

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, APRIL 17, 2007
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING.....	4
ATTENDANCE DURING THE MEETING	4
ITEM-300: ROLL CALL.....	5
NON-AGENDA COMMENT	5
COUNCIL COMMENT	9
INDEPENDENT BUDGET ANALYST COMMENT	9
CITY ATTORNEY COMMENT	9
ITEM-30: Academy of Our Lady of Peace Day	10
ITEM-50: NOTE: This item has been pulled from the docket	10
ITEM-51: Amendment No. 3 to the Agreement with Tetra Tech for Sewer Pump Station 18 Phase II.....	10
ITEM-52: Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for Mary Lanyon Fay Elementary School	13
ITEM-100: Inviting Bids for Slurry Seal Street Resurfacing Contract, Group I, Fiscal Year 2007.....	15
ITEM-101: Inviting Bids for the Construction of the City’s Sewer Pipeline Rehabilitation Project, Phase D-1.....	18

ITEM-102:	Change Order No. 1 to Contract with El Cajon Grading & Engineering Company, Inc. for Sewer Group 741.....	21
ITEM-103:	Annual Allocation North City Water Reclamation Plant Additional Funding.....	24
ITEM-104:	Memorandum of Understanding with the County of San Diego to Cooperate in Migrating Toward a Regional Public Safety Communications System	26
ITEM-105:	Transfer of Funds to Park and Recreation Department for Tierrasanta Community Recreation Center Equipment.....	28
ITEM-106:	Bicycle Safety and Commuting Education Program-Seat Belt	30
ITEM-107:	Solid Waste Local Enforcement Agency (LEA) Application for LEA Grant.....	31
ITEM-108:	State Block Grant – Citizen Options For Public Safety.....	33
ITEM-109:	Amending the April and May 2007 Legislative Calendar	34
ITEM-110:	Rabbi Martin S. Lawson Day.....	35
ITEM-111:	Excusing Council President Pro Tem Young from the City Council Meeting and Closed Session Meeting of March 27, 2007	36
ITEM-201:	Informational Update from the City’s Actuary.....	37
ITEM-202:	Informational Update from SDCERS’ Actuary.....	37
ITEM-203:	Impasse Procedure	37
ITEM-204:	Introduction of Salary Ordinance for FY 2007-2008 and Resolutions Relating to FY 2008 Salary Ordinance.....	38
ITEM-330:	Increase to the Fiscal Year 2007 Water Department Capital Improvement Program Budget	39
ITEM-331:	Two actions related to Lease Purchase Agreement with IBM Credit LLC and Status Update on Vendor Selection	42
ITEM-332:	Statewide Community Infrastructure Program (SCIP).....	45

ITEM-333: Three actions related to the Scripps Miramar Ranch Public Facilities Financing Plan, Fiscal Year 2007 48

ITEM-334: Preliminary Items for Multifamily Revenue Bonds for Villa Nueva Apartments 51

ITEM-S500: Amendments to the San Diego Municipal Code Eliminating the Surplus Undistributed Earnings (“Waterfall”) as Codified in San Diego Municipal Code Section 24.1502 and as Referred to in Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the City Employees’ Retirement System..... 53

REPORT OUT OF CLOSED SESSION 54

NON-DOCKET ITEMS 54

ADJOURNMENT..... 55

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 10:06 a.m. The meeting was recessed by Council President Peters at 12:00 p.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:11 p.m. Council President Peters recessed the meeting at 3:45 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:52 p.m. with Council Member Faulconer, Council Member Maienschein and Council Member Madaffer not present. Council President Peters recessed the meeting at 4:13 p.m. to convene into Closed Session. Council President Peters reconvened the meeting at 4:39 p.m. with Council Member Faulconer, Council Member Maienschein and Council Member Madaffer not present. Council President Peters adjourned the meeting at 4:58 p.m. to convene the Housing Authority. Council President Peters reconvened the regular meeting at 4:58 p.m. with Council Member Faulconer, Council Member Maienschein and Council Member Madaffer not present. The meeting was adjourned by Council President Peters at 5:01 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present-
- (2) Council Member Faulconer-not present-Excused by R-302595; no reason given)
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-not present-(Excusedd by Resolution R-302632, due to illness)
- (6) Council Member Frye-present
- (7) Council Member Madaffer-not present-(Excused by Resolution R-302523, no reason given)
- (8) Council Member Hueso-present

Clerk-Maland (mz/dlc)

FILE LOCATION: MINUTES



ITEM-300: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-not 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-not present
- (8) Council Member Hueso-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Maxine K. Matton commented on Council and Mayor funding for Arts and Culture, and the California Ballet.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:17 a.m. – 10:20 a.m.)

PUBLIC COMMENT-2:

Hud Collins commented on the pension/financial crisis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:20 a.m. - 10:23 a.m.)

PUBLIC COMMENT-3:

Don Stillwell commented on prayer and the flag salute.

FILE LOCATION: AGENDA

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

PUBLIC COMMENT-4:

Joy Sunyata commented on civil discourse.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:26 a.m. - 10:29 a.m.)

PUBLIC COMMENT-5:

Sunshine Horton commented on drinking and driving awareness.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:29 a.m. - 10:32 a.m.)

PUBLIC COMMENT-6:

Warren Gaul commented on various flags erected in San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:32 a.m. - 10:35 a.m.)

PUBLIC COMMENT-7:

James Hartline commented on violations of city codes in Balboa Park.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:35 a.m. - 10:38 a.m.)

PUBLIC COMMENT-8:

Ron Boshun commented on Council actions.

FILE LOCATION: AGENDA

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

PUBLIC COMMENT-9:

Richard Martindell commented on Montgomery Field/Sunroad construction.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:41 a.m. - 10:43 a.m.)

PUBLIC COMMENT-10:

Phil Hart commented on Council meetings.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:43 a.m. - 10:46 a.m.)

PUBLIC COMMENT-11:

Referred to City Attorney: Gerald Blank commented on failure of minutes to reflect member votes.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:46 a.m. - 10:48 a.m.)

PUBLIC COMMENT-12:

Paul Martin commented on mini dorms in Pacific Beach.

FILE LOCATION: AGENDA

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

PUBLIC COMMENT-13:

Paula Lynn and Alise Shatoff commented on Fiesta Island development.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:50 a.m. - 10:52 a.m.)

PUBLIC COMMENT-14:

Jarvis Ross commented on the Coastal Commission and McMillan development.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:52 a.m. - 10:54 a.m.)

PUBLIC COMMENT-15:

Joseph Braverman commented on living in the United States.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:54 a.m. - 10:56 a.m.)

PUBLIC COMMENT-16:

Chris Christensen commented on the reconsideration of a motion regarding condo conversions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:56 a.m. - 10:58 a.m.)

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council Member Young thanked all those who participated in the “Smart Money Summit and Exposition”.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:16 a.m. - 10:17 a.m.)

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.

ITEM-30: Academy of Our Lady of Peace Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-848) ADOPTED AS RESOLUTION R-302529

Congratulating the Academy of Our Lady of Peace for its passionate commitment to the education and guidance of the young women of San Diego over the past 125 years;

Proclaiming May 10, 2007 to be "Academy of Our Lady of Peace Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:07 a.m. - 10:13 a.m.)

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

ITEM-50: **NOTE:** This item has been pulled from the docket.

ITEM-51: Amendment No. 3 to the Agreement with Tetra Tech for Sewer Pump Station 18 Phase II.

(See Executive Summary Sheet dated 3/14/2007. Pacific Beach Community Area. District 2.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2007-110) CONTINUED TO TUESDAY, APRIL 24, 2007

Introduction of an Ordinance authorizing the Mayor, or designee, to execute the Third Amendment to the Agreement with Tetra Tech for additional engineering consulting services for Sewer Pump Station 18, Phase II, in an additional amount not to exceed \$92,396 for a total contract amount of \$950,447, provide that the City Auditor and Comptroller first furnishes a certificate certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer; Authorizing the additional expenditure of \$92,396 from CIP-46-604.6, Sewer Pump Station 18 Phase II, Fund No. 41506 Sewer Fund, for Tetra Tech engineering consulting services for the upgrades on Sewer Pump Station 18;

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

Declaring that this activity is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15378(c). This activity is a subsequent discretionary approval covered under Mitigated Negative Declaration, PTS No. 2830, September 25, 2002. The activity is adequately addressed in the environmental document and there is no change in circumstances, additional information, or project changes to warrant additional environmental review pursuant to CEQA Guidelines section 15162.

