

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, NOVEMBER 21, 2006
AT 10:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 10:04 a.m. The meeting was recessed by Council President Peters at 11:21 a.m. into Closed Session and to reconvene the regular Council Meeting at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:05 p.m. Council President Peters recessed the meeting at 3:49 p.m. to convene the Housing Authority. Council President Peters reconvened the regular meeting at 3:51 p.m. with Council Member Maienschein not present. The meeting was adjourned by Council President Peters at 3:51 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
 - (2) Council Member Faulconer-present
 - (3) Council Member Atkins-present
 - (4) Council Member Young-present
 - (5) Council Member Maienschein-not present
 - (6) Council Member Frye-present
 - (7) Council Member Madaffer-present
 - (8) Council Member Hueso-present
- Clerk-Maland (pr/dlc)

FILE LOCATION: MINUTES

ITEM-300: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Al Strohleim commented on moratoriums and alcohol sales.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:16 a.m. – 10:19 a.m.)

PUBLIC COMMENT-2:

Hud Collins commented on the pension and financial crisis in the City.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:19 a.m. - 10:23 a.m.)

PUBLIC COMMENT-3:

Don Stillwell commented on activities of the Metropolitan Transportation System.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:23 a.m. – 10:26 a.m.)

PUBLIC COMMENT-4:

Paul Cody commented on medical cannabis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:27 a.m. – 10:28 a.m.)

PUBLIC COMMENT-5:

Rudy Ruiz commented on options regarding medical cannabis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:28 a.m. – 10:29 a.m.)

PUBLIC COMMENT-6: REFERRED TO PUBLIC SAFETY & NEIGHBORHOOD SERVICES

Catherine Strohlein commented on Conditional Use Permits and alcohol licenses.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:29 a.m. – 10:30 a.m.)

PUBLIC COMMENT-7:

 Jinna Albright commented on Thanksgiving and the number of police officers serving each Council.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:31 a.m. – 10:34 a.m.)

PUBLIC COMMENT-8:

 Phil Hart commented on the status of San Diego today compared to 2000.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:34 a.m. - 10:34 a.m.)

PUBLIC COMMENT-9:

 Ron Boshun commented on Council actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:34 a.m. – 10:38 a.m.)

PUBLIC COMMENT-10:

 Nick Moffit commented on the article in the San Diego Union Tribune regarding the SEC and the City pension debt.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:38 a.m. - .10:41 a.m.)

PUBLIC COMMENT-11:

Robert Haynes, Jr., commented on the strong Mayor form of government and task forces.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:41 a.m. – 10:45 a.m.)

PUBLIC COMMENT-12:

Clive Richards commented on the Disability Service Director and police staffing.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:45 a.m. – 10:48 a.m.)

COUNCIL COMMENT:

CC-1 Council Member Atkins commented on the Mayor's Proposed Financial Plan that would be in front of Council November, 29, 2006 at the Budget Committee.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:48 a.m. – 10:50 a.m.)

CC-2 Council Member Frye commented on her memorandum of October 16, 2006, to the Mayor's Office regarding the 2003 comprehensive annual financial report, and that she would appreciate a response to her questions in that memorandum.

Secondly, Council Member Frye commented on a statement she issued on November 4, 2006, regarding a settlement with the SEC. Council Member Frye stated that the settlement should serve as a lesson for all of us to show that we have learned from the past, and that we will fully disclose and address the City's financial problems. Council Member Frye further stated that she would continue to work cooperatively with all involved to restore the confidence of the public and outside investors to make sure that all of the City's finances are properly disclosed.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:50 a.m. – 10:53 a.m.)

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.



ITEM-30: Kristen Paruginog Day.

COUNCIL PRESIDENT PRO TEM YOUNG’S RECOMMENDATION:

Adopt the following resolution:

(R-2007-455) ADOPTED AS RESOLUTION R-302099

Proclaiming November 21, 2006, to be “Kristen Paruginog Day” in the City of San Diego in celebration of her commitment and dedication to the community and the people of the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:05 a.m. – 10:05 a.m.)

MOTION BY YOUNG TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-50: First Amendment to the Agreement with Malcolm Pirnie, Inc. for Consultant Services.

(See memorandum from Charles Yackly dated 3/2/2006. Navajo Community Area. District 7.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2007-42) INTRODUCED, TO BE ADOPTED ON,
TUESDAY, DECMEBER 5, 2006

Introduction of an Ordinance authorizing the Mayor, or his designee, to execute a first amendment to Agreement between the City of San Diego and Malcolm Pirnie, Inc. for Consulting Services for the Alvarado Water Treatment Plant Upgrade and Expansion Phase IV Project (First Amendment), together with any reasonably necessary modifications or amendments thereto which do not increase agreement scope or cost and which the Mayor, or duly authorized City representative, shall deem necessary from time to time in order to carry out the purposes and intent of the agreement;

Authorizing the City Auditor and Comptroller to transfer \$700,000 from CIP-73-261.4, Earl Thomas Reservoir, to CIP-73-261.3, Alvarado Water Treatment Plant Upgrade and Expansion Phase II (Phase IV Ozone Improvements);

Authorizing the expenditure of \$99,887 from CIP-73-261.3, Alvarado Water Treatment Plant Upgrade and Expansion Phase II, solely and exclusively for the purposes of funding the First Amendment;

Authorizing the expenditure of \$1,200,113 from CIP-73-261.3, Alvarado Water Treatment Plant Upgrade and Expansion Phase II (Phase IV Ozone Improvements), solely and exclusively, for the purposes of funding the First Amendment;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer any excess budgeted funds to the appropriate reserves;

Declaring this activity is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378(c). This activity is a subsequent discretionary approval covered under LDR-40-0259, Addendum to EIR No. 88-0459, Alvarado Water Filtration Plant Expansion and Rehabilitation. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review pursuant to CEQA Guidelines Section 15162.

NOTE: 6 votes required pursuant to Charter Section 99.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/8/2006, NR&C voted 3 to 0 to approve. (Councilmembers Faulconer, Atkins, and Frye voted yea. Councilmember Hueso not present.)

SUPPORTING INFORMATION:

The City entered into an Agreement R-296348 with Malcolm Pirnie, Inc. (MPI) on April 15, 2002, in the amount of \$7,664,537, to provide construction support services on the Earl Thomas Reservoir Replacement Project CIP-73-261.4 and design and construction support services on the Alvarado Water Treatment Plant Upgrade Phase II CIP-73-261.3.

The budget for the current MPI Agreement will be exhausted prior to construction being completed. This was a direct result of the Nielsen Dillingham Builders bankruptcy during Alvarado Water Treatment Plant Phase I, and the City's request for MPI to perform additional design work to have City Facilities Maintenance staff and General Requirements Contractors complete portions of the uncompleted work. Furthermore, Phase II construction bids came in higher than the engineer's estimate. MPI was required to delete the ozone facilities and the rehabilitation of the existing sedimentation basins in order to construct a project that the City could afford while keeping the Alvarado Water Treatment Plant operating at a capacity to meet local water demands.

The remaining upgrade work for the Alvarado Water Treatment Plant mainly Phase III (for the rehabilitation of the 1950 era sedimentation basins) and Phase IV (Ozone facilities) were essentially complete in 2003 and had been halted due to lack of funding. The ozone facilities are part of the Department of Health Services Compliance Order which requires construction to start no later than February 8, 2008, and be operational no later than November 30, 2009. EPA regulations also require the City to change the primary disinfection process from chlorine to ozone by 2011.

In order to meet these regulatory requirements on time, MPI needs to update the design for the current manufacturer equipment and products, and make the necessary revisions to the design due to Building Code and specification changes since the design was stopped.

