

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, MAY 8, 2007
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING.....	3
ATTENDANCE DURING THE MEETING	3
ITEM-300: ROLL CALL.....	4
NON-AGENDA COMMENT	4
COUNCIL COMMENT	7
INDEPENDENT BUDGET ANALYST COMMENT	7
CITY ATTORNEY COMMENT	7
* ITEM-50: Amendment No. 3 to the Agreement with Tetra Tech for Sewer Pump Station 18 Phase II.....	8
* ITEM-51: Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for Mary Lanyon Fay Elementary School	9
ITEM-52: Salary Ordinance for FY 2007-2008.....	10
* ITEM-60: Two actions related to Second Amendment to Agreement with the San Diego Community College District (SDCCD) for the Mira Mesa Recreational Complex	10
* ITEM-100: Two actions related to Inviting Bids for Bird Rock Sewer Improvement Project	14
* ITEM-101: Brown Field Perimeter Security Fencing – Phase 1	17
ITEM-102: Second Amendment to Agreement with Weston Solutions for As-Needed Professional Services for Water Quality Monitoring and Stormwater Management in an Amount Not To Exceed \$8,205,000 Over Three Years.....	19
ITEM-103: Watershed Water Quality Improvements Phase I.....	23
* ITEM-104: Shoal Creek Pedestrian Bridge Over Ted Williams Parkway Project	25

* ITEM-105: Contribution to Fund San Diego Fire-Rescue Department Pumper Acquisition by Lease	28
* ITEM-106: Prospect Street and Prospect Street-La Jolla Blvd Street Light Circuits Upgrades	31
* ITEM-107: Settlement of Property Damage Claim of Bruno Etchepare	33
* ITEM-108: Excusing Councilmember Faulconer from the City Council and Closed Session Meetings of April 16 and 17, 2007	35
* ITEM-109: Excusing Councilmember Faulconer from the Natural Resources and Culture Committee Meeting of April 18, 2007	35
* ITEM-110: Excusing Councilmember Faulconer from the Budget Committee Meeting of April 18, 2007	36
* ITEM-111: Declaring a Continued State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico	37
* ITEM-112: Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City	37
ITEM-330: FY 2008 Funding Allocations for Community Development Block Grant Program	38
ITEM-331: Fiscal Year 2008 City of San Diego Annual Action Plan	41
ITEM-332: Fiscal Year 2008 Social Services Program	44
ITEM-S500: Tourism Marketing District Procedural Ordinance	47
REPORT OUT OF CLOSED SESSION	50
NON-DOCKET ITEMS	50
ADJOURNMENT	51

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 10:03 a.m. Council President Peters recessed the meeting at 11:19 a.m. for the purpose of a break. Council President Peters reconvened the meeting at 11:24 a.m. with all Council Members present. The meeting was recessed by Council President Peters at 11:54 a.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:01 p.m. with Council Member Hueso not present. Council President Peters recessed the meeting at 3:18 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:26 p.m. with Council Member Hueso not present. The meeting was adjourned by Council President Peters at 5:15 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-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

Clerk-Maland (mz/sr)

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:

Don Stillwell commented on prayer and the flag salute.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:07 a.m. - 10:09 a.m.)

PUBLIC COMMENT-2:

Joy Sunyata commented on government operations.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:09 a.m. - 10:12 a.m.)

PUBLIC COMMENT-3:

Hud Collins commented on the pension and financial crisis and on invocations in Council.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:12 a.m. - 10:15 a.m.)

PUBLIC COMMENT-4:

Linda Smith commented on Americans with Disabilities Act issues.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:15 a.m. - 10:17 a.m.)

PUBLIC COMMENT-5:

Nick Moffit commented on a San Diego Union Tribune article, Development Services Department policies and the Planning Commission meetings.

FILE LOCATION: AGENDA

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

PUBLIC COMMENT-6: Referred to the City Attorney

Michael Nitelshpur commented on disabled and senior citizen issues.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:20 a.m. - 10:24 a.m.)

PUBLIC COMMENT-7:

Phil Hart commented on the use of consultants and contract management within the City.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:24 a.m. - 10:27 a.m.)

PUBLIC COMMENT-8: Referred to Council Member Frye

Homer Barrs commented on rent stabilization and the first right-of-refusal for trailer park occupants.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:27 a.m. - 10:30 a.m.)

PUBLIC COMMENT-9: Referred to the City Attorney

Paola Tresco commented on apartment building issues.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:30 a.m. - 10:34 a.m.)

PUBLIC COMMENT-10:

Katheryn Rhodes commented on the Sunroad Building.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:34 a.m. - 10:36 a.m.)

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council President Peters invited the public to attend the La Jolla Historical Society's "Secret Garden Tour" on Saturday, May 19, 2007.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:03 a.m. - 10:04 a.m.)

COUNCIL COMMENT-2:

Council President Pro Tem Young welcomed participants involved in the "Community Solutions Regional Conference" who are working on initiatives to deal with gang violence, Thursday, May 10th at the San Diego Convention Center.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:04 a.m. - 10:05 a.m.)

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.

- * ITEM-50: 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.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/24/2007, Item S503. (Council voted 8-0):

(O-2007-110) ADOPTED AS ORDINANCE O-19615 (New Series)

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.

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-yea.

- * ITEM-51: 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.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/24/2007, Item S502, (Council voted 8-0):

(O-2007-119) ADOPTED AS ORDINANCE O-19616 (New Series)

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 turfed 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.

FILE LOCATION: LEAS Mary Lanyon Fay Elementary School

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

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. 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-52: Salary Ordinance for FY 2007-2008.

(See memorandum from the City Attorney dated 4/16/2007; memorandums from Rich Snapper dated 3/13/2007, 1/12/2007, 11/7/2006, and 9/7/2006; and letter from Alfred C. Strohlein dated 4/22/2007.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/24/2007, Item S501, Subitem A. (Council voted 6-2. Councilmembers Atkins and Frye voted nay):

(O-2007-124 Cor. Copy) ADOPTED AS ORDINANCE O-19617 (New Series)

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:18 a.m. – 11:18 a.m.)

MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-nay, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-yea.

* ITEM-60: Two actions related to Second Amendment to Agreement with the San Diego Community College District (SDCCD) for the Mira Mesa Recreational Complex.

(Mira Mesa Community Area. District 5.)

STAFF'S RECOMMENDATION:

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

Subitem-A: (O-2007-71) INTRODUCED; TO BE ADOPTED ON
TUESDAY, MAY 22, 2007

Introduction of an Ordinance authorizing the Mayor, or his representative, to execute, for and on behalf of the City of San Diego, the Second Amendment to Agreement between the City of San Diego and the San Diego Community College District (SDCCD) to reimburse the SDCCD for the construction of three parking areas to be constructed by the SDCCD as part of the Hourglass Field House - Parking Areas, a joint use project in the Mira Mesa Community;

Stating for the record that this is not a Project, and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

NOTE: 6 votes required.

Subitem-B: (R-2007-654 Cor. Copy) ADOPTED AS RESOLUTION R-302586

Authorizing the Fiscal Year 2007 Capital Improvements Program Budget by adding CIP-29-918.0, Hourglass Field House - Parking Areas relating to Mira Mesa Recreational Complex - Second Amendment to Agreement;

Authorizing the transfer of \$930,000 from CIP-29-756.0, Camino Ruiz Neighborhood Park, Fund No. 79006, Mira Mesa FBA, to CIP-29-918.0, Hourglass Field House - Parking Areas;

Authorizing the appropriation and reimbursement to SDCCD for the Joint Use Public Improvement Project CIP-29-918.0, Hourglass Field House – Parking Areas, per the term in the Second Amendment to Agreement.

