

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, JUNE 26, 2007
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 10:00 a.m. with Council Member Maienschein not present. Council President Peters recessed the meeting at 10:57 a.m. for the purpose of a break. Council President Peters reconvened the meeting at 11:01 a.m. with all Council Members present. The meeting was recessed by Council President Peters at 11:31 a.m. to convene into Closed Session and to reconvene the regular meeting at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:04 p.m. with Council Member Atkins and Council Member Hueso not present. Council President Peters recessed the meeting at 3:22 p.m. to convene the Redevelopment Agency. Council President Peters reconvened the regular meeting at 4:17 p.m. with Council Member Atkins not present and thereafter reconvened the Redevelopment Agency. Council President Peters reconvened the regular meeting at 4:44 p.m. with Council Member Atkins not present. The meeting was adjourned by Council President Peters at 4:59 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-not present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Linda Warr commented on homelessness.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:29 a.m. – 10:33 a.m.)

PUBLIC COMMENT-2:

Hud Collins commented on the Pledge of Allegiance and the pension and financial crisis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:33 a.m. - 10:36 a.m.)

PUBLIC COMMENT-3:

Don Stillwell commented on prayer and the flag salute.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:36 a.m. - 10:38 a.m.)

PUBLIC COMMENT-4:

Henry Olivas commented on Bus Route 25.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:38 a.m. - 10:42 a.m.)

PUBLIC COMMENT-5:

Joy Sunyata commented on the "Red Beret" award.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:42 a.m. - 10:44 a.m.)

PUBLIC COMMENT-6:

Ron Boshun commented on Council actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:44 a.m. - 10:47 a.m.)

PUBLIC COMMENT-7:

Jarvis Ross commented on development projects in the City.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:47 a.m. - 10:50 a.m.)

PUBLIC COMMENT-8:

David Lowe commented on recycling.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:50 a.m. - 10:54 a.m.)

PUBLIC COMMENT-9:

Judith Swink commented on the Mayor's Charter Review Committee.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:54 a.m. - 10:57 a.m.)

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council Member Frye invited the public to attend the “Harry Potter” event to be held July 5, 2007.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:18 a.m. – 10:21 a.m.)

COUNCIL COMMENT-2:

Council Member Madaffer expressed appreciation to fellow Council Members for their indulgence during his absence.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:22 a.m. – 10:24 a.m.)

COUNCIL COMMENT-3:

Council President Peters welcomed a new intern to his office and thanked City employees for their efforts during a Torrey Pines hotel fire.

FILE LOCATION: MINUTES

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

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.



ITEM-30: District 1 CIF Spring Champions Day.

COUNCIL PRESIDENT PETERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1236) ADOPTED AS RESOLUTION R-302761

Commending the Mt. Carmel High School, Softball Team, the University City School Baseball Team, the Torrey Pines High School Men's Lacrosse Team, and the Westview High School Men's Tennis Team;

Proclaiming June 26, 2007, to be "District 1 CIF Spring Champions Day" in the City of San Diego.

FILE LOCATION: AGENDA

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

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



ITEM-31: Community Farms and Gardens Day.

**COUNCILMEMBER FRYE'S AND COUNCILMEMBER MADAFFER'S
RECOMMENDATION:**

Adopt the following resolution:

(R-2007-1237) ADOPTED AS RESOLUTION R-302762

Recognizing, supporting, and encouraging the creations and continued existence
of community farms and gardens;

Proclaiming June 26, 2007, to be "Community Farms and Gardens Day" in the
City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:01 a.m. – 10:09 a.m.)

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

* ITEM-50: Joint Use Agreement with San Diego Unified School District for Edison
Elementary School.

(Mid-City/City Heights Community Area. District 3.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-157) INTRODUCED; TO BE ADOPTED ON TUESDAY,
JULY 10, 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 Edison Elementary School, under the terms and conditions set forth in the Agreement;

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

NOTE: 6 votes required.

STAFF SUPPORTING INFORMATION:

Edison Elementary School is located at 4077 35th Street in the Mid City (City Heights) Community. The proposed Joint Use Agreement with the San Diego Unified School District (SDUSD) would provide for 1.25 acres of artificial turf multi-purpose field area. 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 recommends 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 City and District have previously entered into an agreement regarding the Edison Elementary School joint use facilities. The Agreement between the San Diego Unified School District and the City of San Diego Regarding Joint-Use Facilities at Edison Elementary School was adopted by the San Diego City Council on October 28, 1997 (Resolution No. R-289350-1) and the District's Board of Education on August 27, 1996. Pursuant to this Agreement, the District agrees to pay all costs for electricity, water and other expenses relating to maintenance of the joint use playfield for a period of twenty-five (25) years after completion of construction of the field area.