FISCAL CONSIDERATIONS:

This amendment to MPI's agreement will extend the Agreement for three years and provide phased funding for completion of Phase II construction support services and Phase IV design services for the ozone facility at the Alvarado Water Treatment Plant. The additional funds needed for Phase II construction support services is \$99,887, and \$1,200,113 for Phase IV design services. The total amendment value is \$1,300,000. \$700,000 in excess funds are available in the recently completed Earl Thomas Reservoir at the Alvarado Water Treatment Plant, and \$600,000 is available in Alvarado Water Treatment Plant Upgrade and Expansion Phase II. Cost estimates for the Earl Thomas Reservoir, Alvarado Water Treatment Plant Expansion Phase II and Alvarado Water Treatment Plant Phase IV are attached for reference.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item was approved at the March 8, 2006, Natural Resources & Culture Council Committee meeting. MPI has had three previous Agreements (R-291394, R-295950, R-296348) with the City for the Upgrade and Expansion of the Alvarado Water Treatment Plant Phase II.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community meetings have been conducted to inform members of the public, including the Friends of Lake Murray, Mission Trails Community Advisory Committee, and local residents about the scope and schedule of the Alvarado Water Treatment Plant Upgrade and Expansion Project. A CIP hotline is regularly maintained to answer questions and provide information to the public. Door hangers, fact sheets, newsletters, and updates on the City of San Diego Website also add to the public outreach efforts. None of these efforts has focused on the consultants.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are City of San Diego Water Department customers, Malcolm Pirnie, Inc., and their sub-consultants (Platt-Whitelaw, Inc., Beyaz & Patel Inc., SEDICO, DEC Consultants, Parsley Consulting Engineers, DHK, Inc., Kleinfelder), and California Department of Health Services. It has been determined that this redesign work must begin this summer under an aggressive schedule in order to provide adequate time for construction of the building and associated ozone equipment. Failure to restart at this time will increase construction costs and jeopardize the November 30, 2009, DHS compliance order date.

Barrett/Haas

Aud. Cert. 2700274.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO INTRODUCE. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-51: Correction to Land Development Code Section 123.0202(e).

(Citywide.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-45) INTRODUCED, TO BE ADOPTED ON
TUESDAY DECEMBER 5, 2006

Introduction of an Ordinance amending Chapter 12, Article 3, Division 2, of the San Diego Municipal Code by amending Land Development Code Section 123.0202(e) to read "Six" Members instead of "Eight" Members thereby changing the language to be consistent with previous changes approved by the City Council on August 1, 2006 in Ordinance O-19562, which reduced the Membership, Quorum, and Voting Requirements of the Historical Resources Board.

STAFF SUPPORTING INFORMATION:

Staff proposed, and City Council adopted, a reduction in the number of members of the HRB from 15 to 11 on August 1, 2006. The reduction brought the HRB membership number into better alignment with similar boards across the state and provided benefit to the City staff by reducing management required for a large appointed board. The reduction in the number of members approved by the City Council allows the HRB to meet the state requirements and to retain a diversity of members in accordance with City Charter.

While O-19526 amended Land Development Code Section 111.0206 to reflect, proportionately, reduced membership, reduced quorum requirement, and reduced number of HRB members to historically designate property, a necessary amendment to Section 123.0202(e) was omitted. This section describes the historical designation process and states that "The action to designate shall require the affirmative vote by eight members of the Board." The recommendation is to change "eight members" to "six members" to be consistent with other changes approved by the City Council in O-19526.

FISCAL CONSIDERATIONS:

None with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City Council approved the change to the HRB membership number and quorum, and members needed to designate historical properties in O-19526. This is a correction consistent with the previous action.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

While the policy issue of reducing the number of HRB members was discussed by the HRB and approved 6-3, this correction has not been discussed.

Anderson/Waring

Staff: Betsy McCullough - (619) 236-6139
Nina Fain - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO INTRODUCE. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-52: Fifth Amendment to the Contract for Financial Advisory Services with Fieldman, Rolapp and Associates.

(Peninsula Community Area. District 2.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-23) INTRODUCED, TO BE ADOPTED ON
 TUESDAY, DECEMBER 5, 2006

Introduction of an Ordinance authorizing the Mayor to enter into a Fifth Amendment to the Contract for Financial Advisory Services with Fieldman, Rolapp and Associates with respect to financial advisory services rendered in connection with the issuance of bonds for Communities Facilities District No. 3 (Liberty Station); provided however that the financial advisor shall be paid only from proceeds of the bonds and in an amount not to exceed \$10,000.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

STAFF SUPPORTING INFORMATION:

In connection with the formation of Community Facilities District No. 3 (Liberty Station) ("CFD"), and the financing of certain infrastructure improvements related to the CFD, the City retained the Financial Advisory firm of Fieldman, Rolapp & Associates ("Financial Advisor"), for financial advisory services. The contract for financial advisory services has been amended from time to time due to the length of time associated with formation of the CFD and the issuance of the bonds, including a First Amendment to the Agreement, dated August 16, 2001, a Second Amendment to the Agreement, dated October 30, 2001, a Third Amendment to the Agreement dated May 7, 2002, and a Fourth Amendment to the Agreement dated July 7, 2005. Due to the additional time required to issue the bonds, including the suspension of the bond issue due to delays associated with the investigation of the mold issue within the CFD, it is necessary to enter into a fifth amendment to the agreement for financial advisory services to provide additional compensation to the Financial Advisor, in the amount of \$10,000 for financial advisory services associated with analyzing the feasibility of forming the CFD and selling the bonds. It is anticipated that this amendment for an additional \$10,000 in compensation, will constitute final payment and no further services will be required under this Agreement.

The fees of the Firm will be paid from moneys on deposit by the developer, McMillin NTC, LLC, and/or from proceeds of the Bonds. No funds of the City will be used to pay the Firm.

FISCAL CONSIDERATIONS:

There is no fiscal impact to the City associated with this action. Pursuant to Council Policy 800-03, Section III.B.1, the developer is required to deposit funds (eligible for reimbursement from bond proceeds) in advance to cover all the costs of analyzing and

administering the project. The Financial Advisor and the City of San Diego have agreed that the cost of the above referenced additional services shall not exceed \$10,000 bringing the total amount of the contract to a not to exceed amount of \$196,500 in fees, and \$13,500 in expenses, or no more than \$210,000.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

By Managerial Action: Approval of Agreement November 27, 2000 (C-10456), First Amendment to Agreement August 16, 2001 (C-10884), Second Amendment to Agreement October 30, 2001 (C-11080), Third Amendment to Agreement May 7, 2002 (C-11383), and Fourth Amendment to Agreement July 7, 2005 (C-13330).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Fieldman, Rolapp & Associates

Kommi/Goldstone

Aud. Cert. 2700032.

Staff: Elizabeth Kelly - (619) 236-6932
Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:09 p.m. – 2:10 p.m.)

CONSENT MOTION BY FAULCONER TO INTRODUCE. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-100: Inviting Bids for the Construction of Sewer Pump Station 18 Phase II.