STAFF SUPPORTING INFORMATION:

On September 25, 1989, CITY and SDCCD entered into an Agreement for the Lease, Construction, Maintenance and Operation of the Mira Mesa Recreational Complex (MMRC), the originals of which are on file in the Office of the City Clerk as Document No. 00-17347, herein referred to as Agreement. On April 30, 1990, First Amendment to Agreement was approved by Council, for the originals of which are on file in the Office of the City Clerk as Document No. 00-17464.

The original agreement and First Amendment added recreational amenities but did not consider additional parking. The popularity of the complex is exceptional and the community asked the Park and Recreation Department and SDCCD to consider joint use of the three additional parking areas. For the mutual benefit of both parties, the SDCCD and the City agree that the SDCCD will construct the three parking areas in order to accommodate public parking for users that utilize the recreational opportunities the MMRC will provide. The City agrees to reimburse the SDCCD with \$900,000 of Mira Mesa Facilities Benefit Assessment (FBA) funds, Fund 79006, by the end of December 2008, contingent on the parking areas being fully constructed and funding being available in the FBA. City and SDCCD mutually desire to amend the agreement to include the parking lot improvements as part of the MMRC.

The parking area usage is proposed as follows:

1. Parking Area #1, for City exclusive use, consisting of 81 spaces to be located adjacent to the new Field House.
2. Parking Area #2, for City exclusive use, consisting of 156 spaces to be located adjacent to the joint use entry driveway.
3. Parking Area #3, consisting of 86 spaces to be located adjacent to Black Mountain Road, for SDCCD use on Monday through Thursday, including evenings. The City will have use of the parking spaces in Parking Area #3 on Friday through Sunday. The SDCCD shall post signage as such.

FISCAL CONSIDERATIONS:

\$930,000 will be transferred in the Mira Mesa Facilities Benefit Assessment Fund from the Camino Ruiz Neighborhood Park project (CIP-29-756.0), which has been completed, to the Hourglass Field House project (CIP-29-918.0) to pay for the parking area improvements. \$900,000 will be transferred to the Community College District and \$30,000 will be used for in-house expenses to cover the site inspection, and staff coordination with the District for both the MMRC Field House and the Parking Areas project.

The City's annual maintenance costs for the two City exclusive uses and one joint use parking area are projected to be \$43,000. Since the MMRC serves as a population based recreational facility these annual expenses will be provided from the City's general fund. Per SDCCD schedule, the Field House is projected to be open to the public in FY08; therefore this funding will be requested during the FY08 budget process.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On September 25, 1989, CITY and SDDCD entered into an Agreement for the lease, construction, maintenance and operation of the Mira Mesa Recreational Complex (MMRC), Document No. 00-17347. On April 30, 1990, a First Amendment to Agreement was approved as Document No. 00-17464.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Mira Mesa Recreation Council and the San Diego Community College District recommend the approval of this action.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Stakeholders: San Diego Community College District.

Penera/Martinez

Aud. Cert. 2700435.

Staff: Jim Winter - (619) 533-3040

Shannon M. Thomas - Deputy City Attorney

FILE LOCATION: **SUBITEM A – NONE**
SUBITEM B - MEET

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

CONSENT MOTION BY HUESO TO INTRODUCE THE ORDINANCE IN SUBITEM A AND ADOPT THE RESOLUTION IN SUBITEM B. 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-100: Two actions related to Inviting Bids for Bird Rock Sewer Improvement Project.

(La Jolla Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-963) ADOPTED AS RESOLUTION R-302587

Approving the plans and specifications for the construction of Bird Rock Sewer Improvement (Project);

Authorizing the Mayor, or his designee, after advertising for bids in accordance with 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 in the City Treasury;

Authorizing the expenditure of an amount not to exceed \$2,282,070, available in the amount of \$2,121,472 from Sewer Fund 41506, CIP-44-001.0, Annual Allocation-Sewer Main Replacement, \$134,000 from CIP-46-194.2, La Jolla Pacific Beach Trunk Sewer, and \$26,598 from Water Fund 41500, CIP-70-953.0, Torrey Pines/La Jolla Blvd. Water Main Replacement (La Jolla Blvd./Pacific Beach Water Main Accelerated-AC Overlay) solely and exclusively, to provide funds for the Project 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 Treasury;

Declaring in accordance with Treasury Section 1.150-2 the City Council hereby conveys its intent that the Sewer funding may be bond reimbursed up to 80% by future short term or long term debt financing anticipated in May 2007, or April 2008;

Authorizing the City Auditor and Comptroller to transfer excess budgeted funds, if any, to the appropriate reserves.

Subitem-B: (R-2007-1017) ADOPTED AS RESOLUTION R-302588

Declaring that Project Number 6055 Addendum to Revised Mitigated Negative Declaration, No. 63654 for Sewer Group 714, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), and the State Guidelines thereto (California Code of Regulations Section 15000 et seq.). Revised Mitigated Negative Declaration No. 63654 is on file in the Office of the City Clerk;

Declaring the Addendum to the Mitigated Negative Declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in the report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of the Project;

Finding that revisions to the Project now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, approving that said Project No. 6055 Addendum to Mitigated Negative Declaration No. 63654 incorporated herein by this reference;

Adopting Project Number 6055 Addendum to Mitigated Negative Declaration No. 63654;

Adopting the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the Project as required by this body in order to mitigate or avoid significant effects on the environment, a copy of which is attached hereto as Executive Summary Sheet and incorporated herein by this reference, pursuant to California Public Resources Code Section 21081.6;

Directing the City Clerk 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.

STAFF SUPPORTING INFORMATION:

Bird Rock Sewer Improvement project includes the replacement of approximately 1,680 feet of existing deteriorated sewer mains. The streets affected by this project are: La Jolla Blvd., Forward St., and La Jolla Mesa Dr. and Colima St. This project will be constructed as part of the Bird Rock Coastal Traffic Flow Improvement Project (CIP-52-717.0) in order to minimize the disruption to merchants along La Jolla Blvd. and the residents of the Bird Rock community. This project also includes pavement restoration work from several previous water/sewer improvements projects along La Jolla Blvd. including the La Jolla/Pacific Beach Trunk Sewer Chelsea Street Relocation and the La Jolla/Pacific Beach Water Main Replacement. Since the work of these projects overlapped with the area of the traffic improvements, this restoration work was deferred to avoid further disturbance during the construction of the Bird Rock Coastal Traffic Flow Improvement Project.

FISCAL CONSIDERATIONS:

The total estimated cost of the sewer and water portions of this project is \$2,282,070. Funding is available in an amount of \$2,121,472 from Sewer Fund 41506, CIP-44-001.0, Annual Allocation-Sewer Main Replacement, \$134,000 from CIP-46-194.2, La Jolla/Pacific Beach Trunk Sewer, and in an amount of \$26,598 in Water Fund 41500, CIP-70-953.0, Torrey Pines/La Jolla Blvd. Water Main Replacement (La Jolla/Pacific Beach Water Main Accelerated-AC Overlay) for this purpose. The Sewer funding may be bond reimbursed up to 80% by future short term or long term debt financings anticipated in May 2007 or April 2008. Of the \$26,598 for street overlay for CIP-70-953.0, La Jolla/Pacific Beach Water Main Accelerated, \$18,618.60 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A. The remaining \$7,979.40 will be cash funded. The Auditor's Certificate will be issued prior to contract award. No future funding needs are anticipated.

