nature. A ZA could meet on a weekly basis (similar to Site Plan Review), thereby speeding the planning process. It would also be less costly, thereby enabling reduced permitting fees unless projects are appealed.

Given potential cost and time savings for the public in a ZA process, Council may wish to consider establishing a ZA to help facilitate minor, routine planning projects. If so, Council can direct staff to prepare alternatives for a ZA process that could be implemented in the City. The process, including the types of projects that a ZA may consider, would be vetted with the development community and Planning Commission, and brought to Council for consideration and final decision.

Local Fire Sprinkler Requirements for Non-Residential Buildings

The California Building Code requires automatic fire sprinklers be installed in new non-residential buildings, and in existing buildings undergoing a change in Building Code occupancy classification, when the building is generally 9,000 square feet or larger. (Note: an example of a change in building occupancy category is an office being converted to a retail store). This requirement is the standard for cities and counties throughout California provided that cities and counties may enact local ordinances to establish a more stringent local rule. In Visalia, our local building code was modified in the mid-1990s to reduce the square footage threshold for fire sprinklers to 5,000 square

feet. This local standard subjects many more buildings in Visalia to the fire sprinkler requirement than would occur under the state threshold of 9,000 square feet.

While the increased fire safety benefit of the more stringent fire sprinkler requirement is acknowledged, Council should note that fire sprinklers substantial add additional construction costs for installation and water connection. Fire sprinkler costs average about \$3.00 per square foot of building size plus substantial costs for water line extension and service connection.

In constructing new or re-occupying existing commercial, industrial or other non-residential buildings, businesses in Visalia currently must bear additional cost burdens to install locally mandated fire sprinklers for buildings over 5,000 square feet but less than 9,000 square feet. The requirement has caused many businesses to reduce the size of new buildings to less than 5,000 square feet and has created further reservations in re-occupying existing buildings in the 5,000 to 9,000 square foot category..

Council could consider removing the local 5,000 square foot threshold for fire sprinklers and instead utilize the state's 9,000 square foot threshold. This change would substantially reduce construction costs for non-residential buildings under the state threshold, improve cost feasibility for re-occupying existing buildings, and increase our community's competitiveness with nearby cities and the county. If the change is made, businesses could choose to voluntarily install fire sprinklers in buildings under the state threshold if desired for increased fire safety and insurance cost benefits.

Parking In Lieu Districts

As Council knows, parking requirements can become problematic for businesses attempting to locate to new sites or expand on existing sites. Within downtown parking districts, developers of new buildings can voluntarily pay the in lieu parking fee to resolve parking issues. In outlying areas, the parking in lieu payment option is not available unless the parking districts are expanded or new districts formed.

Lack of sufficient parking is a common problem in site development or re-occupation of developed properties. The parking in lieu program can provide relief in these cases through payment of a reasonable in lieu fee. The ability to pay for in lieu parking also provides developers flexibility and opportunity to increase the size of structures to be built. The current in lieu fee for the downtown parking districts is \$3691.95 per parking space. Parking in lieu fees are reserved solely for the City to purchase sites and create public parking inside the district boundaries.

Areas where parking has created the greatest issues are the areas in and around downtown and along Mooney Boulevard. Council could consider creating new parking districts or expanding the existing districts as needed to facilitate development projects. Expansion of existing downtown parking districts can be done on a project by project basis or as part of a strategic expansion effort.

Consider 5,000 Square Foot Lots in Single Family Neighborhoods

General Plan Policy 4.1.18 includes the following provision:

“The Zoning Ordinance shall be amended to include a definition of “infill parcels” and a process and criteria to permit the use of 5,000 square foot lots on these designated parcels.”

This policy is intended to serve as an incentive for infill development by allowing greater development density for undeveloped parcels in the City. However, though the policy has been in the General Plan since the last update in 1991, it has not been implemented. In past years, Council has discussed methods to implement the policy, but efforts have not been successful.

With the financial challenges created by the recession, it is increasingly difficult to induce infill development. Implementation of this policy could provide an effective incentive for developers to utilize overlooked residentially zoned parcels.

Council could direct staff to prepare a draft ordinance to implement this policy. The ordinance would be vetted with the building industry, Planning Commission, and community to ensure that this type of higher density development is done in a way that enhances residential neighborhoods.

Consider Reclassifying Less Intense Industrial Uses to Permitted

The Industrial Zone Districts classify land uses in the Industrial Park as “Conditional” (CUP required) or “Permitted” (allowed outright – no CUP required). The CUP process requires a comprehensive review of the project by City staff, preparation of an environmental determination, and a noticed public hearing before the Planning Commission. While this process is intended to provide an enhanced level of review for more intensive land uses, it may be excessive for some uses currently classified as “conditional”. In particular, many food processing uses require CUPs (snack food preparation and packaging is an example of a CUP requirement). While in past years these uses may have caused sufficient concern to warrant CUPs, refinements in processing may warrant the uses being reclassified to “permitted”. This would eliminate the CUP requirement and enable the uses to be reviewed at staff level under the site plan review process, with corresponding savings in time and cost to private companies. Council should consider directing staff to review the zoning matrix uses for the Industrial Districts and return to Council and Planning Commission with recommendations for potential reclassification of less intensive uses.

Attachments:

1. Administrative Adjustment Ordinance
2. Map of Downtown Parking Districts

City of Visalia

Memo



To: City Council

From: Mike Olmos

Date: February 4-5, 2011 Council Workshop

Re: Discussion regarding Regional Retail Growth Strategies

A major component of the City's General Plan is a set of policies directed at the Retail Commercial of our local economy. These policies establish the community's priorities and strategies for addressing the long term retail needs of our citizens and businesses and where retail commercial uses are strategically placed to make them conveniently accessible, well planned, and well mixed for meeting the needs of our growing community.

In our General Plan framework, the Retail Commercial sector is comprised of several sub-components. Most of these sub-areas are directed at meeting the daily shopping needs of Visalia residents. However, one category, Regional Retail, has a significant regional focus and contains strategies to maintain the City's historical role as a regional destination point for unique and high end shopping. As part of Council's workshop, it is important to discuss the significant benefits that regional retail activity has created for our community, and discuss the need to give priority to this segment of our local economy in the General Plan Update.

The General Plan Update will provide an opportunity to revisit and update our Regional Retail strategies. This effort is both needed and timely given changes that have occurred both in the economy and the character of our region during the past 20 years following the enactment of the current General Plan. Several potential regional retail discussion items will be presented to Council, as follows:

- A. Evaluation of Regional Retail Market Dynamics in the South Valley and Impacts on Visalia.
- B. Re-assessment of the role of Mooney Boulevard in the regional retail environment.
- C. Evaluation of the suitability of remaining properties designated in the current General Plan for future Regional Retail development.
- D. Consideration of allowing managed regional retail growth at strategic locations along State Highway 99 within Visalia's Urban Area Boundary.
- E. Identify other regional retail locations in the City and make efforts to enhance their viability in the retail environment.
- F. Re-invigorate efforts to recruit quality and unique regional retail outlets to Visalia to expand our regional retail offerings.
- G. Continue to invest in infrastructure to serve regional retail areas, particularly Downtown Visalia and Mooney Boulevard.

Why is Regional Retail Important?

For decades, Visalia has been a strong regional destination point for shoppers. This has occurred due to several factors. First, our community is well positioned at the population center of Tulare County and the geographic center of cities and communities in Tulare County and Kings County. Highways 99, 198, 63, 65 and 217 provide convenient access for shoppers from outlying communities into Visalia. As the largest community in the region, and with a large concentration of affluent households, Visalia has historically been able to attract high quality retailers seeking to serve not just local shoppers but the outlying communities as well. This activity has benefited Visalia in several ways:

- Regional retail activity has helped increase the City's stature as a desirable, high quality community, which helps attract businesses, industry, educational, medical, and entertainment uses also seeking to serve the region.
- Retail sales tax is a critical revenue source for City operations, especially Police and Fire services.
- Regional retail attracts other retail, service, dining, and entertainment uses which seek to serve regional and local shoppers.
- Regional shopping centers create a synergistic effect in the retail environment by attracting customers who will visit multiple retail outlets during a shopping outing, including dining and entertainment activities.
- Retail activity creates entrepreneurial opportunities and jobs, generating additional economic activity.