(See Executive Summary Sheet dated 9/6/2006. Pacific Beach Community Area. District 2.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-458) ADOPTED AS RESOLUTION R-302100

Approving the plans and specifications for the construction of Sewer Pump Station 18 Phase II (Project), on Work Order No. 140321;
Authorizing the Mayor, or his designee, after advertising for bids in accordance with the law, to award the Project contract to the lowest responsible and reliable bidder, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller to transfer within Fund No. 41506 an amount not to exceed \$2,430,000 from CIP-44-001.0, Annual Allocation - Sewer Main Replacements, \$680,000 from CIP-46-194.0, Annual Allocation - Trunk Sewer Rehabilitation, and \$430,000 from CIP-46-206.0, Annual Allocation - Accelerated Projects/Emergency Construction to CIP-46-106.0, Sewer Pump Station Restorations;

Authorizing the expenditure of an amount not to exceed \$4,003,443 from CIP-46-106.0, Annual Allocation - Sewer Pump Station Restorations, Fund 41506, solely and exclusively, for the purpose of providing funds for Project construction, contingency and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves;

Declaring this activity is covered by Mitigated Negative Declaration, PTS No. 2830, September 25, 2002. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved project, the activity is not a separate project for purposes of the California Environmental Quality Act (CEQA) review per CEQA Guidelines Sections 15060(c)(3) and 15378(c). (BID-K073484C)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 9/13/2006, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Atkins, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

Sewer Pump Station No. 18 is located at 597 Loring Street in the community of Pacific Beach. It was originally built around 1950 and has exceeded its service life. A Pump Station and Force Main Audit Report conducted by Wastewater Collection Division in June 1997 identified Sewer Pump Station 18 as a high priority for replacement or rehabilitation due to a number of deficiencies that impact the station's operation and reliability. Construction to rehabilitate Sewer Pump Station 18 started on September 2003 but was halted due to excessive corrosion that seriously affects the integrity of the pump station's structure. Due to a great change in the scope of the project, the construction of the project was phased. The Phase II construction will complete the upper structure of the building, replace the settling tank, as well as upgrade all electrical and mechanical equipment to meet current codes. Completion of Phase II work before December 2008 will enable the City of San Diego to meet its obligation to the Environmental Protection Agency. During the construction phase of the project, the contractor's work hours will be between the hours of 8:30 a.m. and 3:30 p.m., Monday through Friday. Furthermore, the site will be fenced for safety during and at the completion of each working day for the duration of the project.

FISCAL CONSIDERATIONS:

The total estimated cost of this project is \$4,003,443. Funding is available in Fund 41506, CIP-46-106.0, Annual Allocation - Sewer Pump Station Restorations, for this purpose. This item provides full funding for Sewer Pump Station 18 Phase II.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

The Committee on Natural Resources and Culture on September 13, 2006, consent motion by Councilmember Atkins, second by Councilmember Faulconer. Vote to approve 4-0.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

During design, Project Manager and Project Engineer presented the project to the community. Nearby residents will be notified by mail at least one (1) month before construction begins by the City's Engineering and Capital Projects Department and again ten (10) days before construction begins by the contractor through hand distribution. Traffic plans have been prepared for this project and will be implemented during the construction operations.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Access to the beach via the public stairway adjacent to Sewer Pump Station 18 structure located on the western end of Loring Street will not be available to the public for the duration of the project except during the summer season, between Memorial Day weekend and Labor Day, where an observance of the Summer moratorium will occur.

Boekamp/Haas

Aud. Cert. 2700137.

FILE LOCATION: CONT-CASS CONSTRUCTION, INC.

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



* ITEM-101: Motive Equipment Fund Transfers.

(See Executive Summary Sheet dated 9/8/2006. Citywide.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-391) ADOPTED AS AMENDED AS RESOLUTION R-302113

Authorizing the City Auditor and Comptroller to transfer \$5,000,000 from Central Garage Equipment Replacement Fund 500313 to Sewer Revenue Fund 41506, Account 79996, and to transfer \$2,000,000 from Central Garage Equipment Replacement Fund 500314 to Metro Sewer Utility Fund 41508, Account 79996.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 10/11/2006, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Atkins, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

The Central Garage Equipment Replacement Fund was established about 36 years ago for both General Fund and Non-General Fund departments to replace non-public safety motive equipment. It is administered by the Equipment Division of the General Services Department in conjunction with the Auditor's Office. The Fund's revenues are generated by Assignment Fees charged to departments for each vehicle on a bi-weekly basis. These bi-weekly charges for replacing motive equipment are within each department's annual budget.

MWWD has two sub-funds in the Replacement Fund: Sub-Fund 500313 (Department Numbers 773, 774, and 775) and Sub-Fund 500314 (Department Numbers 771, 772 and 777). Both sub-funds have accumulated revenue above what is needed for anticipated equipment replacement. A recent analysis for the ten year period commencing in FY 2007 indicates that \$5,000,000 and \$2,000,000 could be removed from Sub-Funds 500313 and 500314, respectively, without negatively impacting timely motive equipment replacement. This is an accumulation over many years for MWWD of assignment fees in the replacement funds. Analysis of how the charges were accumulated had not been reviewed until this last year. In addition, MWWD performed a complete review of equipment needs and determined these funds were not needed for equipment replacement purposes. It is requested that the aforementioned amounts be returned to the Department for sewer capital improvement needs.

Regarding the amounts to be transferred from the Replacement sub-funds, the General Services Department has explained that the major contributing factor has been the continuation of Assignment Fees after the vehicle reaches the end of its life cycle. The purpose behind this policy was to ensure that sufficient funds were available when the vehicle was replaced to cover unexpected price increases or needed vehicle modifications, plus replacing vehicles due to accidents. It has become clear that the practice of continuing Assignment Fees beyond vehicle life cycles is not necessary - this practice will end once an efficient mechanism is developed, but no later than the beginning of FY 2008.

Although the life cycles of motive equipment are in accordance with industry standards, there are several reasons why vehicles stay in service after the end of their life cycles. One is that delays typically occur in many facets of the decision-making process from customer departments' input to vehicle deliveries from vendors. Another reason is a change recommended by the Zero-Based Management Group that vehicles should not be replaced solely on age, but on other criteria such as mileage and condition. This has also resulted in a reduction to equipment fleet. For Fiscal Years 2004-2007, a comprehensive assessment has been implemented to determine whether a vehicle warrants replacement or retention. For vehicles eligible by age for replacement, an average of 60% have been replaced and 40% have been retained for another year. The annual

assessment procedure ensures the achievement of two objectives: that replacements are warranted, and that retentions will not negatively impact costs and availability.

FISCAL CONSIDERATIONS:

This request is for \$7,000,000, which is available in the Central Garage Equipment Replacement Funds, with \$5,000,000 from Fund 500313 and \$2,000,000 from Fund 500314.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This action was reviewed and approved by the Natural Resources and Culture Committee (NR&C) on October 11, 2006.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not Applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Metropolitan Wastewater Department and General Services Department.
Sewer Fund Revenues will be increased by \$7 million in FY 07.

Ferrier/Haas

Aud. Cert. 2700243.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:08 p.m. – 2:09 p.m.)

MOTION BY FRYE TO ADOPT WITH DIRECTION THAT THE FUNDS WILL BE USED FOR THE EXPRESS PURPOSE OF SUPPORTING METROPOLITAN WASTEWATER DEPARTMENT CAPITAL IMPROVEMENT PROJECTS AND NEEDS. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-102: Golf Operations - Additions to Capital Improvements Project Program - Transfer of Funds - Award of Construction Contact.