The proposed artificial turf fields at Edison 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 artificial turf multi-use playing fields. Funding for design and construction of the turf fields will be provided by the SDUSD as a part of the Proposition MM measure. Pursuant to the previous agreement between the City and the SDUSD, the District will be responsible for the maintenance of the artificial turf per the Joint Use Agreement.

FISCAL CONSIDERATIONS:

District agrees to pay all costs for electricity, water and other expenses relating to maintenance of the joint use playfield for a period of twenty-five (25) years after completion of construction of the field area.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City and District have previously entered into an agreement regarding the Edison Elementary School joint use facilities. The Agreement between the San Diego Unified School District and the City of San Diego Regarding Joint-Use Facilities at Edison Elementary School was adopted by the San Diego City Council on October 28, 1997 (Resolution No. R-289350-1) and the District's Board of Education on August 27, 1996.

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 school.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the City, the District, the City Heights Recreation Council and community members in City Heights.

LoMedico/Reynolds

Staff: Carol Wood - (619) 525-8217
Shannon Thomas - Deputy City Attorney

FILE LOCATION: NONE

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

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

* ITEM-100: Inviting Bids for Water Group 682 Project.

(See Executive Summary Sheet dated 2/14/2007 and Engineering and Capital Project's PowerPoint. Uptown Community Area. District 2.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1199) ADOPTED AS RESOLUTION R-302763

Approving the plans and specifications for the construction of Water Group 682 as advertised by Purchasing and Contracting Department, on Work Order No. 183971;

Authorizing the Mayor, or his designee, to establish contract funding phases and execute a contract with the lowest responsible and reliable bidder, providing the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure under established contract funding phases are, or will be, on deposit in the City Treasury;

Authorizing the expenditure of an amount not to exceed \$2,316,152 from Water Fund 41506, CIP-73-083.0, Annual Allocation - Water Main Replacement, solely for construction, contingency, and Project related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the use of City Forces for a cost not to exceed \$287,877 from Water Fund 41500, CIP-73-083.0 Annual Allocation -Water Main Replacement for the construction of Sub CIP-73-851.7, Water Group 682;

Authorizing the City Auditor and Comptroller to return excess funds to the appropriate account;

Declaring that this activity is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301(c) as this Project involves repair and replacement of existing facilities. (BID-K073731C)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

Information only. No action taken.

SUPPORTING INFORMATION:

Water Group 682 is part of the City of San Diego's continuing Annual Cast Iron Water Main Replacement Program as mandated by Department of Health Services Compliance Order No. 04-14-96-022. This project is located in the Uptown/Balboa Park Communities. This project includes the replacement of approximately 5,917 linear feet of existing 4-inch, 6-inch, and 10-inch old cast iron water mains with new 8-inch and 12-inch water mains. It also includes installing curb ramps and street resurfacing. The streets affected by construction operations within this project are: First Avenue through Fourth Avenue, and Juniper Street as shown on the Location Map. Traffic control shop drawings will be prepared by the contractor and implemented during construction.

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 project is \$2,316,152. Of the \$2,316,152 for the projects, \$526,404.20 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A and \$1,251,316.80 from currently anticipated to be a follow on water revenue debt issuance in Fiscal Year 2008. The remaining \$538,431 will be cash funded. Funding is available in Fund 41500, CIP-73-083.0, Annual Allocation - Water Main Replacement for this purpose. This project will be phase-funded in FY07 and FY 08. No future funding is anticipated. Auditors Certificate will be issued prior to award of the contract.

PREVIOUS COUNCIL COMMITTEE ACTION:

The subject item was presented to the Natural Resources and Culture Committee for information only on February 21, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

This project was presented to the Uptown and Balboa Committees in their meetings back in 2003. Also, the Committees Chairs were again notified of the current project status and asked for comments in November 2006. In addition, residents and businesses will be notified 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.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Residents in this area will encounter inconvenience during construction. After completion, residents will experience improved reliability of the water system. Rick Engineering Company was authorized to perform examination and investigation of subsurface conditions including, properties of soil, geologic hazard, soil contamination and potential groundwater.