PREVIOUS COUNCIL COMMITTEE ACTION:

Although the associated projects have had Council actions, no actions for this sewer and water work have been previously presented to Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Information about this project has been integrated into the presentations made to the Bird Rock Traffic Task Force Committee, Bird Rock Beautification Committee, and the Bird Rock Community Council.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Project Design Consultants, Darnell & Associates, and the previously listed community groups. Residents in this area will encounter inconvenience during construction.

Boekamp/Haas

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

FILE LOCATION: W.O. 527170

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

CONSENT MOTION BY HUESO 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-101: Brown Field Perimeter Security Fencing – Phase 1.

(Otay Mesa Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1024) ADOPTED AS RESOLUTION R-302589

Authorizing the Mayor, or his designee, to apply FAA Airport Development Grant funds in the amount of Twenty-Five Thousand Six Hundred Fifty Dollars (\$25,650) to fund a change order for the Brown Field Perimeter Fence Project;

Authorizing the City Auditor and Comptroller to transfer Twenty-Four Thousand Three Hundred Fifty Dollars (\$24,350) from the Montgomery Airport Annual Allocation Fund 31-001.0 to CIP-31-176.0;

Authorizing the Mayor, or his designee, to appropriate and expend funds from CIP-31-176.0 for the Brown Field Perimeter Fence Project in a sum not to exceed Fifty Thousand Dollars (\$50,000);

Amending the Fiscal Year 2007 Capital Improvements Program, Brown Field Perimeter Fencing, to increase CIP-31-176.0, by Twenty-Five Thousand Six Hundred Fifty Dollars (\$25,650);

Authorizing the Mayor, or his designee, to execute a contract change order (Change Order) to that certain agreement entitled the Brown Field Perimeter Security Fencing-Phase 1, which was awarded on December 13, 2006, and is by and between the City and Morans Construction Inc. The change order is for the construction of an approximately 1,000 linear feet of perimeter security fencing for the Brown Field Perimeter Fence Project for an amount not to exceed \$38,314, and otherwise on terms and conditions deemed by the Mayor, or his designee, to be reasonable and in the best interests of the City;

Authorizing the City Auditor and Comptroller to disburse funds from CIP-31-176.0 to pay costs associated with the Change Order in an amount not to exceed Fifty Thousand Dollars (\$50,000).

STAFF SUPPORTING INFORMATION:

The purpose of this action is to request the authorization for the Mayor, or his representatives, to accept additional Federal grant funds to award Additive Alternate 1. This Additive Alternate will allow the contractor to secure the entire North side of Brown Field and enhance safety as required by the FAA Runway Safety Action Team (RSAT).

FISCAL CONSIDERATIONS:

The new total estimated cost of Phase I for the Brown Field Perimeter Fencing project, plus Additive Alternate No. 1 is \$230,000.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

Resolution No. R-302175, dated December 15, 2006, authorized the Mayor to accept FAA Airport Development Grant.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

During the design stages, this project was presented to the Airport Advisory Committee (AAC), who is in favor of this capital improvement. The users of Brown Field Airport will be briefed at upcoming AAC meetings, by the Deputy Director of the Airports Division.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Key Stakeholders:

1. Morans Construction (Contractor - Low Bidder)
2. American Fencing (Materials Supplier)
3. Brown Field Airport users and businesses
4. FAA Tower and RSAT

Projected Impacts: No impacts expected.

Tussey/Waring

Aud. Cert. 2700631.

Staff: Mike Tussey - (858) 573-1441
John H. Serrano - Deputy City Attorney

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO 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-102: Second Amendment to Agreement with Weston Solutions for As-Needed Professional Services for Water Quality Monitoring and Stormwater Management in an Amount Not To Exceed \$8,205,000 Over Three Years.

(See Independent Budget Analyst Report No. 07-48. Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-975 Rev.)

ADOPTED AS RESOLUTION R-302600

1. Authorizing the Mayor, or his designee, to execute all the remaining options in the Weston Solutions Agreement over the next three fiscal years, subject to paragraph 4 below;
2. Declaring the total maximum additional compensation to Weston Solutions over these three years shall be \$8,205,000; with \$3,140,000 of this total to be the maximum amount for Fiscal Year 2007; \$2,532,000 for Fiscal Year 2008; and \$2,532,000 for Fiscal Year 2009.
3. Authorizing the expenditure of a maximum amount not to exceed \$3,140,000 from the Stormwater Pollution Prevention Operating Fund, Fund No. 100, for the sole purpose of providing funds for Weston Solutions' services in Fiscal Year 2007.
4. Authorizing the expenditures of maximum amounts not to exceed \$2,532,000 for Fiscal Year 2008 and \$2,532,000 for Fiscal Year 2009 from the Stormwater Pollution Prevention Division Operating Fund, Fund No. 100, for the sole purpose of providing funds for Weston Solutions' services in Fiscal Year 2008 and Fiscal Year 2009, provided that the City Auditor and Comptroller first furnishes certificates demonstrating that the funds necessary for these expenditures are, or will be on deposit in the City Treasury.
5. Declaring the above activity is not a project and is categorically exempt from the California Environmental Quality Act as data collection, research, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource, pursuant to CEQA Guidelines Sections 15060(c)(2) and 15306.

STAFF SUPPORTING INFORMATION:

The Storm Water Pollution Prevention Division requires professional services on an as-needed basis to perform water quality monitoring, to prepare reports, Sampling and Analysis Plans, Quality Assurance Project Plans, confined space entry plans, project assessment and evaluation plans, and perform water and sediment sample collection, physical, chemical and biological analyses, and follow-up investigations. This work is needed to assist the City in complying with Municipal Storm Water Permit's monitoring and investigation requirements. The City also requires assistance with the development, monitoring and implementation of Total Maximum Daily Loads (TMDLs).

The TMDL program is a requirement of the Federal Clean Water Act that requires compliance with numeric limits for identified pollutants discharged into specific waterways. The impaired waterways are identified on the Federal Clean Water Act 303 (d) List when those waterways show that they have levels of pollutants above the approved water quality objectives. The listing of waterways requires the State Water Resources Control Board (State Board) and Regional Board to work with stakeholders to develop an implementation plan to achieve compliance with the water quality objectives within a given timeframe. Weston's assistance is needed to assist the City with providing input to the Regional Board on the development of the TMDL, reviewing technical reports, and to perform any necessary monitoring and reporting.

Weston's assistance is necessary to comply with the requirements of the State Water Resources Control Board's Ocean Plan requirements for Areas of Special Biological Significance (ASBS). The area offshore of La Jolla Shores is designated as an ASBS that requires water quality monitoring and development and implementation of best management practices to protect the marine ecosystem. Monitoring will also be a condition of the City's proposal for exception to the ASBS waste discharge prohibition. Current State proposed conditions of exception require the City to implement best management practices to eliminate the discharge of waste regardless of weather conditions within five (5) years. In October 2005, City Council was briefed on this issue and an additional \$75,000 was allocated to the Storm Water Pollution Prevention Division's budget to fund the exception application. The State Water Resources Control Board staff anticipates the conditions that will be attached to the exception will be published in July 2007.