(Balboa Park, Mission Bay Park, and Torrey Pines Community Areas. Districts 1, 3, and 6.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-387) ADOPTED AS RESOLUTION R-302101

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-013.0, Balboa Golf Course - Clubhouse Roof Replacement;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$100,000 for CIP-25-013.0, Balboa Golf Course - Clubhouse Roof Replacement, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$100,000 from CIP-25-013.0, Balboa Golf Course - Clubhouse Roof Replacement, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-014.0, Mission Bay Golf Course and Practice Center - New Landscaping;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$100,000 for CIP-25-014.0, Mission Bay Golf Course and Practice Center - New Landscaping, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$100,000 from CIP-25-014.0, Mission Bay Golf Course and Practice Center - New Landscaping, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-015.0, Mission Bay Golf Course and Practice Center - Existing Building Improvements;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$150,000 for CIP-25-015.0,

Mission Bay Golf Course and Practice Center - Existing Building Improvements, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$150,000 from CIP-25-015.0, Mission Bay Golf Course and Practice Center - Existing Building Improvements, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-016.0, Mission Bay Golf Course and Practice Center - New Practice Area Upgrade;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$200,000 for CIP-25-016.0, Mission Bay Golf Course and Practice Center- New Practice Area Upgrade, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$200,000 from CIP-25-016.0, Mission Bay Golf Course and Practice Center - New Practice Area Upgrade, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-017.0, Mission Bay Golf Course and Practice Center - New Irrigation System;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$100,000 for CIP-25-017.0, Mission Bay Golf Course and Practice Center - New Irrigation System, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$100,000 from CIP-25-017.0, Mission Bay Golf Course and Practice Center- New Irrigation System, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program amendment by adding CIP-25-018.0, Torrey Pines Golf Course - Existing Clubhouse Maintenance Requirements;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$400,000 for CIP-25-018.0, Torrey Pines Golf Course - Existing Clubhouse Maintenance Requirements, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$400,000 from CIP-25-018.0, Torrey Pines Golf Course -

Existing Clubhouse Maintenance Requirements, Fund No. 41400, Golf Enterprise Fund - Unencumbered Fund Balance, for the purpose of this action;

Authorizing City Auditor and Comptroller to transfer an amount not to exceed \$1,000,000 from CIP-25-005.0, Torrey Pines Golf Course - North Course Improvements to CIP-25-012.0, Torrey Pines Golf Course - South Course Improvements, Fund No. 41400, Golf Enterprise Fund;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$1,000,000 from CIP-25-012.0, Torrey Pines Golf Course - South Course Improvements, Fund No. 41400, Golf Enterprise Fund, for the purpose of this action;

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget amendment by increasing the budget amount by \$2,000,000 for CIP-25-009.0, Torrey Pines Golf Course Clubhouse Replacement Project, Fund No. 41400, Golf Enterprise Fund-Unencumbered Fund Balance;

Authorizing the Mayor to award a contract to a responsible bidder, in an amount not to exceed \$2,800,000 for the construction of Phase 1 Improvements of the Torrey Pines Golf Course Clubhouse Replacement Project, CIP-25-009.0, Fund No. 41400, Golf Enterprise Fund;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$2,800,000 from CIP-25-009.0, Torrey Pines Golf Course Clubhouse Replacement Project, Fund No. 41400, Golf Enterprise Fund, for the purpose of this action;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess funds, if any, to the appropriate reserves;

Declaring the authority granted in paragraphs 22-24 does not constitute approval for construction of the Tournament Support Building or new Clubhouse.

STAFF SUPPORTING INFORMATION:

On June 26 of 2006, the City Council adopted the Golf Operations Five Year Business Plan governing the operation of the City maintained golf facilities (R-301581). The plan outlined key capital improvement needs facing the daily and future operation of the three City golf complexes. The adopted Business Plan identified six Capital Improvement Program projects for the 2007 Fiscal Year:

- Balboa Park Golf Course Clubhouse Roof Replacement
- Mission Bay Golf Course and Practice Center New Landscaping
- Mission Bay Golf Course and Practice Center Existing Building Improvements
- Mission Bay Golf Course and Practice Center New Practice Area Upgrade
- Mission Bay Golf Course and Practice Center New Irrigation System
- Torrey Pines Golf Course Existing Clubhouse Maintenance Requirements

On October 14, 2002, City Council entered into a Lease Agreement with the Friends of Torrey Pines, LLC, for the use of Torrey Pines Golf Course for the 2008 U.S. Open (R-297193). The Lease Agreement obligates the Friends of Torrey Pines to operate and organize the 2008 U.S. Open and pay for a portion of the course improvements for the event as directed by the United States Golf Association (USGA). The City's improvements to the South Torrey Pines Golf Course will include removal and replacement of kikuya turf, installation of cart paths to insure success of the kikuya prior to the Open and aesthetic improvements to the existing Half Way House and Comfort Station.

On January 11, 2005, City Council directed the City Manager to enter into negotiations with the Century Club for the possible future consideration of a new clubhouse and tournament support building. This direction resulted in the development of a Schematic Plan that was approved by the City for a Site Development Permit (No. 298234) and Coastal Development Permit (No. 298250) on February 1, 2006. On June 26 of 2006, during the adoption of the Golf Operations Five Year Business Plan, the City Council directed that the clubhouse portion of the project be separated from the parking lot portion of the project. Therefore, the Phase 1 Improvements of the Schematic Plan provide for the reconfiguration of the parking lot and public circulation routes, parking lot lighting, landscaping, irrigation and associated amenities. Upon approval of the transfer of funding for the Phase 1 Improvements project, a project sublet number will be created to accumulate and track costs. In order to complete construction of the Phase 1 Improvements by the U.S. Open in June of 2008, as directed by the Mayor, a construction contract needs to be awarded by March of 2007, with construction commencing immediately upon award. Award of

the construction contract will be contingent upon City staff working with the California Coastal Commission to finalize the Commission's authority on the project. This action does not constitute approval for construction of the new Clubhouse or Tournament Support Building.

FISCAL CONSIDERATIONS:

Funding for the new and current Capital Improvement Projects has been planned for and available in current Capital Improvement Projects and the Golf Operation's Enterprise Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The following are Council or Committee actions taken:

- October 14, 2002 - City Council approval of Lease Agreement with the Friends of Torrey Pines, LLC, for the use of the Torrey Pines Golf Course for the 2008 U.S. Open (R-297193).
- January 11, 2005 - City Council approval of CIP-25-012.0, Torrey Pines Golf Course South Course Renovation (R-300047).
- July 25, 2005 - City Council approval of CIP-25-009.0, Torrey Pines Golf Course Clubhouse Replacement Project by FY 2006 Budget Appropriation Ordinance (O-19396).
- February 1, 2006 - Schematic Plan approval by Development Services Hearing Officer for Site Development Permit (No. 298234) and Coastal Development Permit (No. 298250).
- June 26, 2006 - City Council adoption of Golf Operations Five Year Business Plan and direction to separate the clubhouse portion of the project from the parking lot portion (R-301581).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

The following are stakeholders in the proposed resolutions:

Daily local and visiting golfers
Golf Advisory Council
Friends of Torrey Pines, LLC
United States Golf Association

Medina/Martinez

Aud. Cert. 2700331.

Staff: Kevin J. Oliver - (619) 533-3015
Shannon M. Thomas - Deputy City Attorney

FILE LOCATION: CONT-HEFFLER COMPANY INC.

COUNCIL ACTION: (Time duration: 10:53 a.m. – 11:20 a.m.)

MOTION BY MADAFFER TO ADOPT THE RESOLUTION WITH DIRECTION TO STAFF TO RETURN TO THE CITY COUNCIL IN JNAUARY OF 2007, WITH THE STATUS REPORT FOR THE ENTIRE PROJECT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, *Frye-yea, Madaffer-yea, Hueso-yea. (*Frye –nay on 21, 22, & 23 portion of this item only)

- * ITEM-103: Amendment No. 1 to the Maintenance Service Agreement with Emerson Process Management, Inc. for Metropolitan Wastewater Department's COMNET Operations.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-469) ADOPTED AS RESOLUTION R-302102

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, a phase-funded Amendment to the Maintenance Service Agreement with Emerson Process Management, Inc., in connection with the Metropolitan Wastewater Department's COMNET operations, under the terms and conditions set forth in Amendment No. 1;

Authorizing the expenditure of an amount not to exceed \$4,306,167 from the operating budget of the Sewer Fund for the above Amendment, to be expended as follows:

\$1,022,180 for Phase 5 of the Agreement, consisting of \$787,310 from Fund No. 41508 and \$234,870 from Fund No. 41506;

\$2,203,063 for Phase 6 of the Agreement from Fiscal Year 2008 appropriations, contingent on Council's approval of the Fiscal Year 2008 operating budget and provided that the City Auditor and Comptroller furnishes a certificate stating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer; and

\$1,081,374 for Phase 7 of the Agreement, from Fiscal Year 2009 appropriations, contingent on Council's approval of the Fiscal Year 2009 operating budget and provided that the City Auditor and Comptroller furnishes a certificate stating that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Declaring the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

The maintenance contract requires the vendor to provide continuing maintenance services on hardware and software for the San Diego Metropolitan Sewage System, specifically for the Wastewater Operations Network, (COMNET). This maintenance contract shall include hardware and software services, third-party equipment interface and maintenance, as needed engineering services for system modifications and fine-tuning to increase operating efficiency. Emerson Process Management Power and Water Solutions, Inc., the current vendor, has been providing excellent customer service. They have demonstrated the technical expertise to maintain, troubleshoot, and reprogram the COMNET system for operational use and preventive maintenance. They understand the custom system configurations and how software or hardware changes affect these configurations. All maintenance has been provided from Emerson at their local maintenance service center located across the street from the Metro Operations Center (MOC II). Emerson was the only firm to submit a qualified bid when City Council recommended a competitive bid process for the current agreement.