Boekamp/Haas

FILE LOCATION: W.O. #183971

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

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

- * ITEM-101: Inviting Bids for Dakota Canyon Accelerated Sewer Replacement and Rehabilitation Project.

(See Executive Summary Sheet dated 4/27/2007; memorandum from Robert J. Ferrier dated 3/11/2005 (not available at the Committee); memorandum from Scott Tulloch dated 6/2/2004; and Draft Mitigated Negative Declaration Bearing Project No. 7055 dated 6/11/2004. Clairemont Mesa Community Area. District 6.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1058) ADOPTED AS RESOLUTION R-302764

Approving the plans and specifications for the construction of Dakota Canyon Accelerated Sewer Replacement and Rehabilitation Project, on Work Order No. 178021;

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 in an amount not to exceed \$1,806,900; 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 City Auditor and Comptroller to transfer an amount not to exceed \$560,902 within Fund No. 41506, from CIP-44-001.0, Annual Allocation – Sewer Main Replacements, to CIP-46-206.0, Annual Allocation - Accelerated Projects;

Authorizing the expenditure of an amount not to exceed \$1,806,900 from Fund No. 41506, CIP-46-206.0, Annual Allocation - Accelerated Projects, solely and exclusively, to provide for project construction, contingency, City forces, and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the funds necessary for expenditure under established contract funding are, or will be, on deposit in the City Treasury;

Declaring that this activity is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378(c). This activity is a subsequent discretionary approval covered under Project #7055, Dakota Canyon Sewer. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review pursuant to CEQA Guidelines Section 15177;

Authorizing the City Auditor and Comptroller to transfer excess budgeted funds, if any, to the appropriate reserves on advice from the administering department. (BID-K071571C)

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 6/4/2007, NR&C voted 3 to 0 to approve. (Councilmembers Faulconer, Frye, and Hueso voted yea. Councilmember Maienschein not present.)

On 6/9/2004, NR&C voted 5 to 0 to refer to the Sewer Canyon Task Force for review before forwarding to the full City Council for hearing. (Councilmembers Zucchet, Lewis, Frye, Madaffer, and Inzunza voted yea.)

SUPPORTING INFORMATION:

This project is part of the City of San Diego's ongoing program to upgrade the sewer system. This sewer is located at the bottom of a stream bed in Dakota Canyon and, due to its location, it is difficult to access for maintenance. Due to severe erosion, a portion of the pipe has been exposed. City maintenance crews have previously repaired this exposed portion of pipe and, because of the ongoing erosion, have continued to monitor the area. The redirection of flow study and cost benefit analysis completed for this project, concluded that it is not feasible to remove the pipe out of the canyon.

This project will relocate the pipe out of the stream bed, placing it in a new alignment higher up the slope. It will also solve the maintenance access problem by building an 8-foot access path for maintenance purposes. Construction on this project will consist of installing approximately 695 linear feet of new 8-inch sewer main, rehabilitating 520 linear feet of existing 8-inch sewer main, and abandoning 1,310 linear feet of existing 51 year old 8-inch sewer main.

Due to budget constraints related to a lack of bond financing, MWWD conducted a review of proposed accelerated pipe replacement projects and updated its list of priority projects. Based on the revised priority list, there are insufficient funds in the Annual Allocation - Accelerated Projects (CIP-46-206.0) for the construction of this project. This request is to transfer unencumbered funds from Annual Allocation - Sewer Main Replacements (CIP-44-001.0). There will be no impact on current or future projects or the rate case as a result of this transfer.

Property rights for this project were acquired by Council Resolution No. R-300250 adopted on March 15, 2005.

FISCAL CONSIDERATIONS:

The total amount of this request is \$1,806,900, of which \$1,245,998 is available in Fund 41506, CIP-46-206.0, Annual Allocation - Accelerated Projects, and \$560,902 is available for transfer in Fund 41506, CIP-44-001.0, Annual Allocation - Sewer Main Replacements. There will be no impact on current or future projects or the rate case as a result of this transfer. The project costs may be bond reimbursed up to 80% by current or future debt financings. An Auditor's Certificate will be issued prior to award of the contract.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On March 15, 2005 the City Council adopted Resolution No. R-300250 authorizing the expenditure of \$120,000 for the acquisition of property rights required for the Dakota Canyon Accelerated Sewer Replacement and Rehabilitation Project.

Natural Resources and Culture Committee previously approved the project and MND on June 9, 2004.

This project was reviewed and approved by the Natural Resources and Culture Committee on June 4, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Clairemont Mesa Community Group approval on July 20, 2004.