In accordance with Council Policy 300-7, the City advertised for consultant services in the Daily Transcript, La Prensa, Integrated Marketing Systems and on the City Web Page on November 21, 2004. Three firms responded. The three firms were interviewed on January 25, 2005. Weston Solutions, Inc. was selected as the best qualified. Contract subconsultants include: RBF Consulting (civil and environmental engineering) and C. Valdo Corporation (civil and environmental engineering). The original agreement was for one (1) year with an amount not to exceed \$1,000,000. The original agreement also provide four (4) one-year options to renew for total agreement time period not to exceed five (5) years. The first one-year option to renew was approved by Resolution R-300928 for an amount not to exceed \$2,100,000. Currently, the agreement's compensation limit is not to exceed \$2,100,000 per year. The Storm Water Pollution Prevention Division is requesting to amend the agreement for the remaining agreement period and to increase the annual amount to \$3,140,000 with a total increase of \$8,205,000. Work will be authorized on a task order basis.

FISCAL CONSIDERATIONS:

The City will expend funds in the amount not to exceed \$3,140,000 annually, \$8,205,000 over a three (3) year period from the General Services Department, Storm Water Pollution Prevention Division General Fund (#100) for the purpose of performing as-needed professional activities.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Council originally authorized the agreement with Weston Solutions, Inc. on October 5, 2005, Document No. RR-300905.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Weston Solutions.

Sierra/Haas

Aud. Cert. 2700629.

Staff: Chris Zirkle - (619) 525-8644
Frederick M. Ortlieb - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:02 p.m. – 5:10 p.m.)

MOTION BY FRYE TO ADOPT THE RESOLUTION TO INCREASE THE \$2.1 MILLION AGREEMENT IN FISCAL YEAR 2007 BY \$1 MILLION AND REFER TO THE NATURAL RESOURCES & CULTURE COMMITTEE. 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-103: Watershed Water Quality Improvements Phase I.

(La Jolla, Southeastern San Diego, and Barrio Logan Community Areas.
Districts 1 and 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-882) ADOPTED AS RESOLUTION R-302590

Amending the Fiscal Year 2007 Capital Improvement Program Budget by adding
CIP-12-159.0, Watershed Water Quality Improvements;

Amending the Fiscal Year 2007 Capital Improvements Program Budget for Fund
630221 by increasing the budget amount by \$2,075,000;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed
\$2,075,000 from Fund 100, General Services, Storm Water Pollution Prevention
Division Operating Fund to Fund 630221, Contributions from 100 Fund;

Authorizing the appropriation and expenditure of an amount not to exceed
\$2,075,000 from CIP-12-159.0, Fund 630221, solely and exclusively, for the
purpose of providing funds for Watershed Water Quality Improvements - Phase 1
project.

Declaring the above expenditure is contingent on appropriate approval and award
of one or more contracts for performance of the Watershed Water Quality
Improvements - Phase 1 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;

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 not a "project" and is therefore exempt from CEQA
Guidelines Section 15060(c)(2).

STAFF SUPPORTING INFORMATION:

The City has begun preliminary planning for a series of Watershed Water Quality Projects that will assist in satisfying watershed-based water quality activity requirements in the Regional Water Quality Control Board's Municipal Storm Water National Pollutant Discharge Elimination System (NPDES) Permit. In addition, the projects will address stringent storm drain discharge water quality standards that will be required by the pending dissolved metals Total Maximum Daily Load Program for the Chollas Creek Watershed and the California Ocean Plan's Areas of Special Biological Significance requirements in the La Jolla Shores area. The Watershed Water Quality Projects will be designed to infiltrate urban and storm runoff within City parking lots, parks and right-of-way through various controls such as, landscape infiltration strips and areas, and/or porous pavement.

Phase I includes projects in the first year (Fiscal Year 2007). All areas within City owned property and/or right-of-way that would meet the Total Maximum Daily Load Program for the Chollas Creek Watershed and the California Ocean Plan's Areas of Special Biological Significance requirements in the La Jolla Shores area are under consideration. There are currently three potential locations within the City of San Diego being evaluated. Two potential sites would target the Chollas Creek Watershed, preliminarily identified at the intersection of Dalbergia Street and Thor Street, and at Memorial Park. A third potential site would target the La Jolla Shores area of the Mission Bay and La Jolla Watershed, preliminarily identified at the Kellogg Park parking lot.

FISCAL CONSIDERATIONS:

The Storm Water Pollution Prevention Division's Fiscal Year 2007 approved budget includes \$3,565,269 for watershed water quality improvement projects. Funds in the amount of \$2,075,000 for this action are available in Fund 100, General Services, Storm Water Pollution Prevention Division Operating Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Approved Fiscal Year 2007 budget for Storm Water Pollution Prevention Division.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Storm Water Pollution Prevention Division will be offering stakeholder participation and public outreach support to the Engineering and Capital Projects Department staff. City staff will involve community members and all other affected City departments in the final site selections and design of the projects.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key Stakeholders: City of San Diego; Communities of La Jolla, Southeastern San Diego, and Barrio- Logan.

Projected Impacts: The approval of this action will allow the City to begin the community and stakeholder outreach, project design, and eventually construction of improvements to address water quality standards and satisfy watershed-based activity requirements set forth in the Regional Water Quality Control Board's Municipal Storm Water National Pollutant Discharge Elimination System Permit.

Boekamp/Haas

Aud. Cert. 2700564.

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

FILE LOCATION: MEET

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

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

* ITEM-104: Shoal Creek Pedestrian Bridge Over Ted Williams Parkway Project.

(Carmel Mountain Ranch Community Area. District 5.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1033) ADOPTED AS RESOLUTION R-302591

Authorizing the Mayor, or his designee, to accept \$412,139 from the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users, California High Priority Project funds (SAFETEA-LU), for the design of Shoal Creek Pedestrian Bridge Over Ted Williams Parkway ("Project"), CIP-54-012.0, contingent upon the receipt of an FNM-76 (Version E-76) Caltrans Funding Authorization;

Authorizing the City Auditor and Comptroller to establish a special interest bearing fund for the SAFETEA-LU funds;

Authorizing the City Auditor and Comptroller to transfer TransNet funds in the amount not to exceed \$160,000 from CIP-52-765.0, Sorrento Valley Road and Interstate I-5 to CIP-54-012.0, Shoal Creek Pedestrian Bridge as matching funds to the Federal grant, for the purpose of providing funds for the Project;

Authorizing the appropriation and expenditure of an amount not to exceed \$572,139 for the purpose of the design of Shoal Creek Pedestrian Bridge Project, of which \$160,000 is from CIP-54-012.0, Shoal Creek Pedestrian Bridge, TransNet Funds, and \$412,139 is from SAFETEA-LU, solely and exclusively, for the purpose of providing funds for the Project, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditures are, or will be, on deposit with the City Treasurer;

Declaring the above expenditure is contingent on appropriate approval and award of one or more contracts for performance of the Watershed Shoal Creek Pedestrian Bridge, 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;

Amending the Fiscal Year 2007 Capital Improvements Program Budget for CIP-54-012.0 by increasing the budget amount by \$412,139;

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 not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. Construction activities related to this action will be subject to review under the provisions of CEQA.

STAFF SUPPORTING INFORMATION:

In 2003, a feasibility study was prepared to construct a pedestrian bridge at the intersection of Ted Williams Parkway and Shoal Creek Drive. As a result of the study it was concluded that this bridge fit the criteria established by The San Diego City Council Policy 800-1 B that provides the guidelines for a pedestrian bridge to be installed over a signalized intersection.

During the last federal budget cycle, the Federal Highway Administration identified specific projects for funding from the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users, California High Priority Project funds, (SAFETEA-LU). Currently, the Shoal Creek Pedestrian Bridge Project is eligible to receive \$412,139 in Federal Grant to begin the design. In addition, the Fiscal Year 2007 Budget included a TransNet allocation for a roadway portion of the Sorrento Valley Road and Interstate 5 Project in the amount of \$160,000.