Clearly, the regional retail economy in Visalia has benefited the community in significant ways. Therefore, the General Plan Update must give an intelligent and realistic assessment of the community's current situation regarding regional retail development and provide land use strategies for improving regional retail activity for Visalia.

Erosion of Visalia's Regional Retail Dominance

During the past 10 years or so, Visalia's dominance as a regional retail destination has eroded. Sales tax figures provided to Council from the Finance Department during past years have shown that Visalia's share of regional sales is dropping compared to nearby cities. This erosion is attributable to several factors:

1. Several nearby communities have increased in population to a point that they are now able to attract major retailers that in past years would only be located in Visalia. Tulare, Porterville, and Hanford are each over 50,000 in population and they have all developed shopping centers with major retail anchor tenants (Target, Walmart, Kohl's, etc). Dinuba has established a major center anchored by a Super Walmart. These outlying centers and communities are aggressively marketing to local customers that in the past would have shopped in Visalia.
2. Cities with highway frontage, particularly along Highway 99, have placed shopping centers and auto dealerships near highways for convenient and high visibility access by passing highway traffic and for regional customers.

3. Nearby cities are developing unique shopping opportunities along Highway 99 targeted to regional shoppers. Tulare's factory outlet shopping mall and Selma's auto row are examples of aggressive retail positioning.
4. Budget issues and economic development interest have given nearby cities a heightened awareness of the advantages of retail commercial growth. These communities have developed strategies for commercial growth and they are increasingly aggressive in retaining local shopping dollars and attracting regional shoppers.

In contrast to other communities, Visalia has maintained our traditional approach to regional retail attraction. We have relied on Mooney Boulevard as our major regional retail area, and allowed regional retail expansion to gradually occur on Mooney under strict planning criteria. This strategy has enabled the Mooney corridor to gradually expand in a controlled manner, with new centers being established over the past 10 years at Mooney/Walnut (anchored by Kohl's) and at Packwood Creek. It has also provided a framework for vacated buildings to be reoccupied. Excellent examples of re-use on the Mooney Regional Retail Corridor involve the former Target building (now JoAnn's, Anna's Linens, and Petco), former Blockbuster (now Rabobank), former Mearle's (to be refurbished for Habit Burger), former Mervyns (now Hobby Lobby) and others. Community and neighborhood commercial centers have become established in several locations throughout the community (Demaree/Caldwell, Akers/Goshen, Demaree/Goshen, Demaree/Riggin, North Dinuba Boulevard); however, these new centers are directed primarily at local shoppers with limited regional appeal.

Visalia's strict controls on regional retail expansion has helped the community manage regional retail expansion from a land use planning perspective, and helped preserve local markets for existing centers. However, the City's share of the regional sales market continues to diminish. The General Plan Update will provide an opportunity to have a frank community discussion about regional retail development, and ways that the City can be more aggressive to maintain, and preferably increase, our share of the regional market.

Future Trends Affecting Regional Retail

Certain trends are evident that will affect Visalia's future position in regional retail:

- a. Other cities in our region have enjoyed success and realized benefits in expanding their own retail offerings to compete directly with those offered by Visalia in a regional setting. This trend is expected to not just continue, but to become stronger as nearby communities become more aggressive in capturing a greater share of the regional market.
- b. Cities with highway exposure, particularly along Highway 99, will increase their retail commercial presence on these highways to take advantage of highway exposure and convenience to regional shoppers.
- c. Tulare County is expected to enter the regional retail market. The County's draft General Plan Update includes provisions for "Corridor Plans" along major transportation routes, including Highway 99 and Mooney Boulevard. These corridor plans are not yet public, but the plans may target highway interchanges and other locations within the City's Urban Development Boundary and Urban Area Boundary. If this happens, the City and

County may be directly competing for regional retail commercial projects at key locations inside our UAB.

- d. The regional retail market will continue to expand as the population expands. Tulare County is expected to grow from the current population of approximately 467,000 to 743,000 in 2030. Kings County is expected to grow from 165,000 to 250,000 in the same time frame. Together, the two county region will have a combined population approaching 1 million residents by 2030. Tulare County by itself is projected to have over a million residents by 2050. Population growth will increase retail commercial activity, providing significant opportunities for Visalia to grow our regional retail presence.
- e. Traffic volumes will continue to grow along major transportation routes, including Highway 99, Highway 198 and Mooney Boulevard. Passing traffic presents a strong customer market that may be captured by regional retail offerings at strategic locations along these corridors.
- f. Highway 99 will continue to be the major vehicular transportation corridor for the Central Valley. State and local efforts to expand Highway 99 to accommodate increased traffic volumes will continue. As the most heavily traveled transportation route in the Central Valley, Highway 99 will be the focal point for regional retail growth.

Regional Retail Discussion

The current General Plan envisioned Visalia remaining as a dominant force in the regional retail environment. However, it did not anticipate the speed in which retail markets would mature in other nearby communities, and the way that regional retail competition would erode Visalia's market share. If Visalia is to maintain and hopefully grow its position in the regional retail market, then the General Plan Update will need to seriously analyze regional trends and provide strategies to increase our competitiveness. This discussion may include:

- A. Evaluation of Regional Retail Market Dynamics in the South Valley and Impacts on Visalia. The changing demographics of nearby cities and their impact on regional retail dynamics in the South Valley will affect the type and extent of retail stores that will succeed in our area and help grow Visalia's market share. Understanding this relationship is critical in developing an effective strategy for regional retail expansion. The General Plan Update consultant contract includes a subcontract with a firm specializing in urban economics, however, the extent of work done on regional retail will be limited due to the wide scope of the Update. More detailed analysis of regional retail trends may become necessary to develop a successful long term strategy. Council should be aware that additional work may necessary to prepare effective long term regional retail strategies and authorize staff to return to Council for further direction if supplemental technical information is needed.
- B. Re-assessment of the role of Mooney Boulevard in the regional retail environment. While Mooney is expected to grow as a vibrant regional and community commercial corridor, its geographic position with respect to population centers and growth in the two county area may limit its suitability for long term regional retail growth. Nonetheless, Mooney will continue to be the major retail center in the region for years to come. The General Plan Update should include measures for continuing to expand regional retail

along Mooney and efforts to improve traffic circulation along Mooney should also continue.

- C. Evaluation of the suitability of remaining properties designated in the current General Plan for future Regional Retail development. A review of currently available regional retail designated sites along the Mooney Boulevard corridor will identify substantial existing vacant buildings and vacant parcels that can accommodate additional retail stores. While these existing sites are available for short term needs, the General Plan Update must comprehensively examine our regional retail site inventory, both quantity and quality, for at least the next 20 years. Current available sites will not be sufficient to satisfy long term needs during the next 20 year planning period. Existing sites are too limited in location and size to create suitable regional retail destination points. The General Plan Update must evaluate regional market trends and determine where and how to best position future regional retail sites to effectively capture regional markets.
- D. Consideration of allowing managed regional retail growth at strategic locations along State Highway 99 within Visalia's Urban Area Boundary. It is clear that regional retail growth will continue along the Highway 99 corridor, and that Tulare and other communities will aggressively expand retail facilities along the highway. It is also anticipated that the County will enter the regional retail market and consider locations for regional retail in areas along Highway 99, including within the Visalia UAB (Tagus and Caldwell) and in Goshen. While retail development along Highway 99 may generate some adverse reaction in the community, it will be difficult to be competitive in the future regional retail market without considering this option, and even harder to prevent such development from being considered under County jurisdiction.
- E. Identify other regional retail locations in the City and make efforts to enhance their viability in the retail environment. Other areas of Visalia have roles in regional retail markets and efforts to expand their influence should be continued. Downtown Visalia, Downtown and West Visalia Auto Malls and portions of North Dinuba Boulevard and Highway 198 capture substantial regional retail activity. Efforts to fortify the regional retail roles of these areas should be maintained in the same way as Mooney Boulevard.
- F. Re-invigorate efforts to recruit quality and unique regional retail outlets to Visalia to expand our regional retail offerings. Visalia remains the dominant regional force in the regional retail environment though our position has weakened in past years. With the largest and most affluent market population in the two county region, major retailers looking for expansion opportunities will look first at Visalia. The City Council should discuss strengthening efforts to seek out and recruit new quality offerings to add to our regional retail inventory.
- G. Continue to invest in infrastructure to serve regional retail areas, particularly Downtown Visalia and Mooney Boulevard. As outlying communities and population centers expand around Visalia, vehicular access to established regional markets should be improved to increase accessibility and convenience. Access points along Highways 99 and 198 will need expansion, and major connecting routes (such as Caldwell Avenue) will also need improvement.