Planning Commission Officer approval on September 9, 2004.

Since the last Community Group meeting in July 2004, we have been in contact with the Chairman of the Clairemont Mesa Community Group to keep him updated on the status of the project. Since there has been no change in the design and project scope, the community group did not see any benefit in continuing presenting the project at their meetings; therefore there have been no additional presentations since July 20, 2004. In addition, we have also been in contact with homeowners who have called us requesting updated information. We will go to the community within 30 days before construction and give a presentation on the construction process and schedule.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

A cost benefit analysis and redirection of flow study were completed in July of 2002.

A Biological report was done on March 12, 2004, and Mitigated Negative Declaration No. 7005 was prepared for this project.

Ferrier/Haas

Aud. Cert. 2700737.

FILE LOCATION: CONT-ORION CONSTRUCTION CORP.

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

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

* ITEM-102: Consultant Agreement with Boyle Engineering Corporation for Grant Funding Assistance.

(See Executive Summary Sheet dated 5/18/2007.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1222) ADOPTED AS RESOLUTION R-302765

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, a Consulting Agreement with Boyle Engineering, for consulting services for Grant Funding Assistance for the Water Department Policy & Strategic Planning Division in an amount not to exceed \$250,000;

Authorizing the expenditure of an amount not to exceed \$250,000 in Water Fund 41500, Organization 8320, solely and exclusively, for the purpose of providing funds for the above Consulting Agreement and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

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

Declaring this activity is not a project and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(2).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 6/4/2007, NR&C voted 3 to 0 to approve. (Councilmembers Faulconer, Frye, and Hueso voted yea. Councilmember Maienschein not present.)

SUPPORTING INFORMATION:

In December 2002, the City Council adopted the Long-Range Water Resources Plan 2002-2030 (LRWRP) which evaluated water supply alternatives for meeting the City's current and future water needs. The initial phase of the LRWRP is to develop and implement, by 2010, a water resources strategy that includes water conservation, recycled water, groundwater storage, groundwater desalination and water transfers.

Water Department has been applying for grants from the State (Proposition 13, Proposition 50, and Assembly Bill 84), Federal sources (Title XVI, EPA, and Corps of Engineers), and local and regional wholesale agencies (County Water Authority and Metropolitan Water District). In pursuing these grants, staff has found the process to be increasingly competitive, and has observed that the public agencies that are successful receive assistance from consultants. Grant applications are complex in nature and require specific technical information on the proposed projects. Many of these grant applications require weeks to prepare and have 50 or more pages.

Consultants who work with public agencies are familiar with the grant agencies, and the application process including scoring criteria which is the basis for awarding grants. With the new State initiative to use the Integrated Regional Water Management Plan (IRWMP) process for grant funding, consultant assistance will be even more important.

PROJECT DESCRIPTION

The project consists of consulting services to assist the Water Department in pursuing grant funding opportunities. The consultant will identify a range of alternate sources of grant funding including possible State, Federal, regional and local opportunities.

Specifically the following tasks will be accomplished through this consultant agreement:

- Research, formulate and provide recommendations on grant opportunities.
- Provide input to granting agencies for development of selection criteria.
- Assist in identifying eligible individual projects for specific grants.
- Prepare grant applications that place the City in a competitive position.
- Prepare high quality submittals that match grant criteria and maximize scores.
- Prepare scopes of work for competitive selection of consultants/contractors for projects.
- Additional as-needed services related to funding/grant activities.

FISCAL CONSIDERATIONS:

The total not-to-exceed contract amount of the Agreement is \$250,000. This action will make \$250,000 available in Water Fund 41500.

PREVIOUS COUNCIL/COMMITTEE ACTION:

On December 9, 2002, the City of San Diego adopted the Long-Range Water Resources Plan (LRWRP) by Resolution R-2003-657. City Council Resolution R-301448, May 19, 2006, authorized agreements for two State Department of Water Resources (DWR) grants under Prop 50 for San Pasqual and San Diego Formation groundwater projects. City Council Resolution R-302384, March 5, 2007, authorized a consultant agreement with RBF to conduct a groundwater desalination demonstration project (\$1,500,000 grant funding from DWR Prop 50) in the San Pasqual Basin. This item was heard at the special Natural Resources and Culture Committee meeting on June 4, 2007, and unanimously approved.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Information pertaining to grant funded projects will be made available to the Independent Rate Oversight Committee. Additionally, successful grant endeavors will be posted on the City's website. Staff will provide briefings to community groups adjacent to grant funded projects or to groups identified as project beneficiaries.