However, after the budget was approved, it was determined the funding could be better utilized by Shoal Creek Pedestrian Bridge project for matching funds to the federal grant.

FISCAL CONSIDERATIONS:

This action will transfer \$160,000 of TransNet, Fund 30300, from CIP-52-765.0, Sorrento Valley Road and Interstate 5, into CIP-54-012.0, Shoal Creek Pedestrian Bridge. This action will also authorize the use of \$412,139 of SAFETEA-LU funds. The remaining matching funds in the amount of \$27,861 is programmed and would become available contingent upon Council approval of the Fiscal Year 2008 Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On June 14, 2006, the Carmel Mountain Ranch Community Council was given an informational presentation on the Shoal Creek Pedestrian Bridge Project. Based on public comments received, the project team would return with alternatives for approval.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

City of San Diego, Carmel Mountain Ranch Community Council, Caltrans, Duncan Hunter, FHWA.

Boekamp/Haas

Aud. Cert. 2700697.

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

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO 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-105: Contribution to Fund San Diego Fire-Rescue Department Pumper Acquisition by Lease.

(District 3.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1022) ADOPTED AS RESOLUTION R-302592

Authorizing the Mayor to accept the contribution of \$100,000 from an anonymous donor for the San Diego Fire-Rescue Department's Lease of Fire Apparatus;

Authorizing the City Auditor and Comptroller to deposit the contribution of \$100,000 to Fund No. 10365, and Account No. 78901;

Authorizing the City Auditor and Comptroller to appropriate and expend the monies in Fund No. 10365, Account No. 78901 for the San Diego Fire-Rescue Department's Lease of Fire Apparatus;

Authorizing the Mayor, or his designee, to amend the Contract with KME, adding an additional pumper to the scheduled manufacture and delivery of seven (7) pumpers, for a total of eight (8) with an estimated delivery date in October 2007;

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

STAFF SUPPORTING INFORMATION:

The donor has business interests in the Mid-City area in close proximity to Fire Station 17 at 4206 Chamoune Avenue, San Diego CA 92115. Over the years, the donor came to know San Diego Fire-Rescue Department's Captain Steve Salaz and his C Division crew at Fire Station 17. This relationship is the donor's motivation for generously contributing to the acquisition of an engine for Station 17.

In June 2005, Ordinance O-19398 was passed, authorizing the execution of a 7-year lease agreement, with seven one-year options to renew to lease fire apparatus for the San Diego Fire-Rescue Department. The equipment vendor, KME, was selected by the City Purchasing Department bid process. The donor has agreed to assist in the acquisition of an engine for Station 17 within this Fire-Rescue Department apparatus lease program. Therefore, the Fire-Rescue Department seeks to amend the agreement for the FY 2007/2008 manufacture/delivery of engines to include an additional engine, for a revised total of eight for that year, to include the engine for Station 17. The unit cost for a pumper in this order group is \$372,000.

Station 17 was scheduled to receive a replacement in early calendar year 2008. The current delivery due date for the second order of pumpers is late calendar year 2007. The overall program has experienced delays in manufacturing and delivery, resulting in extensions to the scheduled delivery dates and a delivery date for Station 17 close to the original schedule.

FISCAL CONSIDERATIONS:

The contribution will be deposited into Fund 10365 to supplement the General Fund allocation associated with the San Diego Fire-Rescue Department's Lease of Fire Apparatus. The \$100,000 donation will pay for the sales tax (\$28,830) in FY 2008, \$60,000 in FY 2009 for the first year lease payment. An estimated \$48,000 will be budgeted in the General Fund for FY 2010, and \$60,000 annually FY 2011-2015. This action only changes the timing of a delivery. Therefore these funds are already budgeted, there is no net fiscal impact aside from the \$100,000 revenue.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

All.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

KME Fire Apparatus

Jarman/Olen

Staff: Jeff Frazier - (858) 573-1359
Nooria Faizi - Deputy City Attorney

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO 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-106: Prospect Street and Prospect Street-La Jolla Blvd Street Light Circuits Upgrades.

(La Jolla Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1026) ADOPTED AS RESOLUTION R-302593

Authorizing and directing the City Auditor and Comptroller, in accordance with the annual appropriation ordinance, to amend the Fiscal Year 2007 Capital Improvement Program budget to increase CIP-52-293.0, Street Lights – Citywide, by the amount of \$1,600,000;

Authorizing the City Auditor and Comptroller to transfer the amount of \$1,600,000 from Fund No. 100, Street Division Operating Fund, to Fund No. 630221, Contributions from Fund No. 100, CIP-52-293.0, Street Lights – Citywide;

Authorizing the expenditure of an amount not to exceed \$1,600,000 from Fund No. 630221, CIP-52-293.0, Street Lights – Citywide, solely and exclusively, to provide funds for street light circuit upgrades on Prospect Street and on Prospect Street – La Jolla Boulevard;

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

Declaring that the above activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15302 as the replacement or reconstruction of existing structures or facilities to be located on the same site and with substantially the same purpose and capacity.

STAFF SUPPORTING INFORMATION:

This action will allow for the conversion of a street light electrical circuit for 87 existing street lights on Prospect Street - La Jolla Boulevard. The existing old "series style" street light electrical circuits are badly deteriorated and are constantly requiring repairs. When prioritizing circuits for conversion several factors were considered, safety, ongoing maintenance costs, age, size, and impact to the public. The La Jolla circuits have become the most problematic circuits in the City with the highest demands for repairs over the past several years.

The circuit conversion project will upgrade 19,450 linear feet of underground wiring which will include new trench, conduit, cable, pull boxes, street light fixtures and replacement of damaged street light standards. The design will be completed by the Engineering Department and the construction will be by contract. We do not expect significant impacts on adjacent businesses due to construction of this project. In addition, we expect the street lights affected by this circuit to be out of power for just a few hours during one day (not during the evening), while the lights are transferred to their new power source. Note that all trenching will be performed in previously disturbed areas within the public right-of-way.

FISCAL CONSIDERATIONS:

The fiscal impact to be estimated \$1.6 Million. Funds are available in Street Division Operating Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None with this action.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Staff is not aware of any individual or organization opposed to this proposal.

Boekamp/Haas

Aud. Cert. 2700688.

Staff: Deborah Van Wanseele - (619) 533-3012
Frederick M. Ortlieb - Deputy City Attorney

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO 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-107: Settlement of Property Damage Claim of Bruno Etchepare.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-908) ADOPTED AS RESOLUTION R-302594

A Resolution approved by the City Council in Closed Session on Tuesday, March 20, 2007 by the following vote: Council President Peters-yea; Faulconer-not present; Atkins-yea; Council President Pro Tem Young-yea; Maienschein-yea; Frye-yea; Madaffer-yea; Hueso-yea.

Authorizing the Mayor to pay the sum of \$100,000 in settlement of each and every claim against the City, its agents and employees, resulting from the Property Damage Claim of Bruno Etchepare (Superior Court Case No. GIC 859369);

Authorizing the City Auditor and Comptroller to issue a check in the amount of \$100,000 payable to Bruno Etchepare and his attorney of record, Peter M. Polischuk, Esq.;

Authorizing the City Auditor and Comptroller to appropriate and transfer funds of \$100,000 from the General Fund unallocated reserves to the Public Liability Fund 81140.