The General Plan Update will provide a timely opportunity to have frank and serious discussions about Visalia's stature in the regional retail market and develop strategies to improve our

position. The Council is encouraged to begin the discussions during its workshop on February 4-5, and provide direction on priorities for structuring our regional retail policies.

Attachments:

1. "Regional Retail Sales in Visalia – Facts and Estimates" (Received from Chamber of Commerce
2. Letter dated January 25, 2011 from Visalia Chamber of Commerce

City Council Workshop Memorandum

To: City Council
From: Community Development Department, Planning Division
Subject: West Visalia / 198 Corridor Update
Date: February 4-5, 2011

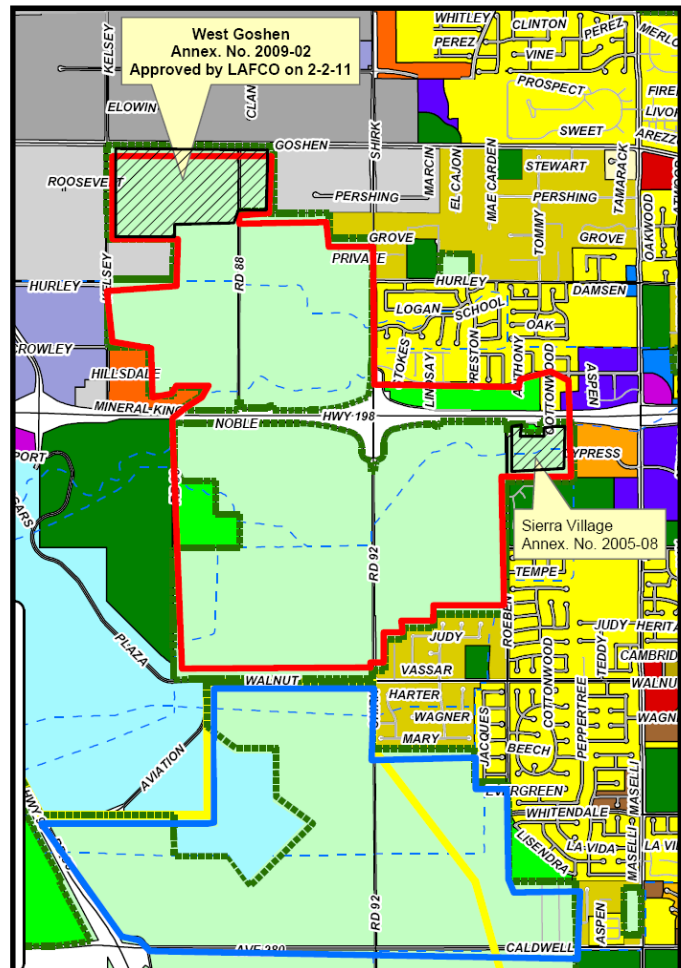
SUMMARY

This report presents an overview of the West Visalia / Highway 198 Corridor update process summarized as follows:

- Overview of the West Visalia / Highway 198 corridor area
- Inclusion of the West Visalia / Highway 198 corridor into the Comprehensive General Plan Update process including the open space setback
- Progress update on Parks & Recreation Commission study of the open space corridor design for the 200-foot setback area along the City owned 16-acre property
- Informational meeting with property owners in the West Visalia area
- Land Use request from property owners of the West Visalia area
- General Plan Update relative to the West Visalia/Highway 198 Corridor

OVERVIEW

The West Highway 198 Master Plan study area is approximately 1,241 acres in size and located immediately west of the urbanized area of Visalia and east of Plaza Park and the City Industrial Park. The area lies approximately 3.5 miles west of Visalia's core and one mile east of State Highway 99 and the Visalia Municipal Airport. The entire area is within the City's current Urban Growth / Development boundary and LAFCO Sphere of Influence. The northeast corner of Highway 198 and Shirk Road is the only designated Conservation area currently in the City limits. The City has purchased a 16-acre parcel on the east end, bounded by the freeway and residential development on two sides. The parcel was intended to be used as a new ponding basin. The remaining areas outside of the City limits all have a General Plan Land Use Designation of Agriculture, with a few minor exceptions of Conservation and Park-designated areas.



The study area is divided north and south by State Highway 198, and divided west and east by Shirk Road, a two-lane arterial road that has been experiencing a high increase of traffic over the last few years from City growth. The area predominantly contains row crops, orchards, and vacant land. Approximately 20 residences are scattered along the highway corridor and inside the master plan area. Mill Creek and Persian Ditch, both natural riparian waterways, traverse through the area's boundaries. The area is generally bordered on the east by Residential designations, on the north by Light and Heavy Industrial designations, on the west by Light Industrial, Service Commercial, Park, and Conservation designations, and on the south by an Agriculture designation. A 40-acre agricultural site outside of the easterly boundary south of Hwy. 198 has been proposed as the site for the expansion of a senior citizen residential development and private school, and is therefore being excluded from the study area of the master plan.

The West Visalia area is inside the City's Urban Growth Boundary, however most of the area lies under County jurisdiction (approximately 1,241 acres). This presents a great challenge to the City as the County may consider development proposals in the corridor area for their own fiscal reasons over the area's historical connection to the City.

Pending Annexations: There are two active annexations in the West Highway 198 Master Plan study area (as depicted in the map exhibits). The West Goshen Annexation (No. 2009-02) was approved by the Tulare Local Agency Formation Commission (LAFCO) on February 2, 2011. The action will be complete following an administrative protest hearing in late February. Upon annexation the area will be zone IH (Heavy Industrial). This annexation covers 114 acres, including several industrial users (Rainscape, Westside Auto Dismantlers, Glenns Mini Storage, and JM Eagle Pipe Manufacturing). It began as a County referral for the proposed expansions of the Rainscape and Westside businesses that the City elected to assume jurisdiction over the discretionary entitlements for those expansions. In consultation with neighboring property owners, the City Council, LAFCO and Tulare County staffs, the present annexation boundaries were settled on. Upon successful annexation, the area will be added to the City's industrial land inventory, along with jurisdiction over site uses, roads and infrastructure to service the area.

The Sierra Village Annexation (No. 2005-08) is a proposal to expand the existing Sierra Village seniors living facility by 41 acres, including establishment of an open space corridor along Hwy 198, and a new regional detention basin that would be fully integrated with the open space corridor. The project proponents are preparing a design concept and an environmental impact report (EIR) for the project. When these components of the project are completed, the project will be processed through the City's entitlement process and become effective upon successful annexation of the project area into the City limits.

WEST VISALIA / HIGHWAY 198

The Comprehensive General Plan Update process will provide a forum for analyzing the corridor within the context of the entire City and developing guiding policies. As part of this process, the Council directed to staff during their April 5, 2010 Joint Worksession meeting to proceed with the following:

- Affirm the 200-foot setback area for properties currently within the City limits located on the north side of Highway 198, east of Shirk Street.

- Directed the Parks and Recreation Commission to study and make recommendations to the General Plan Update Review Committee on a detailed boundary area for the open space component of the West Highway 198 Corridor.
- Authorized the Parks and Recreation Commission to develop an open space corridor design for the 200-foot setback area along the City owned 16-acre property.
- Establish land use designations behind the open space setback as part of the compressive General Plan update process.
- Expand and analyze study area south of Walnut Avenue to Visalia Parkway.

PROGRESS TO DATE

PARKS & RECREATION COMMISSION

The Park's and Recreation Commission conducted a visual site survey of the West Visalia / Highway 198 Corridor to gain a better understanding of potential constraints/opportunities within the corridor. As a result, the Parks and Recreation Commission appointed two commissioners at their June 15, 2010 meeting to serve on Highway 198 Open Space Plan sub-committee.

The original task was to develop a master plan for the 16 acres to include an open space corridor and a park. Since that time, several issues have evolved adding to the complexity, which includes one commissioner resigning from the sub-committee. The Parks and Recreation Commission have reserved appointing a new sub-committee member until two new alternates are appointed. The two new alternates will be appointed this February.