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

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/21/2007, NR&C voted 4-0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

In the original agreement (Document R-292037) adopted on August 2, 1999, the City entered into an agreement with Tetra Tech (formerly known as ASL Consulting Engineers) for \$100,800 to provide engineering services for the pre-design studies for both Sewer Pump Stations 18 and 19.

On August 7, 2000, the City Council executed Amendment No. 1 to the contract with Tetra Tech to include engineering services for the design of both pump stations. This amendment brought the total contract amount to \$760,206 (Document R-293649). The design scope includes the

rehabilitation of Sewer Pump Station 18 located at the end of Loring Street in Pacific Beach and the replacement of Sewer Pump Station 19 located at the end of Bird Rock Avenue in La Jolla. During the design stage, there were several permits that need to be acquired for both projects that resulted in numerous design modifications.

On September 10, 2004, the City Council executed Amendment No. 2 to the contract with Tetra Tech cover additional cost incurred for permitting, design, and construction support for both Sewer Pump Station 18 (CIP-46-601.8) and 19 (CIP-46-601.9) bringing the total contract amount to \$858,051 (Document O-19314). 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 change in the scope of the project, the construction of the project was phased.

Amendment No. 3 is for Sewer Pump Station 18 Phase II, CIP-46-604.6. 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. The amount previously approved for Tetra Tech's consulting services contract accounted for the overall design of the project as well as assistance to perform engineering support during construction meant for a continuous single phased project. Due to the phasing and the increase in scope of the project, all of the money was depleted during Phase I and it is now necessary to amend Tetra Tech's contract to provide additional money for engineering construction support for Phase II of the project for a total cost of \$92,396. This will be the third amendment to Tetra Tech's original contract, bringing the overall total cost to \$950,447.

FISCAL CONSIDERATIONS:

The total estimated cost of this Amendment is \$92,396. Funding of \$92,396 in Sewer Fund 41506, CIP-46-604.6, Sewer Pump Station 18 Phase II, previously authorized on R-302100 on December 1, 2006, is available for this purpose.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

The Committee on Natural Resources and Culture considered Amendment No. 3 to Agreement with Tetra Tech for Sewer Pump Station 18, Phase II on March 21, 2007, and voted to approve 4-0 following consent motion by Councilmember Faulconer, seconded by Councilmember Maienschein. Previous Council actions with regards to the City of San Diego's contract agreement with Tetra Tech for engineering consulting services are:

- Original Agreement, Document R-292037 executed on August 2, 1999, for \$100,800.
- Amendment No. 1 to the Agreement, Document R-293649 executed on August 7, 2000, for \$659,406 bringing the total contract amount to \$760,206.

- Amendment No. 2 to the Agreement, Document O-19314 executed on September 7, 2004, for \$97,845 bringing the total contract amount to \$858,051.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Upon approval of Amendment No. 3, Tetra Tech, Incorporated will receive an additional \$92,396 towards their contract, bringing the total contract amount to \$950,447.

Boekamp/Haas

Aud. Cert. 2700559.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:59 a.m. - 10:59 a.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, APRIL 24, 2007, TO ALLOW FULL COUNCIL TO BE PRESENT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-not present, Hueso-yea.

ITEM-52: Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for Mary Lanyon Fay Elementary School.

(Mid-City/City Heights Community Area. District 7.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-119) CONTINUED TO TUESDAY, APRIL 24, 2007

Introduction of an Ordinance authorizing the Mayor, or his representative, to execute, for and on behalf of the City, a Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for construction,

operation, maintenance, and lease of turf fields at Mary Lanyon Fay Elementary School, under the terms and conditions set forth in the Agreement;

Declaring this activity is categorically exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15301 (Existing Facilities).

NOTE: 6 votes required.

STAFF SUPPORTING INFORMATION:

Mary Lanyon Fay Elementary School is located at 4080 52nd Street, in the Mid-City (City Heights) Community. The proposed Joint Use Agreement with the San Diego Unified School District (SDUSD) would provide for 1.65 acres of turf fields. The City Heights Community Planning Area is park deficient; therefore, this project will help to satisfy the community's and SDUSD's recreational and athletic programmatic needs.

The City's Progress Guide and General Plan recommend 10 usable acres of neighborhood park for every 3,500 to 5,000 residents. In areas of the City where parkland is deficient per the City's General Plan standards, joint use facilities have provided a venue for City recreation programs typically provided at neighborhood parks. A joint use facility is defined as land or facilities that are owned by the City or another agency and shared between agencies to meet the recreational and physical education needs of both agencies.

The City and the District have been cooperating in the use of numerous recreational facilities in accordance with the City-District Recreation Agreement of September 1948, and the Memorandum of Understanding between the City and District for the Development and Maintenance of Joint Use Facilities adopted by the San Diego City Council on October 7, 2002 (Resolution No. R-297149), and by the District's Board of Education on October 8, 2002. Currently, the City has approximately 100 joint use agreements with various school Districts citywide.

The proposed turf fields at Mary Lanyon Fay Elementary School will be developed and maintained through this Twenty-Five (25) Year No Fee Lease and Joint Use Agreement with the San Diego Unified School District (SDUSD). The terms of the agreement allow for the development, operation, and maintenance of irrigated and turf multi-use playing fields and parking. Funding for design and construction of the turf fields will be provided by the SDUSD as part of the Proposition MM measure. Since the SDUSD is providing the land and development of the joint use fields, the City will be responsible for the operation and maintenance until parity is reached as outlined in this joint use agreement.

FISCAL CONSIDERATIONS:

The joint use fields will cost approximately \$20,625 in annual operating costs. The fields will open to the public in FY 08, therefore this funding will be requested during the FY 08 budget process.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The San Diego Unified School District conducted numerous public workshops in the City Heights community to gather input on the design of this new Proposition MM school.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the community members in City Heights.

Penera/Martinez

Staff: Carol Wood - (619) 235-8217
Shannon M. Thomas - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:59 a.m. - 10:59 a.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, APRIL 24, 2007, TO ALLOW FULL COUNCIL TO BE PRESENT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-not present, Hueso-yea.

* ITEM-100: Inviting Bids for Slurry Seal Street Resurfacing Contract, Group I, Fiscal Year 2007.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-873) ADOPTED AS RESOLUTION R-302530

Approving the plans and specifications for the City's Slurry Seal Street Resurfacing Contract, Group I, Fiscal Year 2007;

Authorizing the Mayor, or designee, after advertising for bids in accordance with law, to award the above contract to the lowest responsible and reliable bidder in an amount not to exceed \$6,732,966 (consisting of \$5,582,245 from Street Division Operating Fund No. 100; \$1,022,171 from Underground Surcharge Fund No. 30101, CIP-37-028, Annual Allocation - Utilities Underground Program; and \$128,550 from Park & Recreation Fund No. 100); provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the funds necessary for this expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$7,318,329 for the above contract and related costs, to be expended as follows: \$6,037,844 from Street Division General Operating Fund No. 100; \$1,138,241 from Underground Surcharge Fund No. 30101, CIP-37-028.0, Annual Allocation - Utilities Underground Program; and \$142,244 from Park & Recreation Fund No. 100; provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the funds necessary for the expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the Mayor, or his designee, to execute an option to extend the above contract on the same terms and conditions, contingent upon the availability of additional funding and provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the additional funding is, or will be, on deposit with the City Treasurer;

Declaring that the above activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(c), as the repair, maintenance, or minor alteration of existing streets, sidewalks, gutters, and similar facilities.

STAFF SUPPORTING INFORMATION:

This Slurry Seal contract is the third FY 07 street maintenance contract, which will include 95.7 miles of slurry seal and 3.9 miles of cape seal, for a total of 99.6 miles. Of this total, 88.5 miles are part of the City's annual street maintenance program for FY 07. In partnership with the Engineering and Capital Projects Department, 11.1 miles of streets have recently had the overhead utilities placed underground and will receive slurry seal to restore the pavement. In

addition, four parking lots in Balboa Park will also be slurry sealed for the Park and Recreation Department. Locations for the annual street maintenance program are chosen through the use of annual pavement condition surveys, and the City's Pavement Management System, using the following criteria: age, oxidation, cracking, amount of patching, amount of traffic carried, and avoiding conflict with planned underground utility work.