STAFF SUPPORTING INFORMATION:

The proposed settlement would resolve all claims arising from storm drain flooding which occurred on October 27, 2004 at Meade Avenue.

FISCAL CONSIDERATIONS:

Settlement will be paid from the Public Liability Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item was considered in closed session on March 20, 2007. The City Council voted 7 to 0 to approve the settlement amount of \$100,000. The motion was made by Council President Peters with a second by Councilmember Madaffer. Councilmember Faulconer was absent.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

N/A

Bych/Goldstone

Aud. Cert. 2700698.

Staff: Debra Benoit - (619) 533-6555
Andrew Jones - Deputy City Attorney

NOTE: The Auditor's Certificate was not requested prior to Closed Session. The vote taken in Open Session shall be the official vote.

FILE LOCATION: MEET

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

CONSENT MOTION BY HUESO 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-108: Excusing Councilmember Faulconer from the City Council and Closed Session Meetings of April 16 and 17, 2007.

COUNCILMEMBER FAULCONER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1018) ADOPTED AS RESOLUTION R-302595

Excusing Councilmember Kevin Faulconer from attending the regularly scheduled City Council and Closed Session meetings of April 16 and 17, 2007.

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

FILE LOCATION: AGENDA

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

CONSENT MOTION BY HUESO 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-109: Excusing Councilmember Faulconer from the Natural Resources and Culture Committee Meeting of April 18, 2007.

COUNCILMEMBER FAULCONER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1019) ADOPTED AS RESOLUTION R-302596

Excusing Councilmember Kevin Faulconer from attending the regularly scheduled Natural Resources and Culture Committee meeting of April 18, 2007.

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

FILE LOCATION: AGENDA

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

CONSENT MOTION BY HUESO 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-110: Excusing Councilmember Faulconer from the Budget Committee Meeting of April 18, 2007.

COUNCILMEMBER FAULCONER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1020) ADOPTED AS RESOLUTION R-302597

Excusing Councilmember Kevin Faulconer from attending the regularly scheduled City Council Budget Committee meeting of April 18, 2007.

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

FILE LOCATION: AGENDA

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

CONSENT MOTION BY HUESO 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-111: Declaring a Continued State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico.

(District 8.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-859) ADOPTED AS RESOLUTION R-302598

Declaring a Continued State of Emergency regarding the discharge of raw sewage from Tijuana, Mexico.

FILE LOCATION: GEN'L

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

CONSENT MOTION BY HUESO 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-112: Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City.

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-876) ADOPTED AS RESOLUTION R-302599

Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego.

FILE LOCATION: GEN'L

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

CONSENT MOTION BY HUESO 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-330: FY 2008 Funding Allocations for Community Development Block Grant Program.

(See Report to the City Council No. 07-083. Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1034 Rev. Copy) ADOPTED AS RESOLUTION R-302601

Authorizing the City Auditor and Comptroller to accept CDBG funds in the amount of \$15,424,594 from the U.S. Department of Housing and Urban Development for the City's FY 2008 CDBG Program;

Approving the funding allocations and recommendations for the City's FY 2008 CDBG Program, set forth in Report to the City Council No. 07-083, contingent upon certification of funds availability by the City Auditor and Comptroller, and that the Core City Priorities and CDBG-funded projects approved for funding, be incorporated into the City's FY 2008 CDBG Action Plan;

Authorizing the Mayor, or his designee, to negotiate and execute agreements with those CDBG-funded projects approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the Executive Director of the San Diego Housing Commission to negotiate and execute agreements with those CDBG-funded projects approved for funding, whose allocations the Mayor, or his designee, asks the San Diego Housing Commission to administer, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the City Auditor and Comptroller to appropriate and expend the CDBG funds for the Core City Priorities and CDBG-funded projects approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the City Auditor and Comptroller to reprogram funding from prior year CDBG-funded projects to FY 2008 projects approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the Mayor, or his designee, to suspend the initiation of new HUD Section 108 Loans during FY 2008 that rely on CDBG and/or General Funds as a repayment source.

STAFF SUPPORTING INFORMATION:

The Housing and Community Development Act of 1974 established the Community Development Block Grant (Program). The City of San Diego has participated in the program since its inception. CDBG staff members are responsible for grant compliance and the overall administration of the CDBG Program.

The City's CDBG entitlement grant amount for Fiscal Year 2008 will be \$15,424,594, which is \$82,268 (0.05%) reduction from current fiscal year. The City noticed a CDBG application process that opened on January 19, 2007. The application period remained opened until February 15, 2007. A total of 151 applications were received for an amount requested totaling approximately \$32.7 million. The applications were provided to the City Council for funding consideration on March 27, 2007.

A memorandum was issued to the City Council on March 26, 2007 which outlined the proposed CDBG budget including recommendations for the following Core City priorities.

Core City Priorities

• CDBG Administration	\$ 1,150,000 (Administrative)
• CIP Project Management	\$ 450,000 (Administrative)
• Section 108 Loan Payments	\$ 3,310,827 (prior City Council Action)
• Social Services (15%)	\$ 2,313,689 (Council Policy 700-02)
• Housing Commission	\$ 1,277,478 (Council Policy 700-02)
• ADA Barrier Removal Program	\$ 1,141,968 (past practice)
• ADA Transition Plan	\$ 373,000 (past practice)
Total	\$10,016,962

After netting out the above Core City Priorities, there is \$5,407,636 of discretionary CDBG available from the FY2008 entitlement grant to fund eligible projects.

FISCAL CONSIDERATIONS:

There is no impact to the General Fund from this action. Funding for each program is available from the Community Development Block Grant Program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The application for federal entitlement grants, which includes the CDBG Program grant, is referred to as the Consolidated Plan. The Consolidated Planning process includes a community input process where staff presented the Plan and requested feedback from each community planning group that represents low and moderate income communities. Further, the process was brought before the Land Use and Housing City Council Committee and the San Diego Housing Commission for discussion. The application process for federal community development funds was noticed in the San Diego Union Tribune newspaper, and notices were mailed to the City's CDBG mailing database.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities, community-based organizations, community planning groups; and other community development organizations.

Kessler/Anderson

Staff: Scott Kessler - (619) 533-4234
Michael D. Neumeyer - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:33 a.m. – 11:54 a.m.;
3:27 p.m. – 3:51 p.m.)

MOTION BY ATKINS TO ADOPT THE RESOLUTION AND APPROVE COUNCIL MEMBER ATKINS' PROPOSAL AS READ IN THE RECORD AS FOLLOWS: "AS YOU ARE AWARE, MAYOR JERRY SANDERS HAS RECOMMENDED POLICY CHANGES REGARDING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FOR FISCAL YEAR 2008. I WOULD URGE MY COLLEAGUES TO SUPPORT AN ALTERNATE RECOMMENDATION WHICH IS IN ACCORDANCE WITH CITY COUNCIL POLICY 700-02 AND WHICH ENSURES CONTINUED STABILITY AND EFFECTIVENESS OF SERVICES PROVIDED USING CDBG FUNDS FOR FISCAL YEAR 2008. I AM AWARE THAT THE MAYOR IS INTERESTED IN CHANGING THE ESTABLISHED CITY COUNCIL POLICY 700-02 WITH REGARD TO CDBG ALLOCATIONS. IT IS MY INTENTION TO DOCKET THE POLICY DISCUSSION AT THE BUDGET AND FINANCE COMMITTEE AFTER THE CONCLUSION OF THE BUDGET HEARINGS IN JUNE 2007. ADDITIONALLY, I WILL REQUEST AN UPDATE FROM THE MAYOR ON THE CITY OF SAN DIEGO'S ADA TRANSITION PLAN AND INTEND TO DOCKET THE UPDATE AT THE BUDGET AND FINANCE COMMITTEE. IT HAS BEEN THE DESIRE OF THE BUDGET COMMITTEE TO LEARN OF THE PROGRESS MADE ON THE ADA TRANSITION PLAN FOR MORE THAN A YEAR NOW. I WILL RESPECTFULLY REQUEST THE ASSISTANCE OF THE MAYOR'S STAFF IN PREPARING FOR THIS DISCUSSION AND ASK THAT THEY BE READY TO PRESENT THIS MATTER TO THE BUDGET COMMITTEE IN JULY OF 2007." Second by Frye. Passed by the following vote: Peters-nay, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



[ITEM-331:](#) Fiscal Year 2008 City of San Diego Annual Action Plan.