The term of Amendment No. 1 will be as follows: Phase 5 (January 2007) \$1,022,180; Phase 6 (August 2007) \$2,203,063; Phase 7 (August 2008) \$1,081,374.

FISCAL CONSIDERATIONS:

The amount of this action is \$4,306,617 and will be phase-funded over a two year period from the operating budget of the Sewer Fund as follows:

Phase 5: \$1,022,180 from FY 2007 appropriations (1/2007 - 7/2007).

Phase 6: \$2,203,063 from FY 2008 appropriations (8/2007 - 7/2008), contingent upon approval of the FY 2008 operating budget and provided that the City Auditor and Comptroller first furnishes a certificate stating that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Phase 7: \$1,081,374 from FY 2009 appropriations (8/2008 – 12/2008), contingent upon approval of the FY 2009 operating budget and provided that the City Auditor and Comptroller first furnishes a certificate stating that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On December 8, 2003, the City entered into a three-year contract with Emerson Process Management Power and Water Solutions, Inc., to provide continuing maintenance services for COMNET. The original contract is on file in the Office of the City Clerk as Document No. RR-298694.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not Applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Emerson Process Management Power and Water Solutions, Inc., Metropolitan Wastewater Department's wastewater treatment plants and pump stations.

Ferrier/Haas

Aud. Cert. 2700304.

Staff: Ian Harris - (858) 654-4434
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-104: First Amendment to the Agreement with Helix Environmental Planning Inc. for Long-Term Drainage Maintenance Program.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-368) ADOPTED AS RESOLUTION R-302103

Authorizing the Mayor to execute an amendment to the October 14, 2004, Agreement for As-Needed Consulting Services and the Long-Term Drainage Maintenance Program with Helix Environmental Planning Inc., (Document C-12906), to assist General Services Department Street Division to prepare environmental review documents, secure multiple regulatory authorizations, perform routine maintenance, repair flood control channels and storm drainage facilities citywide in an amount not to exceed \$345,000;

Authorizing an amount not to exceed \$345,000, from the Street Division Operating Fund, Fund No. 100, solely and exclusively, for the purpose of providing funds for this service;

Finding that this activity is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15378(b)(4) and 15060(c)(2).

STAFF SUPPORTING INFORMATION:

This item requests an amendment to increase the October 14, 2004 agreement with Helix Environmental Planning Inc., for As-Needed Consulting Services and the Long-Term Drainage Maintenance Program ("Original Agreement") (Document C-12906). The initial contract amount was \$150,000. The proposed amendment would increase this by \$345,000 for a new contract value of \$495,000. The purpose of the underlying program is to streamline the routine maintenance and repair of storm channels and drainage structures citywide. This request would consolidate the effort needed to secure environmental assessments, reports and multiple authorizations from local, state, and federal authorities to execute the program. The requested increase is necessary because permitting agencies have expanded the requirements, including technical reports and biological surveys, and hence the scope of work, since the Original Agreement was entered into.

FISCAL CONSIDERATIONS:

Increase Contract value by \$345,000 to include a contingency of \$45,000 for a sum total of \$495,000. The funding source is General Services Department Street Division budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None. Original Agreement was less than \$250,000, and therefore did not require Council approval. (A.R. 25.60 Sec. 6)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 4, 2004, Development Services Department issued a public Notice of Preparation and Scoping Letter pursuant to San Diego Municipal Code § 128.0103. Shortly thereafter, on October 26, 2004, General Services Department held a publicly noticed scoping meeting to solicit comments on assessing impacts of the Long-Term Drainage Maintenance Program.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

HELIX Environmental Planning, Inc., as the consultant to the contract. Additional stakeholders include local, State, Federal and environmental organizations with interests in flood control and environmental conservation.

Sierra/Haas

Aud. Cert. 2700221.

Staff: Mark Hosford - (619) 527-7506
Timothy J. Miller - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-105: Grant Application to SANDAG for Crest Canyon Rare Plant Protection Project.

(Torrey Pines Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-449) ADOPTED AS RESOLUTION R-302104

Authorizing the Mayor, or his representative, to submit an application to SANDAG under the Environmental Mitigation Program for rare plant protection work in Crest Canyon;

Authorizing the Mayor, or his representative, to take all necessary actions to secure funding from SANDAG for the Project;

Authorizing the Mayor, or his representative, on behalf of the City, to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, which may be necessary to secure funding and to carry-out all obligations, responsibilities and duties of the aforementioned project;

Authorizing the City Auditor and Comptroller to accept, appropriate and expend an amount not to exceed \$23,000 of SANDAG Environmental Mitigation Program grant funds upon receipt of a fully executed agreement.

STAFF SUPPORTING INFORMATION:

The TransNet Extension Ordinance and Expenditure Plan, approved countywide by voters in November 2004, includes an Environmental Mitigation Program (EMP) which is a funding allocation category for the costs to mitigate habitat impacts for regional transportation projects. The EMP is a unique component of the TransNet Extension in that it goes beyond traditional mitigation for transportation projects by including a funding allocation for habitat acquisition, management, and monitoring activities as needed to help implement the Multiple Species Conservation Program (MSCP) and the Multiple Habitat Conservation Program (MHCP). SANDAG has allocated \$1 million for management and monitoring implementation activities in FY 2006. Up to \$750,000 of those funds are available for land management activities.

Crest Canyon Open Space Park and nearby Southern Maritime Chaparral habitats have been heavily impacted by adjacent urban development. Southern Maritime Chaparral is an extremely rare habitat type that is restricted to Torrey Pines State Reserve and a few scattered nearby areas in north coastal San Diego such as Crest Canyon. Crest Canyon is a relatively small park (approximately 115 acres) and is surrounded by residential uses. Because of this, the park suffers from overuse and impacts from adjacent users. There are a number of unauthorized trails in the park, and invasive plants have spread from adjacent ornamental plantings into sensitive Southern Maritime Chaparral habitat. Several trails are negatively impacting local *Dudleya brevifolia*

(Short-Leaf Dudleya) populations, a very rare narrow endemic species, as well as other native Southern Maritime Chaparral species.

Management activities to help implement the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan, qualify for EMP grant funding. Management actions will include installation of informational signage, fencing and/or barriers, and construction of stairs to direct recreation away from the Short-Leaf Dudleya populations and Southern Maritime Chaparral while providing safe access to the canyon and eliminating numerous volunteer trails. All grant tasks will be performed by a qualified consulting firm under contract to the City of San Diego.

The City of San Diego is proposing to apply, accept and expend grant monies in the amount of \$23,000 to manage rare plant species on publicly owned lands conserved under the MSCP. Funding will be provided by SANDAG through the TransNet Environmental Mitigation Program in the amount of \$23,000. Up to \$2,000 will be provided to the City for grant administration. No funding is being requested from the City as part of this grant proposal.