The first two contracts for FY 07 were both asphalt overlay contracts. At this time, Asphalt Overlay Group I, FY 07 is under construction, and Asphalt Overlay Group II, FY 07 is being advertised for bids, with construction expected to begin in May of 2007. Asphalt Overlay Group I includes 5.4 miles, Asphalt Overlay Group II includes 12.2 miles, and Slurry Seal Group I includes 88.6 miles. 7.8 miles were completed in September 2006 by an additive alternate to Slurry Group S-10, for a total of 114.1 miles of street maintenance for FY 07. Slurry Seal Group I is expected to begin Construction in July of 2007, and will take approximately four months to complete.

Slurry Seal is a pavement surface treatment applied as part of a comprehensive pavement maintenance program. It is used on streets which are in good condition to protect them from deterioration. The Street Division uses Rubberized Emulsion Aggregate Slurry (REAS). This type of Slurry Seal coating lasts longer, resists damage better from water/rain, and stays black in color longer. Slurry sealing, when used in a timely manner can be very effective in reducing the need for later, more expensive pavement repairs.

The master list of streets in the resurfacing plan for FY 07 was presented to the Mayor and Council Members for review in October of 2006. A list of locations to be included in this contract will be provided to the Mayor and Council Members during the council staff briefing, which may be revised prior to construction in order to coordinate with any construction conflicts that may arise.

In addition to the construction contract and contingency costs of \$6,732,966, the following administrative costs are also included: \$285,568 for design and project management, and \$299,795 for construction inspection, surveying, and materials testing, for a total project cost of \$7,318,329.

FISCAL CONSIDERATIONS:

Funding in the amount of \$7,318,329 is available as follows: \$6,037,844 from Street Division General Operating Fund 100, \$1,138,241 from Underground Surcharge Fund 30101, and \$142,244 from Park and Recreation General Fund 100. The Proposition 42 funding in Street Division General Operating Fund 100 must be fully expended by the end of FY 08.

PREVIOUS COUNCIL/COMMITTEE ACTION:

Council previously authorized the acceptance of \$6,037,844 of FY 07 Proposition 42 funding into the Street Division General Operating Fund per Resolution R-302357 and Ordinance O-19580.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The list of streets to receive slurry seal is part of the FY 07 master resurfacing plan. Street lists and maps will be provided at the Council Staff Briefing.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

After the contract is awarded, citizens will be notified by the contractor when slurry sealing will begin on their street.

Sierra/Haas

Aud. Cert. 2700627.

Staff: Mary Wolford - (619) 527-7515
Thomas Zeleny - Deputy City Attorney

FILE LOCATION: CONT-AMERICAN ASPHALT INC.

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

ITEM-101: Inviting Bids for the Construction of the City’s Sewer Pipeline Rehabilitation Project, Phase D-1.

(See Executive Summary Sheet dated 2/20/2007. Districts 1, 2, 3, 4, 6, 7, and 8.)

TODAY’S ACTION IS:

Adopt the following resolution:

(R-2007-895) ADOPTED AS RESOLUTION R-302531

Approving the plans and specifications for the construction of the City's Sewer Pipeline Rehabilitation Project, Phase D-1, on Job Order 140421;

Authorizing the Mayor, or designee, after advertising for bids in accordance with law, to award the above project contract to the lowest responsible and reliable bidder in an amount not to exceed \$4,970,219 contingent on City Council approval of the project's inclusion in the Fiscal Year 2008 Capital Improvement Program Budget and Appropriation Ordinance; and provided that the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for this expenditure are, or will be, on deposit in the City Treasury;

Authorizing the expenditure of an amount not to exceed \$5,670,219 from Sewer Fund No. 41506, CIP-46-050.0, Annual Allocation - Pipeline Rehabilitation, solely and exclusively, to provide funds for construction of the above project and related costs, contingent on City Council approval of the project's inclusion in the Fiscal Year 2008 Capital Improvement Program Budget and Appropriation Ordinance; and provided that the City Auditor and Comptroller furnishes one or more certificates demonstrating that the funds necessary for this expenditure are, or will be, on deposit in the City treasury;

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

Declaring the above activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(b), as the repair and maintenance of existing sewer facilities.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/21/2007, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

The Metropolitan Wastewater Department (MWWD) is requesting authorization to advertise, bid, and award a contract to the lowest responsible bidder, for the Pipeline Rehabilitation Project Phase D-1. This contract is the fourth in a series of MWWD contracts to meet the EPA requirements to rehabilitate sewer pipelines.

MWWD has inspected and assessed aging sewer mains under a separate Closed Circuit Televising (CCTV) contract and identified the need to rehabilitate a large amount of deteriorated sewer mains. This project will rehabilitate approximately 10 miles of this pipe ranging in size from 6-inch to 12-inch diameter. Predominantly the pipeline rehabilitation will be accomplished by installing liners inside the pipes using trenchless construction methods. All service lateral connections will be sealed between a liner and a host pipe. Approximately 100 manholes will be rehabilitated, some of which will require surface excavation. Approximately 28 end-of-line clean-outs will be installed to allow liner installation of sewer mains that currently have plugged ends. All work will be located within existing City right-of-way and easements. Work will be accomplished in various locations throughout the City.

This contract will help meet EPA requirements to reduce sewer spills while reducing maintenance costs and extending the service life of aging sewer mains. The use of trenchless technology is faster, less expensive, and less disruptive to the community than the traditional excavation and replacement method.

FISCAL CONSIDERATIONS:

The total cost of this action is \$5,670,219 and will be funded from Fund 41506, CIP-46-050.0, Annual Allocation - Pipeline Rehabilitation, Phase D-1 project, contingent upon the approval of the Fiscal Year 2008 Capital Improvement Program and Appropriation Ordinance. The project costs may be bond reimbursed up to 80% by future short term or long term debt financings anticipated in May 2007 or April 2008. An Auditor's Certificate will be issued prior to contract award.

PREVIOUS COUNCIL/COMMITTEE ACTION:

This item was reviewed and approved by the Natural Resources & Culture Committee on March 21, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Letters will be sent out to the community prior to construction phase.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): N/A

Ferrier/Haas

FILE LOCATION: W.O. 140421

COUNCIL ACTION: (Time duration: 10:59 a.m. – 11:00 a.m.)

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

* ITEM-102: Change Order No. 1 to Contract with El Cajon Grading & Engineering Company, Inc. for Sewer Group 741.

(See Executive Summary Sheet from Engineering and Capital Projects Department dated 3/14/2007 and memorandum from Patti Boekamp dated 1/10/2006. Uptown and Greater North Park Community Areas. Districts 2 and 3.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-819) ADOPTED AS RESOLUTION R-302532

Approving Change Order No. 1, dated December 13, 2006, issued in connection with the contract between the City of San Diego and El Cajon Grading & Engineering, Co., Inc., said contract having been filed in the Office of the City Clerk as Document No. RR-301497, and the changes therein set forth, amounting to a net increase in the contract price of \$319,190, and an extension of time of 45 working days, extending the completion to 225 working days;

Authorizing the City Auditor and Comptroller to expend an amount not to exceed \$656,109 from the Water Fund 41500, CIP-73-083.0, Annual Allocation, Water Main Replacement for Contract Change Order No. 1 for the construction of Sewer Group 741 (Project), of which \$319,190 is for Construction Change Order No. 1, \$305,000 is for related costs, and \$31,919 for contingencies, and contingent upon the City Auditor and Comptroller first furnishing one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Approving the use of, and authorizing the Mayor to use, City Forces for the construction of the water portion of Sewer Group 741 as required in connection with Change Order No. 1 in amount not to exceed \$150,000, pursuant to recommendation of the Mayor, or designee, and submission of estimates by him

indicating that said work can be done by the City Forces more economically than if let by contract. The cost of said work shall not exceed \$150,000;

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 under Sewer Group 741. 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. As the prior environmental document adequately covered this activity as part of the previously approved project, the activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section 15060(c)(3).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/21/2007, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

Sewer Group 741 is part of the City of San Diego's continuing Annual Sewer and Water Main Replacement Program. This project is located in the Uptown and Greater North Park communities. The original scope and funding for this project was approved by Council on May 30, 2006. It included the replacement of 10,800 linear feet of existing sewer main at a total project cost of \$4,485,180. The contract was advertised on March 7, 2006 and awarded on August 23, 2006. The advertised bid document included an Additive Alternate "A" covering the replacement of approximately 1,995 linear feet of existing 8 and 12-inch old and deteriorated cast iron water mains and water services. Change Order No. 1 will add this water main replacement work from Additive Alternate "A" to the sewer main replacement which is already in progress. The streets affected by the water construction operations are: Eight Avenue and Madison Avenue as shown on the Location Map.