In addition, there is concern about a future permanent water basin for that area. The City has not allocated monies for a basin design but discussions are underway on how the basin could incorporate the open space component setback along the 198 Highway corridor. Furthermore, a private developer has expressed some interest in a land swap involving part of the City owned 16-acres. This continues to be a fluid situation and is difficult to develop a scope of work when the dynamics are constantly changing.

However, the appointment of a new sub-committee member, and the ongoing discussion of a basin design will help in formulating recommendations to the GPURC on a detailed boundary area and development design for the 200-foot setback area component of the West Highway 198 Corridor. Staff anticipates this task can be concluded by the end of the 2011 calendar year.

WEST VISALIA PROPERTY OWNERS MEETING

Staff held an informational meeting with all property owners within the West Visalia / 198 Corridor on Wednesday, November 10, 2010. Staff presented property owners with an overview on Council's direction regarding West Visalia / 198 Corridor and introduced key staff members. Property owners were presented with an overview of how the West Visalia area, if planned in conjunction with the comprehensive land use planning effort, will enable future development opportunities for properties within the West Visalia planning area. This information was presented to the property owners, which allows them to be engaged early on in the General Plan update process, and assure property owners along the West Highway 198 corridor that establishment of the Open Space Corridor on their properties, will simultaneously result in opportunities for urbanized

development of their properties. Property owners were advised that potential Land Use considerations be directed to the General Plan Update review Committee (GPRUC).

Prior to and in conjunction with the General Plan Update, the City has received several requests from individual property owners interested in developing their property located within the West Highway 198 Corridor area. The following summarizations of these requests are as follows:

- Elliot Farms (437 acres located on the southwest corner of Shirk & 198, and the southeast corner of Shirk & Tulare): The landowners have developed a concept plan for a master-planned community named Elliott Ranch. The concept proposes a focal business sector (village) at Shirk/Tulare, approximately 411 acres of new residential, and open space along creeks & freeway frontage. This land use concept would facilitate new growth in a significant portion of the “scenic corridor” area south of 198.
- Rick Telegan, Ron Vanderveerd, John Visser, Gary Stedman 141 acres located southeast and northwest corner of Hwy. 198 & Shirk): The four landowners submitted a single letter which discloses the owners’ preference to pursue future development requests in the City limits rather than in the County’s jurisdiction and under the new County General Plan. No specific uses or land use designations have been requested for the area. Rather the landowners desire flexibility in future land uses.
- William Travis (77 acres located on the south side of Caldwell ¼ mile west of Akers): Mr. Travis desires a rural residential designation on his property located on the southwest edge of Visalia west of the Assembly of God church. The site is currently bisected by the Urban Development Boundary (based on the original concept for the Visalia Parkway beltway), and is located with the Airport’s Approach and Departure Zone.
- Kirk Barr (70 acres located on the northwest corner of Roeben & Whitendale): Mr. Barr owns 70 acres of land that is adjacent to existing residential development to the north and east. The City recently annexed property for the Municipal Airport about ¼ mile to the west. The request is for the property to be included in the Urban Development Boundary for future urban use, though no specific land use designation is requested yet.
- Paul Ridenour (20 acres located on the northwest corner of Caldwell and Roben): Mr. Ridenour owns 20 acres of land just west of the existing city limits adjacent to existing rural residential development. The request is for this property to be include in the Urban Development Boundary for future urban use and has requested a specific land use designation of CSO.

Staff has gathered information from these property owners, and advised the property owners the requests have been forwarded to the GPRUC for possible integration with the GPURC’s overall land use analyses.

GENERAL PLAN UPDATE AND THE WEST VISALIA / HIGHWAY 198 CORRIDOR

The policy decisions made during the General Plan Update process will address several of the “big picture” issues currently facing the City Council. In fact, the Update provides a very unique opportunity – perhaps the only time in the next 20 years – for the City and community to address how these issues fit in with the overall scope of the City’s development plan.

The West Area of Visalia has been analyzed through the use of various study, workshops, community input and formation of a task force. The intent and eventual adoption of a corridor plan for the west area was to ensure that the historic rural and scenic character is maintained along the Highway 198 corridor while also establishing development opportunities and standards for those properties located behind the open space areas.

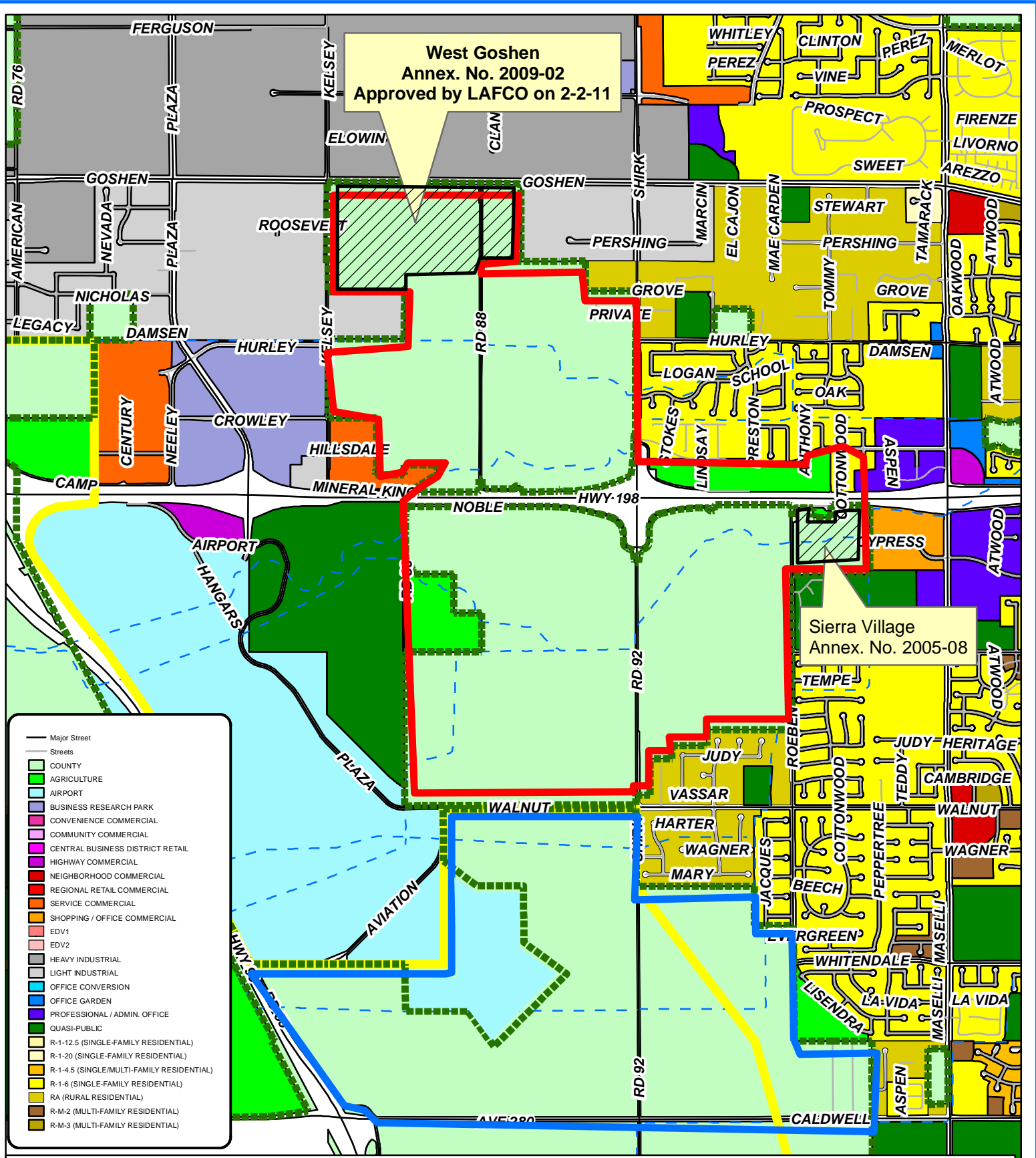
The decisions made at this point will shape the goals and policies, development standards, impact fees, and land use decisions for years to come. Once the City sets course on policy decisions made now, it will make all necessary adjustments to adopted plans, codes, and standards to adhere to that course. Any changes in course mid-stream over the 20-year period will come as a high cost. The General Plan update process will allow the City to further analyze land use designations within the West Visalia Specific Plan Area. This may establish more defined policies and land designations for West Visalia.