Approval of this grant will allow the City of San Diego to comply with the legal responsibilities included in the MSCP Implementing Agreement, approved by City Council (R-28455) on March 19, 1997, and will help to ensure the long-term viability and sustainability of native ecosystem functions throughout the MSCP with no impact to the City's budget.

FISCAL CONSIDERATIONS:

The grant and federal matching funds will generate \$23,000 toward the management of rare plants in Crest Canyon, as required under the MSCP. No City of San Diego funding is required, and \$2,000 of administrative costs for City staff have been allocated in the grant. If not approved, the City would lose the opportunity to obtain \$23,000 and no management would be done.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

City Council approval and adoption of the City's Multiple Species Conservation Program (R-28455).

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

Residents residing in the area of Crest Canyon who may be impacted will be notified via US Mail.

KEY STAKEHOLDERS and PROJECTED IMPACTS (if applicable):

U.S. Fish and Wildlife Service, County of San Diego, California Native Plant Society

Medina/Martinez

Staff: Josh Garcia - (619) 533-6713
Alex W. Sachs - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-106: Grant Application to the U.S. Department of Justice, Bureau of Justice Assistance for Justice Assistance Grant (JAG).

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-333) ADOPTED AS RESOLUTION R-302105

Authorizing the Mayor (or his designee), for and on behalf of the City of San Diego, to apply for, accept, and expend the JAG funds from the U.S. Department of Justice;

Authorizing the Mayor (or his designee), to execute all aspects of program operation, including any amendments, extensions, or renewals, for a period of up to five years, provided funding is made available, and to certify that the City will comply with all applicable statutory or regulatory requirements related to the JAG program;

Authorizing the City Auditor and Comptroller to accept, appropriate and expend these grant funds;

Authorizing the City Auditor and Comptroller to transfer \$183,966 of these grant funds to the County of San Diego;

Declaring that any resources received under the JAG program shall be used to supplement and not to supplant expenditures controlled by this body; and that personnel positions, if any, funded under this grant are not subject to local hiring freezes.

STAFF SUPPORTING INFORMATION:

The Justice Assistance Grant is the annual federal block grant. Due to special conditions of the legislation, the City and County of San Diego allocation is combined into a single grant of

\$574,893. The City and County are required to reach agreement on how to divide and use the funds, and to submit a joint application. The City and County have agreed to the following allocations and potential uses:

City: Total allocation to City of \$390,927 (68%) to be used for police automation, vehicle, safety, forensic, personnel, training, and miscellaneous equipment, maintenance, overtime and other resources as needs are identified. Expenditures will contribute to the safety and efficiency of law enforcement and crime prevention services throughout San Diego.

County: Total allocation to the County of \$183,966 (32%) to be used for support for the Gang Suppression Unit.

FISCAL CONSIDERATIONS:

The City serves as Fiscal Agent. This will result in minor administrative costs that will be absorbed by the regular budget and staff. There is no requirement for matching funds, and no requirement to continue grant funded activities, expenditures or programs after grant funds are depleted or terminated. Federal law requires that these funds supplement and not supplant funds otherwise available to law enforcement.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: NA

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: NA

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.

Lansdowne/Olen

Staff: Donna J. Warlick - (619) 531-2221
Mary T. Nuesca - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-107: Drainage and Sewer Easement Vacations in Lot 6 of La Jolla Pines Technology Centre Map 12960.

(University Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-472) ADOPTED AS RESOLUTION R-302106

Vacating the sewer easement and portion of drainage easement located in Lot 6 of La Jolla Pines Technology Centre Map No. 12960, as more particularly described in the legal description, marked as Exhibit "A", and as shown on Engineering Drawing No. 19359-B, marked as Exhibit "B", which are by this reference incorporated herein and made a part hereof, have been superseded by relocation, to unencumber his property and facilitate development of the site under the summary vacation of public service easements, California Streets and Highways Code Section 8333(c) and San Diego Municipal Code Section 125.101(c)(3);

Declaring the City Clerk shall cause a certified copy of this resolution, with attached exhibits, attested by her under seal, to be recorded in the Office of the County Recorder;

Declaring this activity is not a "project" and is therefore not subject to CEQA pursuant to the State CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

These easement vacations are located in the University Community Plan area, located northeasterly of Genesee Avenue and John Jay Hopkins Drive. This project consists of vacating a sewer easement and a portion of a drainage easement that were granted to the City over five years ago at no cost to the City. The existing facilities located with these easements have been superseded with new sewer and storm drains as shown on Engineering Drawing No. 30186-D. The associated easements were granted as shown on Engineering Drawing No. 19139-B. There are no other public facilities located within the easements, and there is no present or prospective public use of the existing easements in their present locations.

FISCAL CONSIDERATIONS:

There are no fiscal impacts in connection with this action. All costs are being paid by the applicant.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

There is no Community Planning Group opposition to this action.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Novartis Agricultural Discovery Institute, Inc. (NADII)

Broughton/Waring


Staff: G. Bollenbach - (619) 446-5417
David E. Miller - Deputy City Attorney

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: DEED F-# 10022

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

 * [ITEM-108](#): Appointment and Reappointments to the San Diego Housing Commission.

(See memorandum from Mayor Sanders dated 9/20/2006.)

MAYOR SANDERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-374) ADOPTED AS RESOLUTION R-302107

Council confirmation of the following appointment and reappointments by the Mayor of the City of San Diego, to serve as members of the San Diego Housing Commission, for terms ending as indicated:

<u>NAME</u>	<u>CATEGORY</u>	<u>TERM ENDING</u>
Khadija Basir (Paradise Hills, District 4) (Replacing Leeandrus Knight, who resigned)	Tenant Commissioner	January 2, 2008
Alice Tumminia (Kearny Mesa, District 6) (Reappointment)	Tenant over 62 Commissioner	January 2, 2008
Jennifer Adams-Brooks (Mission Valley, District 6) (Reappointment)	Commissioner	January 2, 2010
Tony Yip (Rancho Peñasquitos, District 1) (Reappointment)	Commissioner	January 2, 2010

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO CONFIRM THE APPOINTMENT AND REAPPOINTMENTS. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-109: Two actions related to Ratifying the 2006 Project Area Committee Election for the College Community and North Bay Project Areas.

(See Report to the City Council 06-173. Clairemont Mesa, College Area, Linda Vista, Mission Valley, Old Town, Peninsula, Uptown, and Midway-Pacific Highway Corridor Community Areas. Districts 2, 6, and 7.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-547) ADOPTED AS RESOLUTION R-302108

Approving the College Community Redevelopment Project Area Committee consisting of persons named on the list of Project Area Committee members receiving the highest number of votes attached hereto as Exhibit A and incorporated herein by this reference as constituting a representative Project Area Committee;

Concurring the election results of October 3, 2006, are valid and binding in accordance with the procedures so adopted by Resolution No. R-280718;

Declaring this activity is not a "project" and is therefore exempt from CEQA pursuant to the State CEQA Guidelines Section 15060(c)(3).

Subitem-B: (R-2007-548) ADOPTED AS RESOLUTION R-302109

Approving the North Bay Redevelopment Project Area Committee consisting of persons named on the list of Project Area Committee members receiving the highest number of votes attached hereto as Exhibit A and incorporated herein by this reference as constituting a representative Project Area Committee;

Concurring the election results of October 24, 2006, are valid and binding in accordance with the procedures so adopted by Resolution No. R-289249;

Declaring this activity is not a “project” and is therefore exempt from CEQA pursuant to the State CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

College Community

Formation of the fourteen (14) member College Community Project Area Committee (PAC) was authorized by the City Council on September 30, 1992, to advise the Council and Redevelopment Agency regarding adoption and implementation of the College Community Redevelopment Project. As a result of the efforts of Agency staff, the College Community Redevelopment Project Area documented ten voters and filled nine of the eleven vacancies at the 2006 PAC Election.