As indicated in the Engineers' Project Cost Estimate for the use of City Forces it is estimated to be more economical than if done by contract. In addition, the Department of Health Services (DHS) under the California Safe Drinking Water Act requires certified operators to perform this type of work (work on live water mains) to ensure the integrity of the water system.

FISCAL CONSIDERATIONS:

The total estimated cost of this Sewer Main Replacement Change Order No. 1 is \$656,109. Funding is available in Water Fund 41500, CIP-73-083.0, Annual Allocation - Water Main Replacement for this purpose. No future funding anticipated.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

Council approved the sewer side of this project on the following date: R-301497 05/30/06 - \$4,485,180.

The Committee on Natural Resources and Culture considered Sewer Group 741 on January 18, 2006, and voted to approve 3-0 following consent motion by Councilmember Atkins, seconded by Councilmember Maienschein.

The Committee on Natural Resources and Culture considered Change Order No. 1 for Sewer Group 741 on March 21, 2007, and voted to approve 4-0 following consent motion by Councilmember Faulconer, seconded by Councilmember Maienschein.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Previously, the project was presented to the Greater North Park Community Planning Committee and the Uptown Committee in their meetings in May of 2003. Residents and businesses 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 of notices.

Letters were sent to the Greater North Park Planning Committee and Uptown Planners on September 27, 2006, to inform them of the Award and start of Construction of the sewer portion of this project.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The key stakeholder is the general contractor El Cajon Grading & Engineering Co., Inc., who will receive payment for Construction Change Order No. 1. There are no projected financial impacts as no new fees or regulations are proposed as part of this action.

The Citizens of the City of San Diego will encounter minor inconveniences during construction. After completion, residents will experience improved reliability of the water distribution system.

Boekamp/Haas

Aud. Cert. 2700517.

FILE LOCATION: CONT. W.O. 177381/187121

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-103: Annual Allocation North City Water Reclamation Plant Additional Funding.

(See Executive Summary Sheet dated 12/11/2006. Sorrento Mesa Community Area. District 5.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-672) ADOPTED AS RESOLUTION R-302533

Authorizing the City Auditor and Comptroller to transfer the amount of \$250,000 within Sewer Fund No. 41509, as follows: \$47,000 from CIP-41-925.0, Point Loma Fourth Sludge Pump; \$105,700 from CIP-45-942.1, MOC 7 Demolition & Parking Lot; and \$97,300 from CIP-45-940.0, Wet Weather Storage Facility; all to CIP-42-926.0, Annual Allocation - North City Water Reclamation Plant;

Authorizing the expenditure of an additional amount not to exceed \$250,000 from Sewer Fund No. 41509, CIP-42-926.0, Annual Allocation - North City Water Reclamation Plant, solely and exclusively, to provide funds for the Foul Air Modifications Project;

Declaring that the above expenditure is contingent on appropriate approval and award of one or more contracts for performance of the Foul Air Modifications Project, if said project will not be performed by City forces, and provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the funds necessary for expenditure under such contracts are, or will be, on deposit in the City Treasury;

Declaring that this activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15060(c)(3) and 15004.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/21/2007, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

The Metropolitan Wastewater Department (MWWD) uses annual allocations to fund minor renovations and upgrades of equipment and facilities at its treatment plants and pump stations. Due to budget constraints related to a lack of bond financing, MWWD conducted a review of proposed Capital Improvement Projects at all of its treatment plants and pump stations and updated its list of priority projects. Based on the revised priority lists, there are insufficient funds in the Annual Allocation for the North City Water Reclamation Plant (CIP-42-926.0) to implement the priority projects at this facility. This request is to transfer funds from two completed projects (Point Loma Fourth Sludge Pump and MOC Demolition & Parking Lot), and one lower priority project (Wet Weather Storage Facility). The transferred funds will be utilized for the purpose of the Foul Air Modifications project at the North City Water Reclamation Plant. This transfer will not delay the Wet Weather Storage project. A study is currently ongoing to use live stream discharge as an alternative, instead of building a tank, so the scope of the project has changed, but the project will not necessarily be delayed. There is no impact on the FY08-11 rate case, since this transfer involves the FY07 budget.

FISCAL CONSIDERATIONS:

The total amount of this request is \$250,000, of which \$47,000 is available from Sewer Fund 41509, CIP-41-925.0, Point Loma Fourth Sludge Pump, \$105,700 is available from Sewer Fund 41508, CIP-45-942.1, MOC 7 Demolition & Parking Lot, and \$97,300 is available from Sewer Fund 41509, CIP-45-940.0, Wet Weather Storage Facility. The project costs may be bond reimbursed up to 80% by future short term or long term debt financings anticipated in May 2007, or April 2008.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item was reviewed and approved by the Natural Resources and Culture Committee on March 21, 2007.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): N/A

Ferrier/Haas

Aud. Cert. 2700441.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-104: Memorandum of Understanding with the County of San Diego to Cooperate in Migrating Toward a Regional Public Safety Communications System.

(See Report to the City Council No. 07-047 and Draft Memorandum of Understanding between the County and City of San Diego.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-918) ADOPTED AS RESOLUTION R-302534

Authorizing the Mayor, for and on behalf of the City, to enter into an agreement with the County of San Diego to cooperate in migrating toward a Regional Public Safety Communications System;

Authorizing the Deputy Chief Operating Officer, for and on behalf of the City, to administer and operate this Memorandum of Understanding;

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

**PUBLIC SAFETY AND NEIGHBORHOOD SERVICES COMMITTEE'S
RECOMMENDATION:**

On 2/28/2007, PS&NS, voted 4 to 0 to approve. (Council President Pro Tem Young, Councilmembers Faulconer, Maienschein, and Hueso voted yea.)

SUPPORTING INFORMATION:

Although the San Diego-Imperial County regional communication network is considered one of the best in the nation, current technology used to support the system is nearing the end of its product life and relevance. The current patch-through and work-around method is cumbersome and outdated. In addition, vendor support of the county's current 800 MHz system will end in approximately five years, making support for current infrastructure increasingly difficult to maintain. Because the City will be facing similar technological challenges within the next few years, this is an opportune time for City and County agencies to pursue the common goal of improving public safety through investment in a truly seamless regional public safety communications system with the capacity to support future growth.

The City and County has agreed to work in partnership to achieve the convergence of all radio systems to achieve full interoperability with the San Diego/Imperial County region. This interoperable system will be designed to benefit public safety through increased performance, efficiency, capability and quality in two-way radio communications. The project goals will allow for seamless communication between local public safety agencies operating on 700 MHz and 800 MHz spectrum, as well as other public safety agencies operating on different spectrums.

To achieve this goal, the City and County commit to:

- Partner in the planning of our region's new communications technology
- Establishment of a collaborative and unified governance structure to manage the new communications system.
- Jointly identify and pursue project funding
- Partner in the implementation of the upgraded regional communication system
- Achieving a truly interoperable and seamless Regional Public Safety Communications System.

FISCAL CONSIDERATIONS:

No Fiscal Impact.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

PS&NS meeting on February 28, 2007, approved to move the MOU forward to City Council for approval.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

City and County of San Diego to migrate towards a truly interoperable and seamless Regional Public Safety Communications System.

Olen

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-105: Transfer of Funds to Park and Recreation Department for Tierrasanta Community Recreation Center Equipment.

(Tierrasanta Community Area. District 7.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-927) ADOPTED AS RESOLUTION R-302535

Authorizing the City Auditor and Comptroller to transfer funds in the amount of \$10,977.65 from Tierrasanta Development Agreement Fund No. 392012 "Lusk-Community Recreation Center" to Job Order No. 007228, Tierrasanta Community Recreation Center;

Authorizing the City Auditor and Comptroller to appropriate and expend \$10,977.65 from Job Order No. 007228, Tierrasanta Community Recreation Center for the purpose of purchasing new replacement and additional recreation equipment for the Tierrasanta Community Recreation Center.