KEY STAKEHOLDERS:

Boyle Engineering, residents and businesses located adjacent to projects, environmental advocates, various governmental and regulatory agencies including, but not limited to: Community Planning Groups, County Water Authority and member agencies, Regional Water Quality Control Board, State Department of Health Services, County Department of Environmental Health, U.S. Fish and Wildlife Service, California Department of Fish and Game and U.S. Army Corps of Engineers.

Barrett/Haas

Aud. Cert. 2700800.

FILE LOCATION: MEET

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

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

* ITEM-103: Amendment to Memorandum of Understanding for the Integrated Regional Water Management Program.

(See Executive Summary Sheet dated 5/21/2007.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1225) ADOPTED AS RESOLUTION R-302766

Authorizing the Mayor, or his designee, to execute a First Amendment to the Memorandum of Understanding (MOU) between the City of San Diego, the County of San Diego, and the San Diego County Water Authority for the Integrated Regional Water Management Grant Program;

Authorizing the expenditure of an amount not to exceed \$200,000 from Water Fund 41500, Organization 860, Job Order 055102, solely and exclusively, for the purpose of providing funds for consulting services and related costs to implement the First Amendment to the MOU, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

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

Finding that this activity is not a project and is therefore not subject to the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15060(c)(2) and that individual projects that receive grant funding will be subject to further CEQA review and approval.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 6/4/2007, NR&C voted 3 to 0 to approve. (Councilmembers Faulconer, Frye, and Hueso voted yea. Councilmember Maienschein not present.)

SUPPORTING INFORMATION:

IRWM Planning is an effort to coordinate and integrate water supply, water quality, and environmental stewardship across a region to maximize benefits and resolve conflicts. The completed IRWM Plan will provide a mechanism for coordinating, refining, and integrating existing water management planning within a comprehensive, regional context; identify regional priorities for implementation projects; and provide additional stakeholder and funding support for the plans, programs, and projects of water management agencies and stakeholders.

Proposition 50, approved by California voters in 2002, authorizes \$500 million in state funds for IRWM projects. Proposition 84 (2006) authorizes \$1 billion for IRWM planning and projects in California, with \$91 million allocated specifically to the San Diego sub-region. San Diego is also eligible for \$100 million of unallocated statewide Prop 84 IRWM funding.

In June 2005, the City of San Diego (City), the County of San Diego (County), and the San Diego County Water Authority (Water Authority) formed, via an MOU, a Regional Water

Management Group (RWMG) to create the first ever IRWM Plan for the San Diego Region and to pursue Prop 50 IRWM grant funding. The Water Department represents the City on the RWMG. The RWMG applied for grant funding under the first round of Proposition 50 IRWM grants, but was not awarded funding primarily because San Diego's IRWM Plan was not complete.

The current action amends the MOU to direct the RWMG to complete the IRWM Plan incorporating both Proposition 50 and Proposition 84 criteria, apply for second round Proposition 50 IRWM grant funding, and pursue Proposition 84 IRWM grant funding.

A draft of San Diego's IRWM Plan will be released for public review in June 2007, with adoption by the RWMG agencies anticipated in late 2007. In June 2007 the Water Department will bring the draft IRWM Plan to the City Council as an informational item. Under terms of the amended MOU, the Water Authority has contracted for professional services to complete the IRWM Plan and prepare the Proposition 50 Round 2 IRWM grant funding application. The three RWMG agencies share equally in costs for this contract and other services related to pursuing Proposition 84 IRWM grant funding. The City's share is \$200,000.

FISCAL CONSIDERATIONS:

The total not-to-exceed amount of the City's equal share to implement the amended MOU is \$200,000. This action will make \$200,000 available in Water Fund 41500, Organization 861, Job Order 55023.

PREVIOUS COUNCIL/COMMITTEE ACTION:

On June 13, 2005, the City Council adopted Resolution R-300517 authorizing the City Manager to execute the initial MOU between the City, the County, and the Water Authority, and authorizing the expenditure of \$100,000 to cover the City's equal share of the funding to implement the initial MOU. On June 4, 2007, the Natural Resources and Culture Committee approved the currently requested action.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Water Department, as a partner with the County and the Water Authority, has been actively involved in comprehensive public outreach efforts for the IRWM Plan, including three regional workshops and twenty-two presentations to interest groups. IRWM Planning was the focus of the Project Clean Water Summit held in June 2006 and attended by over 250 stakeholders. In late 2006 a Regional Advisory Committee (RAC) consisting of twenty-five experts in water supply, wastewater, stormwater, natural resources, and environmental stewardship assists in developing the IRWM Plan was formed. The RAC has met seven times and will continue to meet approximately monthly. A website (www.sdirwmp.org) disseminates information about the IRWM Plan.