North Bay

In September 1997, the City Council authorized the formation of the 30-member North Bay Redevelopment Project Area Committee in order to advise the city Council and Redevelopment Agency on potential projects within the North Bay Redevelopment Project Area. As a result of the efforts of Agency staff, the North Bay Redevelopment Project Area documented sixteen voters and filled six of the fifteen vacancies at the 2006 PAC Election.

FISCAL CONSIDERATIONS:

None with this action. Administration of each PAC is funded through the Redevelopment Agency Annual Project Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 18, 2006, the City Council authorized staff to conduct the elections and extend the College Community (Res. No. 301664) and North Bay (Res. No. 301665) PAC's an additional year.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Mass mailings notified residents of each of the Project Areas encouraging both candidates and voters to participate in the election. The mailings listed the open seats while providing the date, time, and location of the event. PAC Election notices were also posted in at least four places within each of the Project Areas. Each of the Project Areas' web sites were updated to inform the public about the elections as well.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

College Community and North Bay Project Area Committees.

Ostrye/Anderson

Staff: Michael Fortney - (619) 533-5403
Huston Carlyle - Chief Deputy City Attorney
Eunice Chan - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-110: Amending the 2006 Legislative Calendar for December 4-8, 2006.

COUNCIL PRESIDENT PETERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-530) ADOPTED AS RESOLUTION R-302100

Amending the schedule of meetings for the City Council and Standing Committees of the City Council for the period January 1, 2006, through December 31, 2006, as follows:

1. That the City Council meeting of Monday, December 4, 2006, will begin at 10:00 a.m. to swear in the City Councilmembers for Districts 2, 4, 6, and 8. The inauguration will be held in Golden Hall, Civic Center, 202 C Street, San Diego, California. The afternoon session will start at the regularly scheduled time of 2:00 p.m. and will be held in the City Council Chambers, 12th Floor, City Administration, 202 C Street, San Diego, California;
2. That the regularly scheduled meeting of the Committee on Rules, Open Government, and Intergovernmental Relations on Wednesday, December 6, 2006, be adjourned; and

3. That a special meeting of the City Council be added on Wednesday, December 6, 2006, at 9:00 a.m. to discuss certain elements of the Mayor's Financial Remediation Plan. The meeting will be held in the City Council Chambers, 12th Floor, City Administration, 202 C Street, San Diego, California.

Directing the City Clerk to post and publish, as necessary, the notice of such meetings with the date, time, and location thereof and make necessary preparations and arrangements therefore.

NOTE: This item is not subject to Mayor's Veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-111: Lung Cancer Awareness Month.

COUNCIL PRESIDENT PETERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-550) ADOPTED AS RESOLUTION R-302111

Proclaiming November 2006 to be "Lung Cancer Awareness Month."

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-112: Filial Piety Day.

COUNCIL PRESIDENT PETERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-549) ADOPTED AS RESOLUTION R-302112

Proclaiming November 9, 2006, to be "Filial Piety Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:14 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-330: Marianopolis Way.

Matter of the appeal filed by Donald L. Ayles on the Planning Commission's decision to deny a Tentative Map and Site Development Permit application to subdivide a 0.83 acre site with an existing single family residence into two parcel lots and grade the new parcel lot to create a developable pad area at 14305 Marianopolis Way.

(Negative Declaration No. 4605/Tentative Map No. 7652/Site Development Permit No. 7654. Rancho Peñasquitos Community Area. District 1.)

(Continued from the meeting of October 16, 2006, Item 204, at the request of Councilmember Frye, to allow time to address the questions raised by Council.)

NOTE: Hearing open. No public testimony taken on October 16, 2006.

STAFF'S RECOMMENDATION:

Take the following actions:

Subitem-A: (R-2007-) NOTED AND FILED

Certifying that the information contained in Negative Declaration No. 4605, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) as amended, and the State guidelines thereto (California Administrative Code Section 15000 et seq.), that the report reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by the City of San Diego City Council;

That the City of San Diego City Council finds that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, that said Negative Declaration is hereby approved;

That the City Clerk is directed to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (R-2007-) DENIED APPEAL AND DENIED PERMIT,
ADOPTED AS RESOLUTION R-302114

Granting or denying the appeal and upholding or overturning the decision of the Planning Commission in approving the project; and granting or denying Site Development Permit No. 7654, with appropriate findings to support Council action.

Subitem-C: (R-2007-) DENIED APPEAL AND DENIED MAP,
ADOPTED AS RESOLUTION R-302115

Granting or denying the appeal and upholding or overturning the decision of the Planning Commission in approving the project; and granting or denying Tentative Map No. 7652, with appropriate findings to support Council action.

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

OTHER RECOMMENDATIONS:

Planning Commission on January 12, 2006, voted 7-0-0 to deny; was opposition.

Ayes: Schultz, Garcia, Chase, Griswold, Ontai, Otsuji, Steele

The Rancho Peñasquitos Planning Board has recommended denial of this project.

STAFF SUPPORTING INFORMATION:

On January 12, 2006, the Planning Commission denied the Marianopolis Way development's Tentative Map and Site Development Permit. The project proposes to subdivide the existing 0.832 acre site into two parcels and prepare a developable lot. The proposed Parcel 1 is currently undeveloped and would be approximately 0.387 acres. Parcel 2, which contains an existing single family residence that would remain, would be approximately 0.445 acres. No development/architectural plans are proposed for Parcel 1, but any future single-family residential development would be subject to the underlying RS-1-14 zoning regulations. The San Diego Municipal Code (SDMC) Section 125.0401 and 126.0501 requires a Tentative Map to subdivide the property and a Site Development Permit to impact approximately 0.095 acres of disturbed coastal sage scrub with grading activities on Parcel 1.

Please reference Report to the Planning Commission No. PC-06-038, <http://www.sandiego.gov/planning-commission/pcreports/pc06038marian.pdf>, for project details (Attachment 1).

On January 26, 2006, Mr. Don Ayles, Civil Engineer for the property owner, Pacifica REO, LLC, filed an appeal indicating the project is in compliance with applicable laws and should be approved (Attachment 2). City staff concurs with the appellant's request. The project has been reviewed by City staff and it is staff's belief that the project conforms to provisions of the Land Development Code, the Subdivision Map Act, and is consistent with the Rancho Peñasquitos Community Plan.

FISCAL CONSIDERATION:

All costs associated with the processing of this project are paid by the applicant.

PREVIOUS PLANNING COMMISSION ACTION:

On January 12, 2006, the Planning Commission voted 7-0-0 to deny the Tentative Map and Site Development Permit. The Commissioner's cited reasons to deny the project are based upon their inability to make findings regarding the project adversely affecting the applicable land use plan;

the project not being detrimental to the public health, safety, and welfare; and the project's compliance with the applicable regulations of the Land Development Code.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On August 4, 2004, the Rancho Peñasquitos Planning Board (Board) voted 11-0-1 to recommend denial of the proposed project. The Board's reasons to deny the project included: the Board previously denied all lot-split requests; the original approval showed this lot within the HR (Hillside Review) Overlay Zone; the need to research further the City and/or original consultant files as to why this lot was not originally created as a buildable lot; their need to see site development plan with architecture; their concerns with the original intent of the development where the development was for 110 single family lots with one single family home per lot and the expectations of the adjacent homeowners who had bought their homes with the understanding that the lot was for one single family home as shown on the Final Map; and concern that the removal of 800 cubic yards of soil from the lot would adversely affect the lots on Mediatrice Lane, as those lots are currently experiencing slippage.

KEY STAKEHOLDERS:

Don Ayles, Engineer
Pacifica REO, LLC, Owners
Rancho Peñasquitos Community Planning Board
Adjacent property owners to project site (Peñasquitos Bluffs East Subdivision)

Broughton/Waring/TD

LEGAL DESCRIPTION:

The project site located at 14305 Marianopolis Way within the RS-1-14 (Residential) zone and Rancho Peñasquitos Community Planning Area.