STAFF SUPPORTING INFORMATION:

Development Agreement Fund #392012 was set up explicitly for the purchase of equipment at the Tierrasanta Recreation Center. The Park and Recreation Department would like to purchase the following equipment with those available funds:

Tables (15)/Chairs (150)/Rack (1)	\$4,053.15
Public Address System (1)	4,438.67
Water Polo Goals (2)	2,517.60
Electric Keyboards (2)	260.00
Diamond Digger (Field Drag) (1)	796.65
Deluxe Enduro Striper (Field Marker) (1)	159.56
3-SPEED BLOWER (Floor Maintenance) (1)	416.61
Chair Dolly (2)	769.21
Total	<u>\$13,411.45</u>

FISCAL CONSIDERATIONS:

Because Development Agreement Fund 392012 was set up explicitly for the purchase of recreation center equipment, the money can only be used for this purpose. There would be no effect on the Tierrasanta FBA funds. The Park and Recreation Department will expend **\$2,433.80** from the Community Parks II Division operating budget to secure the equipment.

PREVIOUS COUNCIL/COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Tierrasanta Recreation Council discussed and approved unanimously the purchase of equipment for the Tierrasanta Recreation Center at their October 12, 2006 meeting.

STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Tierrasanta Recreation Council. Tierrasanta Community Park and Swimming Pool Patrons.

LoMedico/Reynolds

Aud. Cert. 2700637.

Staff: Mike Morrow - (619) 685-1307
Pedro De Lara - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-106: Bicycle Safety and Commuting Education Program-Seat Belt.
(Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-901) ADOPTED AS RESOLUTION R-302536

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, an Agreement with Smartz Moves, Inc., for an amount not to exceed \$290,500, under the terms and conditions set forth in the Agreement;

Authorizing the expenditure of an amount not to exceed \$290,500 from Fund No. 30244, OTS Bicycle Education Program Grant, CIP-58-167.0, Bicycle Safety and Commuting Education Program (Project), for the purpose of providing funds for the Agreement with Smartz Moves, Inc;

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

Declaring that this activity is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3).

STAFF SUPPORTING INFORMATION:

Vehicle crashes are one of the leading causes of death for people between the ages of 12 and 17 years old in the City of San Diego. Smartz Moves, Inc. has developed a program that uses a combination of strategies including student education, parent outreach, a journalism component, media, and promotions to increase the number of teens wearing seat belts in order to decrease the fatality and injury rate. This agreement will hire Smartz Moves, Inc. to conduct the program on a two year period.

FISCAL CONSIDERATIONS:

Fund 18871, OTS Bicycle Education Program Grant, CIP-58-167.0 in the amount of \$431,228 for FY 2007 was previously authorized for the Bicycle Safety and Commuting Education Program-Seat Belt, R-301637, July 18, 2006, of which Smartz Moves, Inc., portion is \$290,500 for a 2 year contract.

PREVIOUS COUNCIL COMMITTEE ACTION:

Resolution Number R-301637, dated July 18, 2006, authorizes the Mayor, or his representative, to accept, appropriate and expend an amount not to exceed \$1,505,752 in CIP-58-167.0, Bicycle Safety and Commuting Education Program upon receipt of a fully executed grant agreement. Authorizes the increase in FY 2007 Capital Improvements Program Budgets.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS:

Smarz Moves, Inc.

Boekamp/Haas

Aud. Cert. 2700611.

Staff: Dave Zoumaras - (619) 533-3138
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-107: Solid Waste Local Enforcement Agency (LEA) Application for LEA Grant.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-916) ADOPTED AS RESOLUTION R-302537

Authorizing the Mayor, or his designee, to submit an application to the California Integrated Waste Management Board for a Local Enforcement Agency Grant and, if awarded, accept and expend grant funds;

Authorizing the Mayor, or his designee, to conduct all negotiations, execute and submit all documents, including but not limited to applications, grant agreements, amendments, payment requests, which may be necessary to carry out and administer the obligations, responsibilities, and duties of the City of San Diego Solid Waste LEA under the terms of the grant;

Authorizing the City Auditor and Comptroller to establish a separate fund for the grant monies and to deposit said grant monies as received.

STAFF SUPPORTING INFORMATION:

The LEA is requesting non-competitive grant funds to supplement the ongoing solid waste facilities permit and inspection programs. This grant will enhance the LEA program by providing additional equipment, supplies, training, technical support, reference and public outreach materials to allow the LEA to continue its effective solid waste permitting and enforcement program, to provide regulatory guidance to operators and owners of solid waste facilities and disposal sites; and, when necessary, to take enforcement action to remedy threats to public health and safety and the environment.

The LEA has developed specific program goals and objectives in order to protect and promote the health and safety of the community and the environment. These goals and objectives encompass a wide variety of solid waste activities including solid waste permitting, inspection, investigation and enforcement; public health and safety, collection and transportation inspections, waste tire surveillance, inspection and enforcement; regulatory streamlining, agency coordination and customer outreach.

FISCAL CONSIDERATIONS:

NOT A MATCHING GRANT. The City of San Diego LEA is eligible for approximately \$27,600 from the CIWMB. The grant is funded through the state's Integrated Waste Management Account. The amount is established from a base grant award of \$15,000 per jurisdiction, plus additional grant funds based on population and the number of permitted, active solid waste facilities.

PREVIOUS COUNCIL/COMMITTEE ACTION:

As a result of previous Council approvals, the LEA has received this grant annually and has been implementing it since 1998.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The program also includes outreach to the regulated community through the development and distribution of literature, participation in technical advisory committees and public presentations to stakeholder groups.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The inspection program includes monthly, quarterly and annual inspections of active solid waste facilities and operations, closed solid waste disposal sites and collection and transportation inspections. The permitting inspection includes permitting of land fills, transfer stations, construction and demolition processing facilities, composting facilities and auditing of recycling centers. Both programs contain an element for responding to public complaints and agency referrals.

Escobar-Eck/Waring

Staff: Lonnie Eads - (619) 533-3692
Marianne Greene - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-108: State Block Grant – Citizen Options For Public Safety.

(See Report to the City Council No. 07-061.)

STAFF’S RECOMMENDATION:

Adopt the following resolution:

(R-2007-928) ADOPTED AS RESOLUTION R-302538

Authorizing the City Auditor and Comptroller and the Chief of Police, on behalf of the City of San Diego, to apply for, accept, and expend these Grant funds from the State of California;

Authorizing the City Auditor and Comptroller and the Chief of Police 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 by the State of California, and to certify that the City will comply with all applicable statutory or regulatory requirements related to said program;

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

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-109: Amending the April and May 2007 Legislative Calendar.

COUNCIL PRESIDENT PETERS' AND COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-976) ADOPTED AS RESOLUTION R-302539

Amending the schedule of meetings for the City Council and Standing Committees of the City Council for the period January 1, 2007 through December 31, 2007, as follows:

1. To change the Committee on Budget and Finance meeting scheduled for 9:00 a.m. on April 18, 2007, to be a Budget Review Committee meeting (Council Budget Hearing).
2. To add an additional Budget Review Committee meeting (Council Budget Hearing) to the legislative calendar on Monday, May 7, 2007 at 9:00 a.m.
3. To change the time for the Committee on Rules, Open Government, and Intergovernmental Relations meeting on April 25, 2007, from 9:00 a.m. to 2:00 p.m., taking the place of the cancelled Committee on Public Safety and Neighborhood Services meeting.

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: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-110: Rabbi Martin S. Lawson Day.

COUNCILMEMBER MADAFFER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-959) ADOPTED AS RESOLUTION R-302540

Recognizing and saluting Rabbi Lawson for his invaluable service to the community and proclaiming April 7, 2007 to be “Rabbi Martin S. Lawson Day” in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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

* ITEM-111: Excusing Council President Pro Tem Young from the City Council Meeting and Closed Session Meeting of March 27, 2007.

COUNCIL PRESIDENT PRO TEM YOUNG’S RECOMMENDATION:

Adopt the following resolution:

(R-2007-962) ADOPTED AS RESOLUTION R-302541

Excusing Council President Pro Tem Tony Young from attending the regularly scheduled City Council and Closed Session meetings of March 27, 2007, due to the fact that he was out testifying in Sacramento on behalf of the City before the California Assembly’s Public Safety Commission regarding gang prevention and intervention.

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

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:15 a.m. – 10:16 a.m.)

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



[ITEM-201:](#) Informational Update from the City's Actuary.

MAYOR SANDERS' RECOMMENDATION:

Informational update from the City's Actuary, Joe Esuchenko.

PRESENTED

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:16 p.m. – 2:41 p.m.)

ITEM-202: Informational Update from SDCERS' Actuary.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Informational update from SDCERS' Actuary, Gene Kalwarski.