KEY STAKEHOLDERS:

Stakeholders in IRWM Planning are any governmental or non-governmental entity that has a role in or is affected by the management of water in the San Diego Region. Key among these are the agencies and entities represented on the RAC (see Attachment 3).

Barrett/Haas

Aud. Cert. 2700816.

FILE LOCATION: MEET

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

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

* ITEM-104: Traffic Signal on Old Carmel Valley Road at Sycamore Ridge School.

(Carmel Valley Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1054) ADOPTED AS RESOLUTION R-302767

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, a Memorandum of Understanding with the Del Mar Union School District for the installation of a traffic signal on Old Carmel Valley Road at Sycamore Ridge Elementary School, under the terms and conditions set forth in the Memorandum of Understanding;

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-68-010.0, Traffic Signals-Citywide, by the amount of \$120,000;

Authorizing the City Auditor and Comptroller to accept the contribution of \$120,000 from the Del Mar Union School District for the above traffic signal and to deposit it in Fund No. 63022, Private and Developer Contributions to CIP, CIP-68-010.0, Traffic Signals-Citywide;

Authorizing the expenditure of an amount not to exceed \$120,000 from Fund No. 63022, Private Developer Contributions to CIP, CIP-68-010.0, Traffic Signals-Citywide, solely and exclusively, to provide funds for the traffic signal on Old Carmel Valley Road at Sycamore Ridge Elementary School, 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 in the City Treasury;

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

Declaring that this activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15303, as the construction, installation or conversion of a small structure.

STAFF SUPPORTING INFORMATION:

This action will allow for the execution of a Memorandum of Understanding between the City of San Diego and the Del Mar Union School District. The Del Mar Union School District has agreed to contribute \$120,000 toward the design and construction of a new traffic signal on Old Carmel Valley Road adjacent to the Sycamore Ridge Elementary School. The installation of the new traffic signal will enhance safety in the area by providing a controlled crossing for pedestrians that cross Old Carmel Valley Road to and from the school. We anticipate completion by December 2007.

FISCAL CONSIDERATIONS:

The total estimated project cost is \$120,000. The Del Mar Union School District is contributing \$120,000 toward the design and construction of the new traffic signal.

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

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Staff has met with members of the community and the Del Mar Union School District.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Del Mar Union School District, the students of Sycamore Ridge School and the community will benefit.

Boekamp/Haas

Staff: Deborah Van Wanseele - (619) 533-3012
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-105: Malcolm X Library and Main Library Roof Replacements.

(Lincoln Park and Downtown Community Areas. Districts 2 and 4.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1221) ADOPTED AS RESOLUTION R-302768

Authorizing a \$871,255 increase in the Fiscal Year 2007 Capital Improvements Program Budget in CIP-37-035.0, Roof Replacement, Fund 630221, Contributions from 100 Funds;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$871,255 from Fund 100/601, General Fund, to CIP-37-035.0, Roof Replacement, Fund 630221, Contributions from 100 Fund for the purpose of funding the Projects;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$871,255 from CIP-37-035.0, Roof Replacement, Fund 630221, Contributions from 100 Fund, for the sole and exclusive purpose of providing funds for performing the Projects, 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;

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

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

STAFF SUPPORTING INFORMATION:

The City has not been able to perform the maintenance of City assets for many years. To address the resulting impacts, the City's FY07 included the replacement of a number of roofs at the City building facilities.

On October 24, 2006, the City Council approved the implementation of a Roofing General Requirements Contract (GRC) to perform Citywide roofing projects (R-30212).

The replacement of the roofs at Malcolm X Library and Main Library has been set as a priority for this year's deferred maintenance budget. These roofs are leaking and rapidly deteriorating, raising concerns on overall structural damage to the buildings.

The Malcolm X Library work involves removal and replacement of approximately 12,000 sf. of roofing system. The Contractor's cost proposal of \$311,776 is higher than the original estimated construction costs of \$181,000 due to an increase in scope of work and higher construction costs.

The Main library work involves removal and replacement of approximately 32,000 sf. of roofing system. The estimated construction cost is \$395,057.