The next major phase of the Update begins with the development and presentation of buildout scenarios / alternatives for the next 20 years of growth. This phase is anticipated to take between six to eight months, and will conclude with the selection of a preferred buildout scenario that will be adapted into the draft General Plan.

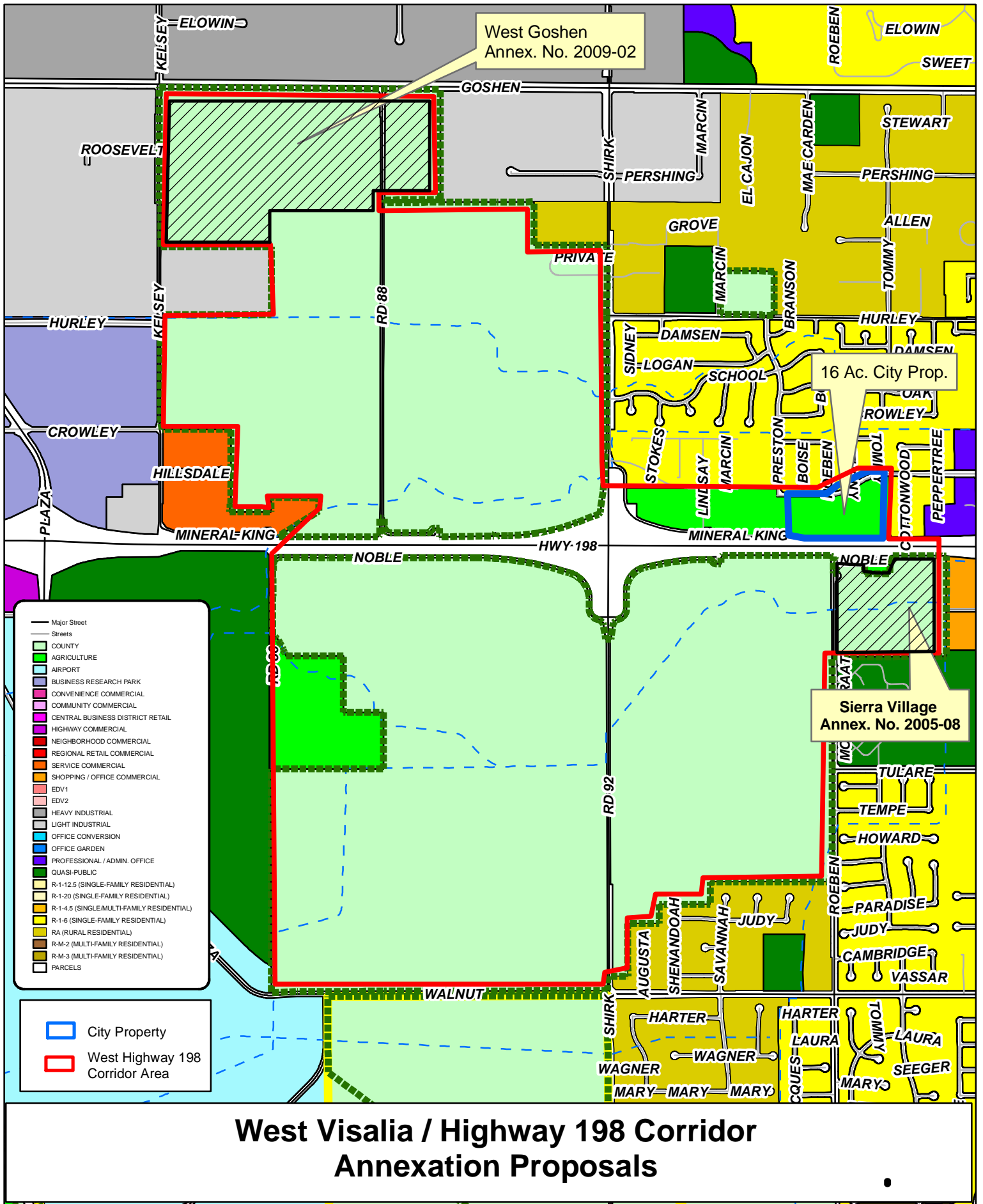
Public interface and outreach will become a larger role in this Phase, as the community will have its first opportunity to visualize concept plans that each represents a unique approach to addressing key policy issues facing the community at this time. These plans are being prepared to prompt discussion on the range of choices available to the community and the long-term impacts associated with each. The potential urbanization plans of the West Hwy 198 Scenic Corridor.

ATTACHMENTS

- Expanded West Highway 198 Corridor Land Use Study Area
- West Visalia / Highway 198 Corridor Annexation Proposals



Expanded West Visalia Highway 198 Corridor Land Use Study Area



West Visalia / Highway 198 Corridor Annexation Proposals

City Council Workshop Memorandum

To: City Council
From: Community Development Department, Planning Division
Subject: **Status of the General Plan Update**
Date: February 4-5, 2011

WHY THE GENERAL PLAN MATTERS

The comprehensive General Plan Update (GPU) will result in a visionary set of documents consisting of all General Plan Elements being newly revised and made consistent among each other. As a policy document set, they will guide the City's physical development and expansion of services over the next 20 years - through the year 2030.

The General Plan Update Looks at our future "Big Picture" Issues today: The policy decisions made during the **GPU process will address the "big picture" issues facing the City Council as it looks beyond the immediate horizon to the City's physical form and function in the year 2030, and beyond.** For example, the estimated City population in 2030 will expand by over 80,000 new Visalians. Under the most conservative estimates, this new population will require an extensive range of new facilities and services including:

- At least 28,000 new houses and apartments on between 3,876-4,229 acres of residential land
- Potentially 21 new elementary schools, 3 middle schools, and 3 new high schools
- At least 182 acres of additional parkland
- Anticipated over 900 acres of additional Industrial development
- Anticipated over 150 acres of additional retail/commercial development

GENERAL PLAN IMPLICATIONS

- The GPU will guide City's growth patterns as City increases population from 126,000 to approximately 207,000 in a 20-year period.
- Capital projects, including street & transportation, design criteria and funding decisions, are guided by the GPU.
- The State will make grant and other funding decisions based on an updated General Plan.
- The Private sector will make investment decisions based on land use patterns & capital commitments.
- The EIR will provide environmental analysis & legal basis for future land use decisions & investments.
- Homebuyers will make decisions based on patterns for neighborhoods in GPU.
- The entire fabric of community will be heavily influenced by the GPU land use patterns.

Emerging Themes Issues Included in the General Plan Update: The Stakeholder and Public Outreach part of the GPU process produced a set of 13 commonly held beliefs and goals about our City. These “Emerging Themes” provide consistent reference point that charts the GPU’s direction toward its path to adoption. The Emerging Themes are below.

- EMERGING THEMES**
1. A unique city with a strong sense of community.
 2. A city rich in amenities, with a vibrant, expanded downtown, two- and four-year colleges, and walking access to shops and services from neighborhoods.
 3. A town-scale community.
 4. A city connected to its waterways.
 5. A diverse and inclusive city.
 6. A city with broad employment opportunities and a diversified economic base.
 7. A strong retail sector.
 8. A city of vital connected neighborhoods, and excellent quality of life.
 9. City of “complete streets” serving all modes of travel.
 10. Compact, concentric growth with priority for infill sites.
 11. A city with attractive, smooth-flowing streets and mixed-use developments.
 12. A safe and secure community.
 13. A leader in land and water conservation, green building, energy efficiency, recycling and stewardship.

WHAT’S BEEN DONE & WHERE WE’RE GOING

Urban consulting firm Dyett & Bhatia was selected by the General Plan Update Review Committee (GPURC) as the most qualified consultant, and work on the Update commenced on January 2010. Up until now, the consultant’s efforts have been geared towards identifying key issues as voiced by City officials, community stakeholders, and the public at-large.

Accomplishments To Date:

- Stakeholder Interviews (May 2010)
- Community Workshop (June 2010)
- Stakeholders and Community Consensus on 13 Emerging Themes (July 2010)
- Adoption of Existing Conditions Report (ECR) (November 2010)

Phase 2 – Selection of a Preferred Buildout Scenarios: The next major phase of the Update begins with the development and presentation of buildout scenarios / alternatives for the next 20 years of growth. The key tasks in this phase of the process is to review at least three **basic Buildout Concepts** that depict possible strategies to achieve the City’s buildout objectives by 2030.