PRESENTED

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:00 a.m. – 11:04 a.m.)

ITEM-203: Impasse Procedure.

IMPOSE MAYOR'S RECOMMENDATION REGARDING DEPUTY CITY
ATTORNEY'S ASSOCIATION (DCAA) IMPASSE

MAYOR SANDERS' RECOMMENDATION:

Scheduling an impasse procedure, if necessary, for Management and Labor Organizations currently involved in contract negotiations.

SUPPORTING INFORMATION:

The current Memoranda of Understanding and Council Policy 300-6 provide that the City's Labor Organizations have a right to a Council hearing on any issues at impasse at the conclusion of contract negotiations. The purpose of the impasse meeting shall be to identify and specify in writing the issue or issues that remain in dispute according to Council Policy 300-6.

Gattas/Froman

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:41 p.m. – 4:09 p.m.)

Motion by Atkins to reject Mayor’s recommendation as it relates to Local 145. Second by Peters. Failed. Yeas-3,4,8. Nays-1,6. Not present-257.

MOTION BY YOUNG TO IMPOSE MAYOR’S FINAL OFFER REGARDING DEPUTY CITY ATTORNEY’S ASSOCIATION (DCAA) IMPASSE. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein- not present, Frye-yea, Madaffer- not present, Hueso-yea.

MOTION BY HUESO TO CONTINUE SCHEDULING AN IMPASSE PROCEDURE FOR MANAGEMENT AND LABOR ORGANIZATIONS FOR LOCAL 145 TO TUESDAY, APRIL 24, 2007, FOR FURTHER REVIEW. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein- not present, Frye-yea, Madaffer- not present, Hueso-yea.

ITEM-204: Introduction of Salary Ordinance for FY 2007-2008 and Resolutions Relating to FY 2008 Salary Ordinance.

PERSONNEL DIRECTOR’S RECOMMENDATION:

Introduce the ordinance in Subitem A and adopt the resolutions in Subitems B, C, and D:

Subitem A: (O-2007-124) CONTINUED TO TUESDAY, APRIL 24, 2007

Introduction of an Ordinance Establishing a Schedule of Compensation for Officers and Employees of the City of San Diego for the Fiscal Year 2007-2008.

Subitem B: (R-2007-968) CONTINUED TO TUESDAY, APRIL 24, 2007

Establishing overtime eligibility of classifications in the Classified Services.

Subitem C: (R-2007-969) CONTINUED TO TUESDAY, APRIL 24, 2007

Amending employee representation units to add new classifications and remove deleted classifications from existing appropriate units as established in the Fiscal Year 2007-2008 Salary Ordinance.

Subitem D: (R-2007-970) CONTINUED TO TUESDAY, APRIL 24, 2007

Authorizing classifications eligible for the Management Benefits Plan.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 4:40 p.m. – 4:46 p.m.)

MOTION BY ATKINS TO CONTINUE TO TUESDAY, APRIL 24, 2007, FOR FURTHER REVIEW. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein- not present, Frye-yea, Madaffer- not present, Hueso-yea.

ITEM-330: Increase to the Fiscal Year 2007 Water Department Capital Improvement Program Budget.

(See Report to the City Council No. 06-194 and Executive Summary Sheet dated February 14, 2007.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2007-117) CONTINUED TO TUESDAY, APRIL 24, 2007

Introduction of an Ordinance amending the Fiscal Year 2007 Capital Improvements Program Budget for the Water Department by increasing the budget amount by an amount not to exceed \$17,000,000;

Authorizing the City Auditor and Comptroller to appropriate \$17,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500; of which \$12,000,000 is for CIP-73-083.0, Annual Allocation - Water Main Replacements; and \$5,000,000 in CIP-75-926.0, Water CIP Reserve;

Authorizing the appropriation and expenditure of an amount not to exceed \$12,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500, contingent upon the approval and award of one or more contracts to perform such work, solely and exclusively, for the purpose of accelerating the program for bid and award of projects to meet the State Department of Health services mandate for replacement of cast iron water mains;

Authorizing the appropriation of an amount not to exceed \$5,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500, solely and exclusively, for the purpose of replenishing CIP-75-926.0, the Water CIP Reserve;

Declaring that this activity is not a project subject to the California Environmental Quality Act (CEQA), because it is a government fiscal activity which is excluded from the definition of a project pursuant to State CEQA Guidelines Section 15378(b)(4), and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

NOTE: 6 votes required.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

Information only. No action taken.

SUPPORTING INFORMATION:

The Fiscal Year 2007 Annual Allocation - Water Main Replacement budget appropriated \$8,000,000 for water main replacement projects. With the approval of the interim financing of the Subordinated Water Revenue Notes, Series 2007A on January 30, 2007, and the approval of the water revenue increases, the Water Department is requesting an increase to appropriation in the Water Main Replacement Annual Allocation by an additional \$12,000,000 to allow

Engineering & Capital Projects Department to ramp up the program for bid and award of several projects to meet the Department of Health Services mandate of at least ten (10) miles of cast iron water main replacement per fiscal year. This increase in appropriations provides the funding that is essential to ensure the water main replacement begins at the earliest possible date.

On November 28, 2006, R-302124 authorized the transfer of \$5,000,000 from CIP-75-926.0, Water CIP Reserve to CIP-73-328.0 Rancho Bernardo Reservoir Rehabilitation. This action is needed to replenish CIP 75-926.0, Water CIP Reserve appropriations to its previous balance.

FISCAL CONSIDERATIONS:

With the approval of the interim financing of the Subordinated Water Revenue Notes, Series 2007A on January 30, 2007, authorized CIP project costs from Periods 11-13, FY 2006 and from Periods 1-6, FY 2007 totaling \$22,413,617 were reimbursed and are currently in the Water Fund 41500 and available for appropriation from the Un-appropriated Fund Balance.

PREVIOUS COUNCIL/COMMITTEE ACTION:

On January 16, 2007, a presentation proposing the Water System Financing (Report to the City Council No. 06-194) was delivered to the City Council. As requested by Staff, the City Council authorized the issuance of Non-Transferable Subordinated Water Revenue Notes, Series 2007A (Payable Solely From Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) in the principal amount not to exceed \$57 million including reimbursement for eligible CIP expenses for past projects.

An Informational Report from the Mayor's Office regarding the Fiscal Year 2007 Cast Iron Water Main Replacement Projects was presented to the Natural Resources & Culture Committee on February 21, 2007. Though a presentation and report was made to the Natural Resources & Culture Committee, no action was requested by Staff.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach to affected areas will occur with the advertising and award of each of the specific Cast Iron Water Main Replacement Projects.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The key stakeholders are the City of San Diego, Water Department customers, and the Department of Health Services. Failure to appropriate the funds for the Cast Iron main replacement projects could seriously hinder the City's efforts to meet the Department of Health Services mandate of ten (10) miles of Cast Iron Water Main Projects awarded before June 30, 2007.

Barrett/Haas

Aud. Cert. 2700622.

Staff: Rod Greek - (619) 533-5407
Raymond C. Palmucci - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:59 a.m. - 10:59 a.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, APRIL 24, 2007, TO ALLOW FULL COUNCIL TO BE PRESENT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-not present, Hueso-yea



ITEM-331: Two actions related to Lease Purchase Agreement with IBM Credit LLC and Status Update on Vendor Selection.

(See Report to the City Council No. 07-060. Citywide.)

STAFF'S RECOMMENDATION:

Introduce the ordinance in Subitem A and adopt the resolution in Subitem B:

Subitem-A: (O-2007-125) CONTINUED TO TUESDAY, APRIL 24, 2007

Introduction of an Ordinance authorizing a Master Lease Agreement for the purpose of financing the acquisition of the Enterprise Resource Planning System in a principal amount not to exceed \$29.5 million and taking other actions in connection therewith.

NOTE: 6 votes required.

Subitem-B: (R-2007-972) CONTINUED TO TUESDAY, APRIL 24, 2007

Stating that this Declaration of Intent is made solely for the purpose of establishing compliance with Section 1.150-2 of the Treasury Regulations, and in accordance therewith the City declares its intention to incur Debt in a principal amount not to exceed \$29,500,000, the proceeds of which will be used to pay for

the costs of the Project, including the reimbursement to the City for certain capital expenditures relating to the Project made prior to the Debt financing, provided however that this Declaration of Intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the purchase of the Project;

Stating that this Declaration of Intent shall take effect from and after the date of its adoption.