FISCAL CONSIDERATIONS:

\$871,255 from Citywide Deferred Maintenance Budget, Fund 100, Dept. 601, will be transferred to CIP-37-035.0.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

City's FY07 approved budget included the CIP-37-035.0, Roof Replacements.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The City staff will work with the tenants of these facilities during the performance of these projects.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

This action will allow the City to perform Malcolm X Library and Casa Del Prado Roof Replacements and avoid possible costly property damages.

Oskoui/Haas/Boekamp

Aud. Cert. 2700814.

Staff: Afshin Oskoui - (619) 533-3102
Christina L. Bellows - Deputy City Attorney

FILE LOCATION: MEET

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

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



ITEM-106: TransNet Local Street and Road Program Regional Transportation Improvement Program Amendments.

(Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1082 Cor. Copy, Rev. Copy)

ADOPTED AS AMENDED AS
RESOLUTION R-302769

Certifying that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met throughout the 5-year period consistent with Maintenance of Effort Requirements adopted by SANDAG Commission on June 24, 1988 and on May 28, 2004, pursuant to Section 8 of both TransNet Ordinances;

Certifying that TransNet funds programmed in the attached Program of Projects do not replace private developer funding which has been, or will be, committed for any Project, pursuant to Section 9 of the TransNet Ordinance;

Certifying that each project of \$250,000 or more will be clearly designated during construction with TransNet project funding identification signs, pursuant to Section 16 of the TransNet Ordinance 87-01 and Section 18 of Ordinance 04-01;

Certifying that all other applicable provisions of the TransNet Ordinances 87-01 and 04-01 have been met;

Agreeing to hold harmless and defending the SANDAG Commission against challenges related to local TransNet funded projects;

Authorizing the Mayor to amend the 2006 Regional Transportation Improvement Program (RTIP) and confirming that the City of San Diego is in compliance with the TransNet Ordinances as required by SANDAG;

Certifying that all other applicable provisions of TransNet Ordinance 87-01 and 04-01 have been met;

Agreeing to hold harmless and defending the SANDAG Commission against challenges related to local TransNet funded projects;

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

STAFF SUPPORTING INFORMATION:

The San Diego Transportation Improvement Program Ordinance and Expenditure Plan (87-01) and the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (04-01) extension provide that SANDAG, acting as the Regional Transportation Commission, shall approve a multi-year program of projects submitted by local jurisdictions identifying those transportation projects eligible to use transportation sales tax (TransNet) funds.

Recent revisions to SANDAG TransNet Board policy states when quarterly amendments to the RTIP are submitted by local agencies and adjustments are made to projects identified as using TransNet Local Street and Road Program funds, those amendments must have accompanying agency resolutions approving the action.

The attached list of projects has been submitted to SANDAG for amendment to the existing 2006 RTIP. The list is reflective of the Fiscal Year 2008 TransNet Capital Improvements Program budget previously presented to Council and includes three project changes required as a result of the Fiscal Year 2006 TransNet audit.

FISCAL CONSIDERATIONS:

No cost associated with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.

Boekamp/Haas

Staff: Patty Boekamp - (619) 236-6274
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:08 a.m. – 11:31 a.m.)

MOTION BY FRYE TO ADOPT THE RESOLUTION AS AMENDED TO DIRECT THE CITY ATTORNEY TO CRAFT LANGUAGE TO INCLUDE THE \$2,000 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM REQUIREMENT TO BE ENACTED NO LATER THAN JULY 2008, AND TO AMEND THE LANGUAGE ON PAGE 2 OF THE RESOLUTION TO READ “AUTHORIZING THE MAYOR TO FORWARD THE CITY COUNCIL’S AMENDMENTS TO THE 2006 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM.” 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: Transfer of Funds for Interim Remedial Action at the Mission Trails Golf Course.

(San Carlos Community Area. District 7.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1219) ADOPTED AS RESOLUTION R-302770

Authorizing 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-33-084.0, Underground Hazardous Materials Storage Tanks, by the amount of \$165,000;

Authorizing the City Auditor and Comptroller to transfer the amount of \$165,000 from Fund No. 41500, Water Utility Operating Fund, to Fund No. 10524, Water Contributions to CIP for the purpose of funding CIP-33-084.0, Underground Hazardous Materials Storage Tanks;

Authorizing the City Auditor and Comptroller to appropriate \$165,000 from Fund 10524, Water Contributions to CIP to CIP-33-084.0, Underground Hazardous Materials Storage Tanks, for interim remediation of contaminated soil at the Mission Trails Golf Course;

Authorizing the expenditure of an amount not to exceed \$165,000 from Fund No. 10524, Water Contributions to CIP, CIP-33-084.0, Underground Hazardous Materials Storage Tanks, solely and exclusively, to provide funds for interim remediation of contaminated soil at Mission Trails Golf Course;

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

Declaring that this activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15330 because the activity is a minor action to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of hazardous waste or hazardous substances.