(See San Diego Housing Commission Report dated March 23, 2007; San Diego Housing Commission Power Point dated April 11, 2007; and Draft Annual Action Plan for FY08.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-986 Rev. Copy) ADOPTED AS RESOLUTION R-302602

Approving the City's federally required Fiscal Year 2008 Annual Action Plan, and authorizing the President & Chief Executive Officer of the Housing Commission to submit the Plan, on behalf of the City, to the U.S. Department of Housing and Urban Development for its review and approval.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 4/11/2007, LU&H voted 3 to 0 to forward the Report to the full City Council for discussion and approval. (Councilmembers Atkins, Young, and Madaffer voted yea. Councilmember Hueso not present.)

SUPPORTING INFORMATION:

In 1994, HUD began requiring entitlement jurisdictions to prepare a five-year strategic planning document entitled the Consolidated Plan. In order to comply with HUD requirements, each entitlement jurisdiction is required to submit an annual application (Action Plan) and an annual performance report (Consolidated Annual Performance and Evaluation Report or CAPER). Action Plans provide a one-year strategy toward accomplishing five-year goals identified in the Consolidated Plan. FY08 is the fourth year in the City's five-year (2005-2009) Consolidated Plan Cycle.

The FY08 Action Plan serves dual purposes. First, it serves as the City's comprehensive strategic plan for community development, including affordable housing, economic development and human service activity. Second, it is the single application and spending plan for four federal entitlement programs totaling approximately \$27.2 million for FY08. The breakdown of the estimated funding amounts per program is as follows:

Community Development Block Grant (CDBG: \$15,424,594)
HOME Investment Partnerships/ADDI (HOME: \$8,450,701 (ADDI: \$146,587)
Emergency Shelter Grants (ESG: \$668,756)
Housing Opportunities for Persons with AIDS (HOPWA: \$2,551,000)

In March 2006, HUD issued a standardized performance measurement system to all entitlement jurisdictions. The performance measure system, consists of specific objectives and outcomes (see Attachment 2) which are required to be incorporated into 5-year Consolidated Plans and all subsequent Action Plans. The purpose of this system is to aggregate data at the national and local level to determine how well programs and activities meet established needs and goals. HUD will use this information to consider program funding decisions and to demonstrate program results. The new performance measures are not considered substantial amendments to the 5-year Consolidated Plan, rather they are intended to classify existing activities according to a standardized framework. The City of San Diego has incorporated all required performance measurements, as prescribed by HUD, in both the 2005-2009 Consolidated Plan and the FY08 Action Plan.

The City of San Diego is the grantee for all funds, although program responsibilities for HOME and ADDI are delegated to the San Diego Housing Commission and HOPWA responsibilities are delegated to the County of San Diego. Upon receipt by HUD, the Plan will be deemed approved unless HUD notifies the City that additional information is required for the Plan to meet the criteria for approval. With approval, the Plan will generate approximately \$27.2 million in FY08 to implement and continue community development efforts throughout the City.

FISCAL CONSIDERATIONS:

None with this action. However, without a final HUD approved FY08 Action Plan, the City will be ineligible to receive approximately \$27 million in federal funds that support community/economic development and affordable housing activities.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The draft FY08 Action Plan is available for public review from March 18, 2007, through April 18, 2007, in the reference section of the City's branch libraries and in all of the City's Community Service Centers.

A notice of public review was published in four local newspapers, including translated versions in Vietnamese and Spanish publications. Draft copies of the plan were distributed at six Community Planning Group meetings in effort to encourage participation at public hearings.

ENVIRONMENTAL REVIEW:

This activity is the application for grant funds and would not be considered a "project" and is therefore not subject to the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15060(c)(2). This project is exempt from the requirements of the National Environmental Policy Act (NEPA) pursuant to the applicable provisions of NEPA 24 CFR Part 58 Section 58.34(a)(1).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

The Code of Federal Regulations requires that Consolidated Plan programs generally serve very low, low, and moderate income persons and households. Funds are made available to Community Based Organizations (CBO's) through a competitive process. In FY07 these funds were leveraged with almost \$106M in state and local funds to provide an array of services including but not limited to: homeless services, subsidized housing, small business development, redevelopment efforts, affordable housing financing, rehabilitation and neighborhood revitalization.

Philips/Morris

Staff: Amy Benjamin - (619) 578-7542
Alex W. Sachs - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:10 p.m. – 5:15 p.m.)

MOTION BY ATKINS TO ADOPT THE RESOLUTION ACCEPTING THE STAFF'S RECOMMENDATION. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



[ITEM-332:](#) Fiscal Year 2008 Social Services Program.

(See Report to the City Council No. 07-085. Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1035) CONTINUED TO MONDAY, MAY 14, 2007

Authorizing the City Auditor and Comptroller to accept the funding appropriations from the City's CDBG entitlement grant, Emergency Shelter Grant, and the San Diego Housing Commission for the FY 2008 Social Services Program, contingent upon adoption of the FY 2008 Appropriation Ordinance and certification of funds availability by the City Auditor and Comptroller;

Approving the funding recommendations for the FY 2008 Social Services Program, set forth in Report to the City Council No. 07-085, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the Mayor, or designee, to negotiate and execute agreements with those programs approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller;

Authorizing the City Auditor and Comptroller to appropriate and expend the CDBG, Emergency Shelter Grant, and San Diego Housing Commission funds for those programs approved for funding, contingent upon certification of funds availability by the City Auditor and Comptroller.

STAFF SUPPORTING INFORMATION:

The City has a long history of allocating funding to social service programs in two broad categories: (1) City initiated social service programs that are funded to address identified social needs (e.g. Homeless Emergency Shelter Program and Therapeutic Recreation Services); and (2) To support worthy social programs that were not City initiated, but provide benefits to City residents (e.g. Being Alive and Casa Familiar).

For decades under the City Manager form of government, the City Council – through various Council Representatives – initiated social service funding recommendations prior to bringing forward the adoption of the Social Services Program Budget to the City Council. This practice was last utilized in FY 2002. The City Council then directed the City Manager to develop a formal selection process that was successfully utilized in Fiscal Years 2003 through 2005. While the process established by the City in 2002 is still being used, since that time the program has experienced sharp reductions in funding that resulted in the elimination of the competitive process in Fiscal Year 2006. Subsequently, each year program staff has given the highest funding priority to “City-Initiated Programs”, before providing support to the other programs being considered. The fiscal reality of the Program is that funding has been decreasing each year. Overall program funding fell from a high of \$6.4 million in FY 2002 to a low of \$3.0 million in FY 2008. The steady decline of funding makes balancing a social service budget difficult as there is an abundance of worthy social programs serving City residents.