NOTE: The Chief Information Officer will give a status update on the vendor selection and highlight significant upcoming milestones with respect to the selection of enterprise resource planning (ERP) technology and the selection of a systems integrator.

STAFF SUPPORTING INFORMATION:

In conjunction with the Audit Committee's recommendation (Kroll Report) to replace the legacy software systems currently in use by the City's Departments of Finance and Business & Support Services, the City has initiated the implementation of the Enterprise Resource Planning (ERP) System. The City plans to obtain the system through San Diego Data Processing Corporation (SDDPC), which will act as the purchaser on behalf of the City. The initial phase, software acquisition by SDDPC, is scheduled to occur by April 2007, while the implementation phase of these systems is expected to begin in the summer of 2007 and take 18 - 24 months to complete. The total cost of the ERP system is estimated at \$36.5 million, of which approximately \$7 million is expected to be cash funded, with the remaining to be financed under the proposed lease purchase agreement with IBM Credit LLC. The master lease agreement between the City and IBM will be for a not-to-exceed amount of \$29.5 million. The lease purchase agreement will be for a 7-year term with the interest rate fixed when the ERP system vendors are paid or the City places the reimbursement requests with the Lessor (IBM). The interest rate will be set at 100% of the 7-Year Treasury Note rate. As of March 16, 2007, the 7-year US Treasury Note rate is 4.47%.

In the event that the City needs to advance the project related expenses, the City must adopt a reimbursement resolution in accordance with Section 1.150-2 of Treasury Regulations ("Regulations"). By adopting a reimbursement resolution, City will satisfy the Official Intent Requirement under the Regulations and be able to reimburse project related expenses using funds available from the lease-purchase agreement with IBM.

FISCAL CONSIDERATIONS:

The portions of the labor costs and non-personnel expenses (NPE) related to the ERP system implementation that are determined to be non-capitalizable, totaling \$7 million, will be cash funded, in equal parts by SDDPC and the City in order to minimize the borrowing costs. The remaining \$29.5 million, financed over a 7-year, is estimated to result in lease payments totaling

\$34.8 million through FY 2016. The estimated \$3.5 million cash contribution from the City is proposed via a transfer of funds from the City's A-List Fund (50066) to the ERP Fund (50071). The estimated \$3.5 million cash contribution from SDDPC is expected to be used to fund SDDPC labor and NPE costs.

<u>Total Estimated Fiscal Impact: FY 2007 - FY 2016</u>			
	Project Cost	\$36,500,000	
Cash	Funded		\$7,000,000
	Financed	\$29,500,000	
	Interest Expense (on financed amount)		\$5,313,200
	Sales Tax		\$77,500
	TOTAL (est.)	\$41,890,700	

Projected Impact on General Fund (54%): \$18.8 million
 Projected Impact on Non-General Fund (46%): \$16.1 million

PREVIOUS COUNCIL/COMMITTEE ACTIONS:

On February 5, 2007, Council voted to accept the Mayor's staff's recommendation to proceed with the concept of implementing an ERP system, with the understanding that any agreement to finance such a system will be brought back to the City Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The projected \$29.5 million contract for the financing of the ERP system will be with IBM Credit LLC. The vendor(s) that will supply the ERP software and system integration will be identified when the due diligence of submitted proposals to the RFPs for respective components is completed by the Mayor's staff.

Goldstone/Reynolds

Staff: Jyothi Pantulu - (619) 236-6917
 Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:12 p.m. – 2:12 p.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, APRIL 24, 2007, TO ALLOW FULL COUNCIL TO BE PRESENT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-not present, Hueso-yea.

ITEM-332: Statewide Community Infrastructure Program (SCIP).

Proposed participation by the City of San Diego in the Statewide Communities Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance development impact fees for public capital improvements imposed on new development. Said Development impact fees will be used by the City to pay for public capital improvements which will be located in the City, and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize new or additional development impact fees on any property owner.

(See Report to the City Council No. 07-046. Citywide.)

(Continued from the meeting of March 20, 2007, Item 353, at the request of the City Attorney, for further review.)

NOTE: Hearing open. No testimony taken on 3/20/2007.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-738) CONTINUED TO TUESDAY, MAY 1, 2007

Adoption of a Resolution joining the Statewide Community Infrastructure Program and authorizing the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the San Diego and authorizing related actions.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

Should the Council: 1) authorize the City of San Diego to join the Statewide Community Infrastructure Program; 2) authorize the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the City of San Diego; and 3) authorize related actions.

STAFF RECOMMENDATION:

1) Authorize the City of San Diego to join the Statewide Community Infrastructure Program; 2) Authorize the California Statewide Communities Development Authority to accept applications from property owners, conduct special assessment proceedings and levy assessments within the City of San Diego; and 3) authorize related actions.

EXECUTIVE SUMMARY:

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 325 cities and 58 counties throughout California, including the City of San Diego.

The Statewide Community Infrastructure Program (SCIP) was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development impact fees (Facilities Benefit Assessment or Development Impact Fee) that would be payable by property owners upon receiving development entitlements or building permits. If a property owner chooses to participate, the development impact fees owed to the City will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner's property to repay the portion of the bonds issued to finance the fees paid with respect to the property. The property owner will either pay the impact fees at the time of permit issuance, and will be reimbursed from the SCIP bonds proceeds when the SCIP bonds are issued or the fees will be prepaid to the City of San Diego from the proceeds of the SCIP bonds. In this way, the City is never at risk for the receipt of the impact fees.

The recommended resolution authorizes CSCDA to accept applications from owners of property within the jurisdiction of the City of San Diego to apply for tax exempt financing of development impact fees through SCIP. It also authorizes CSCDA to form an assessment district covering the jurisdiction of the City of San Diego, conduct assessment proceedings and levy assessments against the property of participating owners. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

Attached to the Resolution as "Attachment" is a "Form of CSCDA Resolution of Intention." This is for informational purposes and does not require action by the City Council.

FISCAL CONSIDERATION:

There is no fiscal impact as a result of membership in the Statewide Community Infrastructure Program (SCIP).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

City Planning and Community Investment staff presented the SCIP Program to the Building Industry Association of San Diego County's City/County Legislation Committee on February 16, 2007.

KEY STAKEHOLDERS and PROJECTED IMPACTS (if applicable):

It is anticipated that land developers and other property owners will be interested in participation in the SCIP Program.

Waring/Anderson/PB

NOTE: This activity is not a "project" and is therefore not subject to CEQA pursuant to State-CEQA Guidelines Section 15060(c)(3).

Staff: Pam Bernasconi – (619) 533-3677
David E. Miller – Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:12 p.m. – 2:13 p.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, MAY 1, 2007, FOR FURTHER REVIEW. Second by Young. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-not present, Hueso-yea.



[ITEM-333](#): Three actions related to the Scripps Miramar Ranch Public Facilities Financing Plan, Fiscal Year 2007.

(See Report to the City Council No. 07-038, Rev. Scripps Miramar Ranch Public Facilities Financing Plan, Fiscal Year 2007 Draft. Scripps Miramar Ranch Community Area. District 5.)

(First Public Hearing was held on February 27, 2007, Item 336.)

TODAY'S ACTIONS ARE:

Adopt the following resolutions:

Subitem-A: (R-2007-790) ADOPTED AS RESOLUTION R-302542

Designating an Area of Benefit in Scripps Miramar Ranch and the boundaries thereof, confirming the description of Public Facilities projects, the Community Financing Plan and Capital Improvement Program with respect to Public Facilities Projects, the method for apportioning the costs of the Public Facilities Projects among the parcels within the Area of Benefit and the amount of the Facilities Benefit Assessments charged to each such parcel, the basis and methodology for assessing and levying discretionary automatic annual increases in Facilities Benefit Assessments, and proceedings thereto, and ordering of proposed Public Facilities Project in the matter of Scripps Miramar Ranch Facilities Benefit Assessment Area.

Subitem-B: (R-2007-791) ADOPTED AS RESOLUTION R-302543

Approving the Development Impact Fee Schedule for properties within Scripps Miramar Ranch.

Subitem-C: (R-2007-797) ADOPTED AS RESOLUTION R-302544

Authorizing the City Auditor and Comptroller to modify the individual CIP Program Project Budgets to conform with the adopted Scripps Miramar Ranch Public Facilities Financing Plan and Facilities Benefit Assessments.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 01/17/2007, LU&H voted 4-0 to approve the Staff's recommendation. (Councilmembers Atkins, Young, Madaffer, and Hueso voted yea.)