The final result of this review and analysis, in the context of Community input and technical feasibility modeling, will result in the emergence of a **Preferred Scenario**. **Once selected the Preferred Scenario will serve as the General Plan project framework for the Program EIR, and for crafting new General Plan policies that will give final form to the new General Plan.**

It is important to note that none of the Buildout Scenarios should be considered as cast in stone. It is anticipated that the Preferred Scenario will emerge as a hybrid of the Buildout concepts, or as a completely unique Buildout Concept from the concepts that were originally reviewed.

Public interface and outreach will assume an even larger role in Phase 2, as the entire Community will have its opportunity to visualize concept plans that each represents a unique approach to addressing key policy issues facing the community at this time. Phase 2 is anticipated to take between 6 to 12 months, and will conclude with the selection of a preferred buildout scenario by the City Council, and as outlined above, will drive the balance of the General Plan Update process, including the new City-wide Program EIR.

Benchmarks for 2011:

- Presentation of Land Use Concepts to GPURC
- Outreach to GPURC representative organizations, and to other community groups (business, civic, non-profit, and neighborhood groups)
- Community Workshops
- Technical modeling of the Alternatives
- Selection of the Preferred (or hybrid) Concept by GPURC, Planning Commission, and final selection by the City Council
- Development of new policy initiatives to implement Preferred Plan

Tie-In to Master Plan Efforts and Challenged Areas:

The General Plan will integrate current master-planning efforts into the City-wide policies. For certain areas of the City, these issues will likely be addressed head-on as a major policy question. Much attention has been given to the role of the **West Highway 198 Scenic Corridor** and to what extent the area might accommodate future growth in Visalia. Many property owners in this area have already approached the City stating their interest to work together on a future plan allowing alternative land uses in the area.

The **Southeast Area Master Plan** and the **East Downtown Plan** are two areas that have already undergone extensive amounts of planning and design. Whereas the current General Plan only has goals that foreshadow these future efforts, the next General Plan will anticipate these master plan areas taking physical shape within the 20-year planning period. As such, infrastructure plans will need to be changed accordingly to facilitate the land uses not previously anticipated on the site.

FUNDING THIRD YEAR CONSULTANT CONTRACT & IN-HOUSE COSTS:

The funds currently budgeted for the GPU are not sufficient to cover the entire cost of the effort. Thus, sources for additional funding for third-year consultant services, City-borne costs, and City staff time will need to be identified before current funds are exhausted (estimated to be early 2012). The estimated total of \$207,000 is needed to complete the GPU, but is presently unbudgeted in the General Fund or unsecured from other sources. This deficit should be offset by the \$215,000 received thru a grant obtained by the Smart Valley Places grant program (discussed in detail in the paragraph below).

Among the secured funding sources for the third-year of the Update process is a US Department of Housing and Urban Development (HUD) sponsored grant to a consortium of Valley cities, including Visalia, and other organizations such as Fresno State University, under the Smart Valley Places (SVP) grant program. The City is beneficiary of \$215,000, payable for specific tasks in the GP Update. These include light rail transit corridor planning, public outreach, and the partial consultant funding for the third year of the work program. It is important to note that in authorizing the City's participation in the SVP program, the City Council specifically directed that grant money's received would not incur any loss of our autonomy over the GP Update process or outcomes.

General Plan Consultant Contract: The City Council allocated \$962,500 from the 2008/09 and 2009/10 fiscal year budgets for the preparation of the GPU and EIR. When allocated the amount was not intended to cover the entire cost of the project. There is an estimated \$175,000 funding shortfall in this regard (\$166,705 from the original contract, plus approximately \$9,000 to date in consultant contract additions). Funds necessary to cover the balance of the Update effort will need to be budgeted in future Fiscal Year budgets.

Other Significant Un-programmed Costs for the General Plan Update Effort: There are in-house overhead expenses (not including in-house staff time) in addition to consultant contract costs that are necessary for the project. These include Convention Center rental fees for community workshops and GPURC meetings, advertising costs in local newspapers, and housekeeping costs to support the GPURC, and document production/printing costs in excess of contract limits. The total in-house costs incurred since the effort began in January 2010 are about \$16,000. At least \$32,000 more in in-house costs are estimated through the remaining two years of the GPU process.

GENERAL PLAN UPDATE REVIEW COMMITTEE

The General Plan Update Review Committee (GPURC), comprised of 24 appointed representatives from a broad range of community organizations and interests, is expected to discuss these large-scale issues in the coming months. The next meeting on February 24th, will include a discussion on future commercial and industrial locations. City staff together with the consultant will track specific issues which achieve consensus among the GPURC members after careful analysis and deliberation for inclusion as appropriate in the GPU. The GPURC members are also tasked with taking these issues back to the constituents in their representing groups for further discussion and perspective.

ATTACHMENTS:

- "Big Picture" Issues list adopted by GPURC
- Schedule for GPU Process
- Planning Area Map

General Plan Update Committee
The “Big Picture” Issues for the Next General Plan Update

Final Version: April 30, 2009

PHYSICAL GROWTH

- 165,000 Urban Development Boundary (UDB)
- Pre-zoning the Reserve Areas
- Reconsider criteria for expanding
- Other Jurisdictions Encroachment into Visalia Planning Area
- Residential Densities
- How We Grow
- SMART Growth Concepts
- Annexations
- Changing Demographics
- Mixed Use Developments
- Mixed Density Neighborhoods
- Southeast Area Specific Plan
- East Downtown Plan
- Quality/Design
- Primary Education/Public Services
- Location for Four-Year University Campus
- Non-Residential Land Uses
- Health Care Facilities
- Re-look Existing Specific/Master/Area Plans
- Water Availability

QUALITY OF LIFE

- Core Community Values
- Civic Self Image
- Public Safety
- Equality / Inclusiveness
- Neighborhoods
- Historic Preservation
- Recreation and Parks
- Riparian Trails
- Primary Education
- Secondary Education
- Sense of Place
- Hwy 198 Corridor
- Quality Development
- Health
- Assembly Bill 32 (re. Greenhouse Gases)
- Job Growth
- Air Quality

ECONOMIC VITALITY

- Successful Business Climate
- Realizing Job Growth
- Education
- Secondary Education
- Healthy Population
- Retail and Office Needs and Trends
- Industrial Development
- Agricultural Base
- Hwy 99
- Hwy 198
- Other Jurisdiction Initiatives
- Priorities for Cultivating Enterprise
- Next Generation Re-use Strategies
- Historic Preservation
- Energy Availability
- Transportation Infrastructure
- Alternative Growth Scenarios
- (Contingencies for Population Declines)

NEW EXTERNAL IMPERATIVES

- Assembly Bill 32 (re. Greenhouse Gases)
- Senate Bill 375 (re. Greenhouse Gases)
- Regional Blueprint
- Social, Economic, Demographic Trends
- Alternatives to Automobile Trips
- Affordable Housing
- Air Quality
- Water
- Energy Conservation
- California Environmental Quality Act (CEQA) mandates
- Flood Zones

MUNICIPAL SERVICES

- Infrastructure Capacities
- Delivering Services
- Public Safety
- Code Enforcement
- Enterprise Activities
- Funding
- Levees

AGRICULTURE

- Urban Interface
- Annexations
- Open Space
- Agricultural Preserves
- Economic Development
- Interface with Tulare County
- Hwy 198 Corridor
- Water Availability

TRANSPORTATION

- Road Capacities / CIP
- Buildout Capacities
- Alternative Transportation Modes
- Public Transit
- Trip Generation
- Trip Lengths
- Connectivity Among Places / Neighborhoods
- Connectivity Among Riparian Trails
- Light Rail Corridors
- High Speed Rail
- Senate Bill 375 (re. Greenhouse Gases)
- Regional Blueprint
- Visalia Airport

Anything is possible-but everything has a cost.

The Big Picture Issues list of all relevant issues facing the community was adopted by the GPURC in April 2009.