Staff: Tim Daly – (619) 446-5356

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:10 p.m. – 3:17 p.m.)

Testimony in opposition of appeal by Jack Cooper, Tim Duddie and James Kerr.

Testimony in favor of appeal by Don Ayles.

Motion by Madaffer to adopt the resolution in subitem A; adopt the resolution in subitem b to grant the appeal and overturn the Planning Commission's decision in granting the permit; adopt the resolution in subitem C to grant the appeal and overturn the Planning Commission's decision in granting the map and include defense, indemnity and hold harmless permit provisions acceptable to the City Attorney. Second by Hueso. Failed. Yeas-7, 8. Nays-1, 2, 3, 4, 6. 5-not present.

MOTION BY FRYE TO NOTE AND FILE THE RESOLUTION IN SUBITEM A; ADOPT THE RESOLUTION IN SUBITEM B TO DENY THE APPEAL AND UPHOLD THE PLANNING COMMISSION'S DECISION IN DENYING THE PERMIT; ADOPT THE RESOLUTION IN SUBITEM C TO DENY THE APPEAL AND UPHOLD THE PLANNING COMMISSION'S DECISION IN DENYING THE MAP. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-nay.

ITEM-331: 1619 J Street, San Diego.

Matter of the appeal by Brad Smith, from the decision of the Historical Resources Board in approving the historical site designation of the property located at 1619 J Street in the City of San Diego.

(See Report to the City Council No. 06-165. Historical Resources Board Report No. HRB-06-015. Centre City and East Village Community Plan Areas. District 2.)

STAFF'S RECOMMENDATION:

Take the following action: CONTINUED TO FEBRUARY 20, 2007

Granting or denying the appeal and upholding or overturning the action of the Historical Resources Board;

Directing the City Attorney to prepare the appropriate resolution according to Section 40 of the City Charter.

OTHER RECOMMENDATIONS:

The Historical Resources Board on May 25, 2006, voted 8-1-0 to approve the building's designation.

MOTION BY BOARDMEMBER SEWELL TO DESIGNATE THE SANFORD B. MEYERS SPEC HOUSE #1 LOCATED AT 1619 J STREET UNDER CRITERION A.

Ayes: Burnett, Curry, Emme, Harrison, Marshall, McNeely, Schaefer, Sewell.

Nays: Schwartz.

MOTION BY BOARDMEMBER SEWELL TO DESIGNATE THE SANFORD B. MEYERS SPEC HOUSE #1 LOCATED AT 1619 J STREET BASED ON STAFF RECOMMENDATION UNDER CRITERION C.

Ayes: Burnett, Curry, Emme, Harrison, Marshall, McNeely, Schaefer, Sewell.

Nays: Schwartz.

STAFF SUPPORTING INFORMATION:

This item is before the City Council as an appeal of the Historical Resources Board (HRB) decision of May 25, 2006, to designate the Sanford B. Myers Spec House #1 located at 1619 J Street as a historical resource (HRB #751), with a vote of 8 in favor, 1 opposed and 0 abstentions. The property was designated under HRB Criterion A as one of only three homes of a similar style remaining in East Village (which experienced an evolution in architectural style and land use uncommon in San Diego) and HRB Criterion C as a representative example of working class, transitional, Craftsman vernacular residential architecture during the third phase of development in East Village beginning in 1906 and ending in 1921.

The HRB considered all of the information presented to it and in doing so, gave weight to compelling arguments that resulted in designation. There has been no new evidence submitted to refute the designation, no evidence to show that the information the HRB received was wrong, and no evidence presented as to any violations of bylaws or procedures. Therefore, staff recommends that the appeal be denied based on the fact that no material information has been provided in support of the findings that the City Council needs to make in order to overturn the decision of the HRB.

FISCAL CONSIDERATIONS:

None with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

The Sanford B. Myers Spec House #1 located at 1619 J Street was designated as a historical resource (HRB #751) by the Historical Resource Board (HRB) at a noticed public hearing on May 25, 2006, with a vote of 8 in favor, 1 opposed and 0 abstentions.

Anderson/Waring/KS

Staff: Kelley Saunders – (619) 533-6508

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:05 p.m. – 2:08 p.m.)

MOTION BY FAULCONER TO CONTINUE TO FEBRUARY 20, 2007 FOR FURTHER REVIEW. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-332: Preliminary Items for Multifamily Revenue Bonds for Merrill Gardens at Banker's Hill.

(See San Diego Housing Commission Report No. HAR-06-024. Uptown Community Area. District 2.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-542)

ADOPTED AS RESOLUTION R-302116

Approving the issuance of Bonds by the Housing Authority for Merrill Gardens at Banker's Hill, pursuant to Section 147(f) of the Internal Revenue Code of 1986;

Declaring the City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

SUPPORTING INFORMATION:

Merrill Gardens at Banker's Hill is being planned as a complete senior residential community. The project will include independent and assisted living units and a host of on-site services and amenities. The proposed project would be located on the northeast corner of 2nd Avenue and Laurel Street and would include a total of 84 units. Preliminary plans call for a four to six story structure with one level of underground parking and common area amenities, such as a large outdoor courtyard, commercial dining room, library, activity room, beauty salon and wellness center.

Merrill Gardens at Banker's Hill will include 18 studios, 46 one-bedroom units, and 20 two-bedroom units. 20% of the units (17 units) will be restricted at 50% area median income (AMI) (\$27,600 for a family of two). The remaining units will be rented at market rates.

The project is being developed by Merrill Gardens at Banker's Hill, LLC a partnership of Merrill Gardens and SRM Development (SRM). SRM and Merrill Gardens are partners on nine retirement communities in California and Washington. Merrill Gardens currently owns and operates 70 communities in 23 states, including California. SRM has over \$500 million of projects in development throughout Washington, Arizona, Oregon, Idaho, and California. In downtown San Diego, SRM has recently completed two projects: Entrada and Market Street Village. Entrada is a 172-unit apartment project located at 13th Street and Island Avenue that includes 40 affordable units.

Of the 40 affordable units, 22 are restricted at 70% AMI (\$48,300 for a family of four) and 18 are restricted at 100% AMI (\$64,900 for a family of four). Market Street Village, located at 14th Street and Market Street, is a mixed-use development that includes 225 apartments and a 43,000 square-foot Albertson's supermarket.

The total development cost of the project is estimated to be approximately \$40 million. In addition, to housing revenue bonds, the project will also be financed with developer equity. At present, no Housing Commission loan funds are proposed for the project.

Should the Housing Authority at a later date authorize the issuance of bonds for the project, the bonds would not constitute a financial liability to the Housing Authority or the City of San Diego. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds.

FISCAL CONSIDERATIONS:

Approval of these preliminary actions does not commit the Housing Authority to issue bonds. If bonds are ultimately issued, security for repayment of the bonds will be limited to the value of the property and its revenues. The issuance of bonds is contingent upon approval of the project by the City.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The developer anticipates presenting an informational item to the Uptown Planners on November 15, 2006. Uptown Planners will also hear an action item on the project once a development permit application is submitted.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Seniors are the intended residents of the project. Merrill Gardens at Banker's Hill, LLC is the developer of the project. The owners of Merrill Gardens at Banker's Hill, LLC are listed in Attachment 2 of the report. Stradling Yocca Carlson & Rauth and CSG Advisors have been selected as bond counsel and financial advisor to represent the Housing Authority.

Fisher/Morris

NOTE: See the Housing Authority Agenda of November 21, 2006, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:25 p.m. - 3:48 p.m.)

MOTION BY FAULCONER TO ADOPT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 3:51 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 3:51 p.m.)