SUPPORTING INFORMATION:

REQUESTED ACTION:

Council authorization to approve the Scripps Miramar Ranch Public Facilities Financing Plan, Fiscal Year 2007; adopt a Resolution of Intention to designate an area of benefit; adopt a Resolution of Designation; approve the setting of Development Impact Fees (DIF) consistent with the Facilities Benefit Assessments (FBA) in Scripps Miramar Ranch; and authorize the City Auditor and Comptroller, upon the direction of the Financial Management Director, to modify individual Capital Improvement Program project budgets in accordance with the Council approved update to the Financing Plan.

STAFF RECOMMENDATION:

Approve the Scripps Miramar Ranch Public Facilities Financing Plan - Fiscal Year 2007; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for Scripps Miramar Ranch.

EXECUTIVE SUMMARY:

The Public Facilities Financing Plan details the public facilities that will be needed for the ultimate development of the Scripps Miramar Ranch community, which is presently estimated to occur in the year 2011. This plan revises and updates the Fiscal Year 2005 Financing Plan (R-299740 dated October 11, 2004). The objective of the FBA program is to insure that sufficient funds will be available to construct those needed facilities. The FBA will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for Scripps Miramar Ranch.

A significant change in the financing strategy for Scripps Miramar Ranch is taking place with this update. Historically, the Scripps Miramar Ranch FBA had funded transportation, fire and library projects, while park projects were funded by the Scripps Ranch Special Park Fee (SPF). The authority to collect a separate SPF is no longer in the Municipal Code. Therefore, all new park projects, and cost increases to existing park projects, are now included in the FBA, as applicable. Any new residential project will now pay an all inclusive FBA, instead of an FBA and a separate SPF. There are significant increases in park project cost estimates since the last Financing Plan update. Currently, no basis has been developed for charging non-residential development for park and library projects. Therefore, these park increases will be spread across the remaining residential development only. Due to the limited amount of remaining residential

development in Scripps Miramar Ranch, the resulting FBA rates for residential units have increased significantly.

The proposed assessments for Fiscal Year 2007 are as follows:

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT PER UNIT/ACRE IN FY 2007 DOLLARS
SINGLE FAMILY	\$ 4,912	\$ 26,125
MULTI-FAMILY	\$ 3,438	\$ 18,288
COMMERCIAL ACRE	\$96,956	\$102,253
INDUSTRIAL ACRE	\$58,448	\$ 61,642
INSTITUTIONAL ACRE	\$33,448	\$ 35,276

FISCAL CONSIDERATION:

Adoption of this revised Public Facilities Financing Plan will continue to provide a funding source for the public facilities identified in the Scripps Miramar Ranch Financing Plan.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

The Public Facilities Financing Plan was unanimously approved at the Land Use & Housing Committee meeting on January 17, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Scripps Ranch Planning Group unanimously approved the Public Facilities Financing Plan on January 4, 2007, by a vote of 17-0.

KEY STAKEHOLDERS AND PROJECTED IMPACTS :

All property owners with remaining new development are listed on the Scripps Miramar Ranch Public Facilities Financing Plan - Fiscal Year 2007 Assessment Roll, Page 90, and will have received notice and a copy of this document in the mail. These property owners will have liens placed on their property and will be required to pay Facilities Benefit Assessments upon any building permit issuance when developing their property. Any redevelopment which increases the intensity of existing uses may be subject to an impact fee per Attachment 2.

Waring/Anderson/FVJ/AA

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:48 p.m. – 4:48 p.m.)

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



[ITEM-334](#): Preliminary Items for Multifamily Revenue Bonds for Villa Nueva Apartments.

(See Housing Commission Report HAR-07-006. San Ysidro Community Area. District 8.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-960) ADOPTED AS RESOLUTION R-302545

Approving the issuance of bonds by the Housing Authority of the City of San Diego for the purpose of financing the Villa Nueva Apartments, pursuant to Section 147(f) of the Internal Revenue Code of 1986;

Declaring that 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:

Villa Nueva is an existing 390-unit affordable housing development located at 3604 Beyer Boulevard in San Ysidro. The project was built in 1970 and consists of 32 buildings on 14 acres. Villa Nueva contains 90 two-bedroom units, 264 three-bedroom units, 36 four-bedroom units, and 406 on-site parking spaces.

Villa Nueva has been owned and operated for over 35 years by Villa Nueva Inc., a non-profit organization established by the Order of St. Augustine of the Catholic Church. The project has a project-based Section 8 contract that expires as of June 30, 2007, but is subject to annual renewal with the Department of Housing and Urban Development ("HUD"). In addition, the project has a HUD-insured mortgage that matures in October 2010.

Under the proposed financing, Villa Nueva would restrict 10% of its units at 50% Area Median Income (AMI) (\$34,500 for a family off four), with the remaining 90% restricted at 60% (AMI)

(\$41,400 for a family of four). In addition to the set-asides noted above, as part of the proposed transaction, a 20-year HAP contract will be obtained from HUD, assuring that the property remains affordable to the lowest income residents. Three units will be reserved for on-site managers and will not be occupancy restricted. The \$45 million allocation that will be sought from CDLAC is approximately 20% higher than the amount for which the project is currently being underwritten (\$35.6 million). The developer has requested this cushion to account for possible increases in the bond amount due to increases in construction costs or decreases in the assumed interest rate. The bond amount that is ultimately issued will be based upon project costs, revenues, and interest rates at the time of bond issuance.

The total development cost of the project is estimated to be approximately \$71 million. Preliminary sources of funding include housing revenue bonds (\$35.6 million), federal tax credits (\$21.3 million), income during rehabilitation (\$4,000,000), a deferred developer fee (\$500,000), and a proposed Housing Commission loan (\$9,600,000) which is currently being analyzed by staff and would require future approval by the Housing Authority.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On February 20, 2007, an informational item was presented to the San Ysidro Planning and Development Group on the proposed acquisition and rehabilitation of the project. In addition, the development team is working with residents to minimize the impacts of the proposed project.

ENVIRONMENTAL REVIEW:

This project is categorically excluded from the requirements of the National Environmental Policy Act (NEPA) pursuant to the applicable provisions of NEPA 24CFR Part 58, Section 58.35(a)(3)(ii). The project is also categorically exempt from the provisions of the California Environment Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Very low and low income families who currently reside at Villa Nueva are stakeholders. Steadfast and Casa will acquire and rehabilitate the project. The seller of the property is Villa Nueva Inc., a non-profit organization established by the Order of St. Augustine of the Catholic Church. The tax credit investor and mortgage lender(s) have not yet been selected. The Housing Commission has selected Public Financial Management and Quint and Thimmig, LLP to assist in preparing the proposed financing.

Fisher/Morris

NOTE: See the Housing Authority Agenda of April 17, 2007 for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:48 p.m. – 4:56 p.m.)

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

ITEM-S500: Amendments to the San Diego Municipal Code Eliminating the Surplus Undistributed Earnings (“Waterfall”) as Codified in San Diego Municipal Code Section 24.1502 and as Referred to in Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the City Employees’ Retirement System.

(See Report from the City Attorney dated 2/2/2007; memorandum from Mayor Sanders and Council President Peters dated April 5, 2007; and Independent Budget Analyst Report No. 07-05.)

(Continued from the meeting of April 10, 2007, Item 332, at the request of Councilmember Maienschein, for further review.)

CITY COUNCIL’S RECOMMENDATION:

Adopt the following ordinance which was introduced on 3/5/2007, Item 203. (Council voted 8-0):

(O-2007-93) CONTINUED TO TUESDAY, MAY 1, 2007

Amending Chapter 2, Article 4, Division 15, of the San Diego Municipal Code, by repealing Section 24.1502, and amending Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the “Waterfall”.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:48 p.m. – 4:48 p.m.)

MOTION BY HUESO TO CONTINUE TO TUESDAY, MAY 1, 2007, FOR FURTHER REVIEW. Second by Young. Passed by the following vote: Peters-yea, Faulconer-not present, Atkins-yea, Young-yea, Maienschein- not present, Frye-yea, Madaffer- not present, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

To view the list of all available City Council Closed Session Meetings Reports refer to the link below:

<http://www.sandiego.gov/city-clerk/closedsess.shtml>

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 4:48 p.m. – 4:48 p.m.)

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 5:01 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 5:01 p.m. – 5:01 p.m.)

Elizabeth S. Maland, City Clerk
City of San Diego