Schedule

Visalia General Plan Update and Program EIR

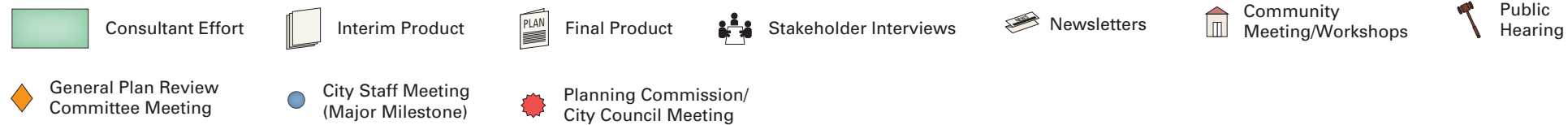
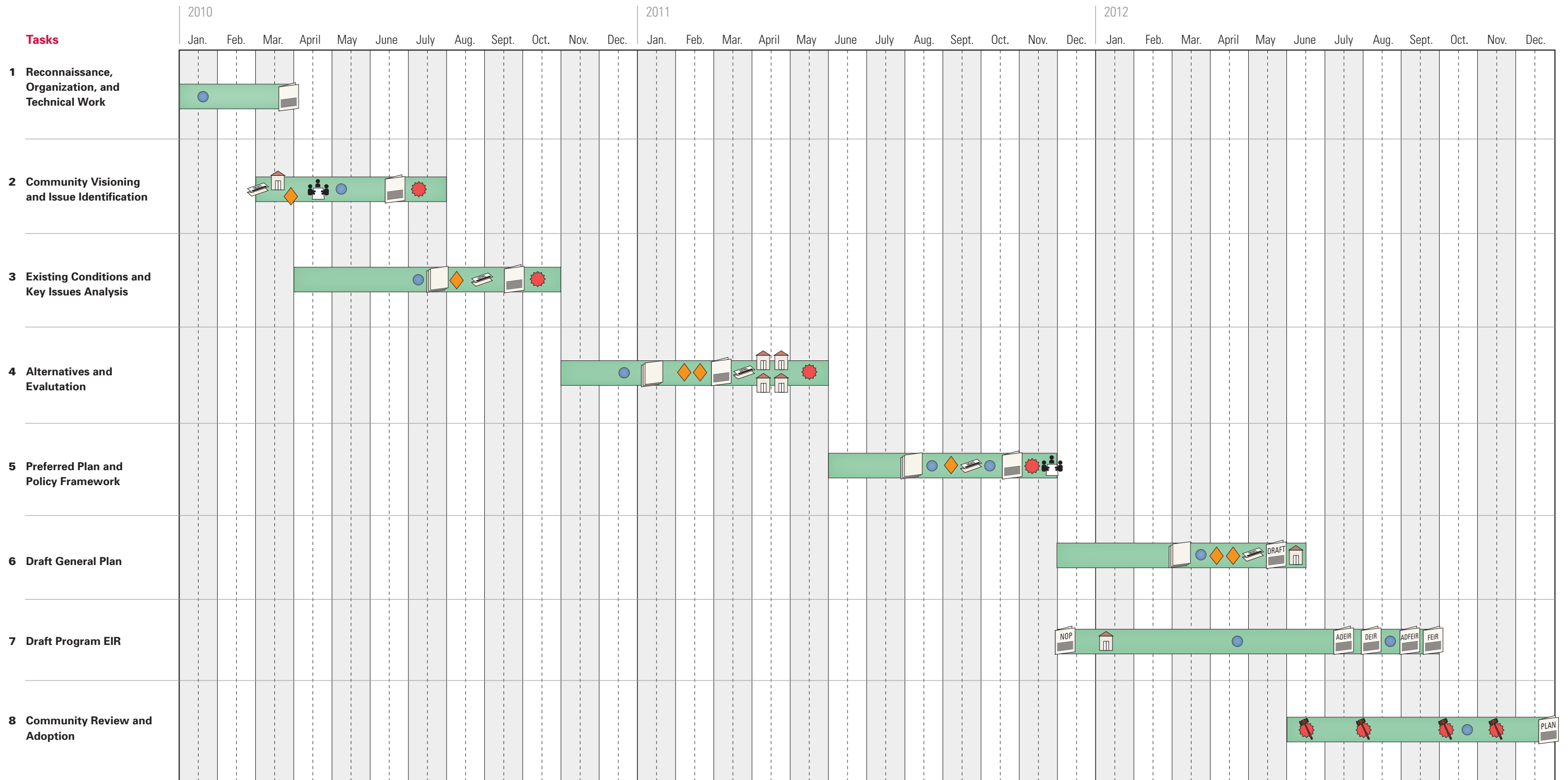
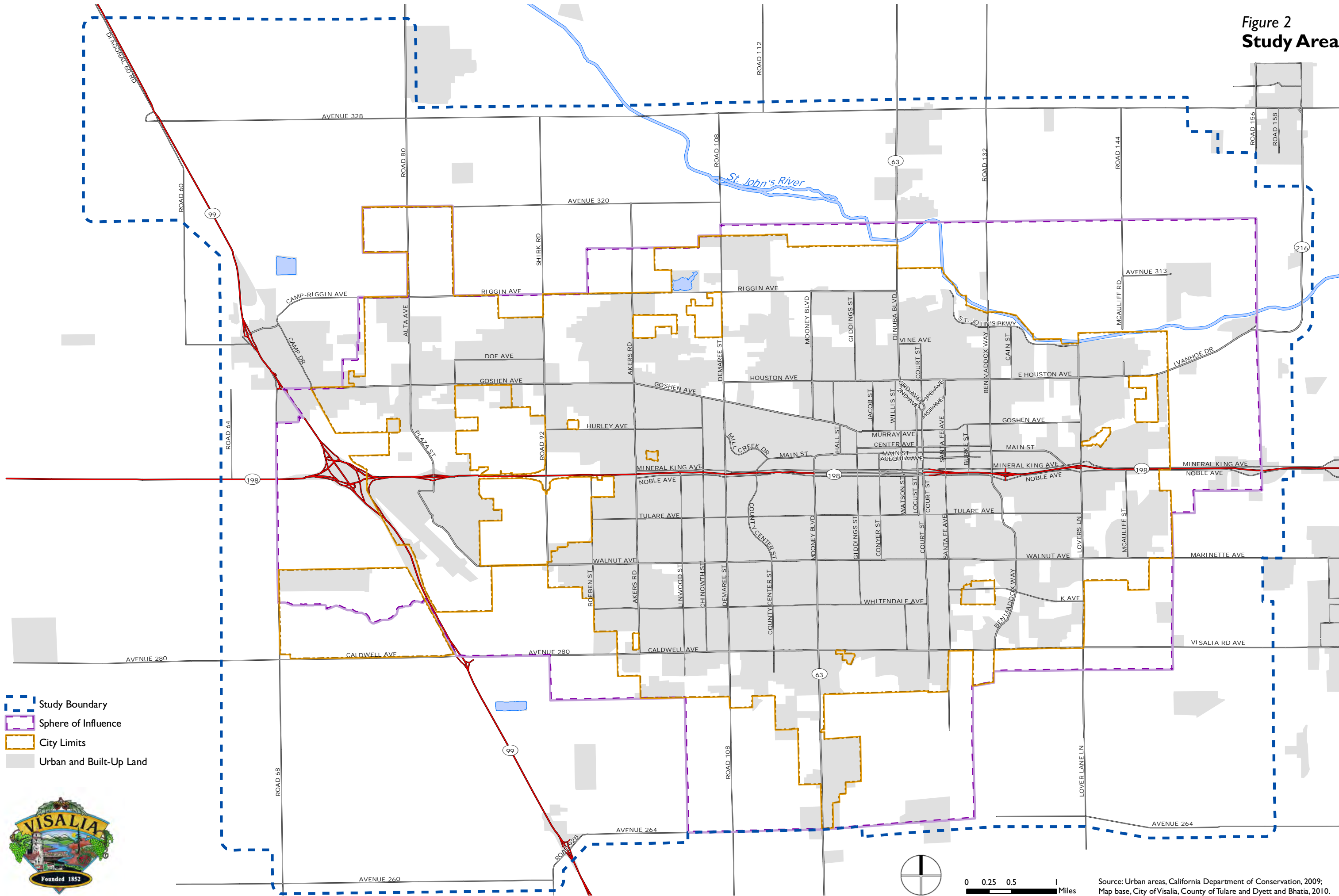






Figure 2
Study Area



-  Study Boundary
-  Sphere of Influence
-  City Limits
-  Urban and Built-Up Land



0 0.25 0.5 1 Miles

Source: Urban areas, California Department of Conservation, 2009; Map base, City of Visalia, County of Tulare and Dyett and Bhatia, 2010.