Fiscal Year 2008 federal funding has decreased by a modest \$8,324 from the current fiscal year. In addition, the San Diego Housing Commission, who has traditionally allocated \$445,000 for homeless shelter programs, will be unable to make this contribution toward the Homeless Emergency Shelter Program in the upcoming fiscal year. The loss of this funding results in the need to absorb the \$445,000 through the Social Service Program budget, which will significantly reduce the funding levels for the proposed programs. In addition to funding decreases, the Mayor's funding proposal includes recommendations for the two City homeless shelter programs to receive 3% increases (\$38,855) to address the escalation of operational costs recognized in the current fiscal year. Also included in the increase is \$75,000 to purchase new tent skins to replace the aging and deteriorating skins that have been used for the winter shelter's homeless program since 1998.

In summary, the reduction of federal funds (-\$8,324), the loss of Housing Commission homeless shelter funding (-\$445,000), the need to cover a one-time expense of \$75,000 to purchase new tent skins for the homeless shelters, and the need to increase the City homeless shelter programs by a combined \$38,855 results in a need to reduce remaining programs by \$567,179.

FISCAL CONSIDERATIONS:

There is no impact to the General Fund from this action. Funding for each program is available either from the City's CDBG entitlement grant, ESG, or the SDHC.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The application for federal entitlement grants (which includes the City's CDBG entitlement grant and ESG) is referred to as the Consolidated Plan. The Consolidated Planning process includes a community input process where staff presented the Plan and requested feedback from each community planning group that represents low and moderate income communities. Further, the process was brought before the Land Use and Housing City Council Committee and the San Diego Housing Commission for discussion. The City of San Diego did not issue a "Notice of Funding Availability" for FY 2008 Social Services Program funding due to reduced funding available.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities; community based organizations; community planning groups; and other community development organizations.

Kessler/Anderson

Staff: Ernie Linares - (619) 236-6719
Michael D. Neumeyer - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 3:51 p.m. – 5:10 p.m.)

MOTION BY FRYE TO ADOPT THE RESOLUTION WITH DIRECTION TO THE CITY ATTORNEY AND APPROPRIATE STAFF TO PREPARE AN ORDINANCE TO HAVE THE REDEVELOPMENT AGENCY, SPECIFICALLY CENTRE CITY DEVELOPMENT CORPORATION, PAY BACK TO THE CITY COMMUNITY DEVELOPMENT BLOCK GRANT FUND THE AMOUNT OF \$2.183 MILLION. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-nay, Atkins-yea, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-not present.

Please note: The above resolution was not adopted reflecting the motion by Council Member Frye. After careful consideration by the Deputy City Attorney the resolution was continued to Tuesday, May 15, 2007.

ITEM-S500: Tourism Marketing District Procedural Ordinance.

(Citywide.)

(Continued from the meeting of May 1, 2007, Item 330, at the request of Councilmember Madaffer, for further review.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-101 Cor. Copy) INTRODUCED; TO BE ADOPTED
TUESDAY, MAY 22, 2007

Introduction of an Ordinance amending Chapter 6, Article 1, of the San Diego Municipal Code by adding Division 25, titled San Diego Tourism Marketing District Procedural Ordinance, and adding Sections 61.2501, 61.2502, 61.2503, 61.2504, 61.2505, 61.2506, 61.2507, 61.2508, 61.2509, 61.2510, 61.2511, 61.2512, 61.2513, 61.2514, 61.2515, 61.2516, 61.2517, 61.2518, 61.2519, 61.2520, 61.2521, 61.2522, 61.2523, 61.2524, 61.2525, 61.2526, and 61.2527, all relating to Procedures for Establishing a Tourism Marketing District.

STAFF SUPPORTING INFORMATION:

Representatives from the hotel industry approached City officials about implementing a Tourism Marketing District mid-2005. Industry representatives were interested in developing a new source of revenue for marketing and promotion in order to retain and expand the tourism industry in San Diego. The tourism industry is the third largest revenue generator for the San Diego economy and a key employment sector. The revised projected annual Transient Occupancy Tax (TOT) revenue to the City for FY 2007 is \$149.6 million. However, future growth of the industry is dependent on additional marketing of San Diego, especially as more hotel rooms come on-line. Maintaining or increasing hotel occupancy rates will also result in enhanced TOT revenues to the City.

In discussing the concept of a Tourism Marketing District, a number of issues were raised including how such a district might be formed, who would be assessed, how the level of support for the district would be determined, what kinds of improvements and activities would be provided, and the length of time for which assessments would be levied.

Over the last year, hotel industry representatives have been exploring the Tourism Marketing District concept and building support for the proposal. City staff has been reviewing the concept and evaluating the legal framework for forming such a district. It was decided that the most analogous legislation for the desired Tourism Marketing District is the State Property and Business Improvement District (PBID) Law of 1994. City staff met with industry representatives

to discuss the identified issues before drafting a new procedural ordinance based on the 1994 PBID Law. The draft procedural ordinance was distributed to the Lodging Industry Association and the San Diego County Hotel-Motel Association in December 2006. Comments were received by City staff and incorporated into the draft which is now recommended to be adopted.

The procedural ordinance outlines the process for forming a Tourism Marketing District. It allows for a district to be formed for a period not to exceed five (5) years initially. It requires that petitions be obtained in support of the district from hotels-motels representing more than 50% of the proposed assessments in order to bring the matter to City Council. As part of the Council proceedings a mailed ballot would be conducted by City staff and counted by the City Clerk to determine if a majority protest exists. A management plan must be developed by the proponents of the district and made available to all potentially affected hotels-motels as part of the petition drive so that businesses can determine if they support the proposed improvements and activities. If a Tourism Marketing District is formed and is successful then the hotels-motels could vote to extend the district at the end of the initial five (5) year period, if not, then the district would lapse of its own accord.

FISCAL CONSIDERATIONS:

There is no fiscal impact associated with the adoption of the ordinance since this is only a procedural ordinance on how to create a tourism assessment district. However, if a Tourism Marketing District is formed in FY 2008 then the potential savings to the City would be around \$6 million in the fiscal year and \$10 million a year in subsequent years since funding for the San Diego Convention and Visitors Bureau and other tourism-related organizations would be supported through the Tourism Marketing District assessments rather than being funded by the City with TOT funds.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 19, 2006, a presentation was made to the Budget and Finance Committee by the San Diego Lodging Industry Association on the status of the proposal to create a Tourism Marketing District. Since this was an information item only no action was taken.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Both the Lodging Industry Association and the San Diego County Hotel-Motel Association reviewed the draft of the proposed ordinance and provided comments on some of the provisions. Mr. Scott Kessler was the keynote speaker at the January 2007 monthly membership meeting of the San Diego County Hotel-Motel Association and spoke about the concept of the Tourism Marketing District and answered questions from the floor. Immediately preceding the membership meeting he attended the Board of Directors meeting and answered questions from the Board members. Meetings have also been held with representatives of the San Diego Convention and Visitors Bureau, San Diego Regional Chamber of Commerce and the San Diego Convention Center Board to answer questions about the Tourism Marketing District concept.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are the hotels and motels in San Diego that might ultimately be included in a Tourism Marketing District. There is no impact at this time with the introduction of the procedural ordinance since this is not creating an assessment district.

Anderson/Waring

Staff: Scott Kessler - (619) 533-4234
Alex W. Sachs - Deputy City Attorney

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:02 p.m. – 3:17 p.m.)

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

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 5:15 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 5:15 p.m. – 5:15 p.m.)