January 26, 2011

Mr. Warren Gubler
Visalia City Council
425 E. Oak Avenue, Suite 301
Visalia, CA 93291

Warren:

Thank you for your presentation to the Kaweah Delta Health Care District Board of Directors on November 8th regarding your experience in participating in the Senior Olympics held last year in St. George Utah. Kaweah Delta supports your desire to bring Senior Olympic games to Visalia

Kaweah Delta and the City of Visalia are major supporters of the Healthy Visalia Initiative. It is my assessment that a senior Olympics held on some scale, even if only local or regional in nature, would be very helpful in promoting healthy lifestyles among seniors in our community.

I am personally aware of many seniors in this area who are very active and would welcome the availability of a Senior Olympic event. I believe that many who need to become more active may choose to do so with the prospect of an exciting, well organized, athletic event, which specifically focuses on senior members of our community.

Beyond the direct benefit of encouraging healthy lifestyles for seniors in our community and providing them with a terrific opportunity to participate in a well organized athletic event, it is my assessment that a Senior Olympics hosted by Visalia would be beneficial to our local economy as individuals participating in these Senior Olympics from outside our area would generate economic activity and taxable revenue within our community.

As a member of the Healthy Visalia Initiative, Kaweah Delta supports and encourages the development of a Visalia-based Senior Olympics.

Sincerely,

A handwritten signature in cursive script that reads 'Lindsay K. Mann'.

Lindsay K. Mann
Chief Executive Officer

CC: KDHCDC Board of Directors

Memorandum



Date: February 4 & 5, 2011
To: Visalia City Council Workshop
From: Vince Elizondo, Park and Recreation Director
Leslie B. Caviglia, Deputy City Manager
Subject: Local Events

A signature event is defined as an event whose brand recognition in the market is equal to or greater than the brand recognition of its sponsoring organization. The term is encountered most frequently in the nonprofit sector to describe an organization's major fundraising event. Local examples of special events that are associated with a specific organization include the Creative Center's Mardi Gras event, which includes a high-end evening event, a public street dance and a community art event. The Downtown Visalians are probably best known for the Taste of Downtown, Arts Visalia has the Sofa Art Exhibit and Events Visalia which sponsors the Waiter's Race and St. Patrick's Parade. There are many other organizations in the City and the County that have traditional events that are enjoyed by community members. Often times, these types of events are primarily fund raisers, and the association has professional staff that organize and coordinate the event, often with the assistance of volunteers who believe in the organization's mission.

There are many "signature" events that are more closely associated with communities where they are held. Most notably, the Gilroy Garlic Festival, the Monterey Jazz Festival and the San Francisco Bay to Breaker's Run. While the origins of these events vary, they often started as "organic" local events that capitalized on a particular local feature, product, or historical event, or because there is a strong interest group that starts the event. Few, if any, start as major events, but grow to that level because of financial support, attendance, volunteer support and quality organization. Most, if not all, become at least semi-professional events with paid organizers in addition to the volunteers.

A local, classic example of a signature event is the World Wide Ag Expo. It is a very successfully run event that is sponsored by companies that are specifically interested in reaching the ag target market. It is run by a volunteer board of directors, but the actual event is organized by professional staff, with the assistance of paid consultants, and is supported by hundreds of volunteers. The Expo had humble beginnings, starting more than 40 years ago as a Farm and Equipment Show at the Fair Grounds. It has grown into a major event with its own venue. Key to their success has been the built-in interest group in the form of both ag vendors and local farmers and ranchers which provided the base upon which the event grew into an international affair.

While Visalia does not have a single "signature" event, it does host a number of annual events, many of which attract a number of out-of-town attendees, and several of which are growing in size and stature. Here is a small sample of events that require different involvement on the part of the City or Visitors and Convention Bureau:

Fan Fest:

The Fan Fest is an annual event that came to Visalia for the first time in May of 2010, and is slated to return for several years. It is an example of a mature event, having been held elsewhere for many years, that has relocated to Visalia. It is gospel music festival that attracts approximately 3,000 people from throughout the United States for a three day event. It requires many hotel rooms in Visalia as well as rooms in nearby cities and requires the establishment of a temporary RV "city" out by the airport to accommodate attendees. This event is run by professional staff, but still requires significant assistance from the Convention and Visitors Bureau (CVB), and local volunteer resources. The CVB is developing a volunteer system, but are finding that the interest in volunteering is often linked with the volunteer's particular interest. More people are interested in volunteering for an event they have an interest in rather than serving as a general volunteer.

Local Events

DX Convention:

The DX Convention (Ham radio aficionados) has been held in Visalia for more than 20 years. The Holiday Inn hosts this annual event that draws approximately 700 attendees from around the world. In fact, one of our Japanese Sister City dignitaries has come to Visalia several times not to visit the City, but for this convention. This event is run by the DX organization, with the assistance of the host hotel.

Cycling Events:

Since 1987, Visalia has been involved with hosting a variety of major cycling events. The Dole Citrus Cycling Classic, later the Sequoia Cycling Classic, attracted hundreds of riders and thousands of spectators to the streets of Visalia. More recently, the City hosted two stages of the popular Amgen Tour of California.

The events have generally been organized by local cycling enthusiasts with the Southern Sierra Cyclists bike club being the primary organization. While cycling's popularity has waned some in recent years, the Club is still interested in promoting a major cycling event. They eliminated their annual event the last two years in order to focus on the Amgen event. They are considering a 3 day fall event that would take place at several locations in the County, including a Visalia criterium, but are carefully considering their sponsorship opportunities in light of the current economy. It is estimated that a 3-day event will cost in the neighborhood of \$100,000-\$150,000 to host.

Renaissance Faire:

This event is held in April every year at Plaza Park and attracts roughly 6,000-7,000 people every year. The event attracts visitors from throughout California. This year will mark the 21st annual event and is coordinated by the all volunteer Guild of Saint Mortimer.

Taste The Arts:

The Arts Consortium began a new event last fall, Taste the Arts, that they hope to grow into a larger event. The concept is to combine local ag products with local cultural opportunities and encourage people to come sample some of each! This group has combined with Events Visalia and timed the popular Waiter's Race with the Taste the Arts. Last year's budget was approximately \$20,000, cash and in-kind. Still in developing stages, this event has a strong volunteer base because it taps into existing arts and culture organizations for support.

Here is a sampling of other events in the area:

Downtown Visalia:

Candy Cane Lane Parade
Taste of Downtown Visalia
Brews/Blues/BBQ/Rocking the
Plaza (*Twice a month April-
October*)

Events Visalia

St. Patrick's Parade
Waiter's Race

Arts Visalia

Sofa Art

Arts Consortium

Taste the Arts
Trolley Tour

Lion's Clubs

Chamber of Commerce

Christmas Tree Auction
Oktoberfest

Sequoia Riverlands Trust

Kaweah Arts and Culture
Great Backyard Bird Count
Earth Day Trail Run

SPCA

Dog Daze of Summer

Visalia Emergency Aid

Race Against Hunger

Tulare County Arts Council

Art in the Alley
First Friday Art Tours

City of Visalia

Local Events

Band Review
Car Show

Visalia Parks and Recreation Foundation

4th of July Fireworks Show

Creative Center

Mardi Gras
Soup, Sip and Shop

Eggstravaganza
Corporate Games
Vi-Tri Event at El D High School
Tule Fog Run (*part of a 3 run series*)
Dia del Nino

Sports Committee:

The CVB is continuing to develop the Sports Committee's outreach. Chaired by Tom Seidler of the Rawhide, the Committee is assessing local venue and housing availability, as well as evaluating potential events for space, equipment, housing, bid fee and other requirements. They are particularly looking at events that fit with our locations, at a time when our venues and hospitality properties have availability, where there is no bid fee, or one that can reasonably be covered through an add-on to the room night costs, and for which a volunteer base may be available, if needed.

At a recent meeting, the committee reviewed a number of bid opportunities including upcoming events for National Association of Intercollegiate Athletics, USA Judo, fencing, USA Volleyball, soccer, flag football, transplant games, ping pong and others.

The Committee is having another meeting later this month. Key to the group's success is determining when there is availability in our area. Many of the sporting events are very rate sensitive, and in order to be competitive, we need to bid on events during seasonal lulls when our hotels can offer a discounted rate.