STAFF SUPPORTING INFORMATION:

On May 3, 1991, two 1,000-gallon underground storage tanks (USTs) were removed from the maintenance yard at the Mission Trails Golf Course. Upon excavation of the USTs, one soil sample was collected beneath each end of the USTs. The samples confirmed the presence of gasoline hydrocarbons in the soil beneath the USTs.

In response to the discovery of the gasoline contaminated soil, the County of San Diego Department of Environmental Health (DEH) opened an Unauthorized Release Case and directed the site owner (Water Department) and the site operator (American Golf Corporation) to perform a site investigation to determine the full degree and extent of contamination related to the release.

After resolving issues regarding responsibility for the USTs, and under the guidance of the DEH, the City began working with its consultant to assess the site. In April of 1994, the City's Environmental Consultant, Emcon Associates, submitted a workplan to the DEH for the first phase of assessment work, consisting of the advancement of 3 soil borings and installation of 4 groundwater monitoring wells. In September of 1994, based on findings during the initial assessment, Emcon submitted a workplan for additional assessment work, consisting of the advancement of 5 soil borings and installation of 1 groundwater monitoring well. Following review of Emcon's Site Assessment Report related to the above-described activities, the DEH directed the City to perform additional assessment work to further delineate groundwater impacts at the site. In response to this directive, the City installed 2 additional groundwater monitoring wells in October of 1996. Between 1996 and 2004, a series of groundwater sampling and reporting events were conducted for the purposes of monitoring the site and evaluating the need for corrective action.

In April of 2004, the DEH notified the City that the case would be designated as a low priority/inactive status due to limited state funding for regulatory oversight and the conclusion by DEH that the case did not pose an imminent risk to beneficial use groundwater resources or human health receptors. In May of 2006, the City was notified that the UST Cleanup Fund would be sun setting in 2011 and responsible parties were encouraged to enroll their low priority cases into a special "Private Oversight Program" (POP) to allow resumption of progress on the assessment process and secure reimbursement of expenses prior to the cleanup Fund's expiration. The City immediately submitted the required application and the case was enrolled in the POP.

Upon review of the project files, the DEH project manager assigned to the POP case concurred with recommendations previously made by the City's environmental consultant related to corrective action and, on October 11, 2006, the DEH issued a letter directing the City to implement an interim remedial action at the site to excavate contaminated soil from the source of the release area.

The City obtained a proposal for the Interim Remedial Action from its contracted as-needed environmental consultant, Geocon Inc., on December 12, 2006. The scope of work will consist of excavating approximately 1,000 cubic yards of gasoline-impacted soil, transporting impacted soil off site for treatment, backfilling and paving excavated areas, and preparing documentation reporting to the DEH at an estimated cost of \$165,000.

FISCAL CONSIDERATIONS:

Requested funds are available in the Water Department's FY07 Operating Budget Allocation (Fund 41500, Water Utility Operating, Fund 10524, Water Contributions to CIP) and will be transferred to CIP-33-084.0 - Underground Hazardous Materials Storage Tanks.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Resolution R-288765, adopted 6/9/97.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The proposed work scope will include the preparation of a Community Health and Safety Plan to mitigate potential exposure of the public to activities on site and assure community awareness. Public notices will be posted on all sides of the perimeter fence surrounding the site prior to implementation of the interim remedial action.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

- 1) Geocon Consultants, Inc. - projected impact will be an increase in operating revenues from project.
- 2) Current concession operator - American Golf Corporation - projected impact will be temporary disruption to operations at the maintenance yard, which will be mitigated to the greatest extent possible.
- 3) Water Department - projected impact will be decrease in operating budget reserves.
- 4) Parties interested in quality of environment - projected impact will be protection of beneficial groundwater resources through removal of highly contaminated soil.
- 5) Neighboring residents - projected impact is anticipated to be minimal through implementation of community participation and public outreach efforts described above.

Heap/Haas

Aud. Cert. 2700813.

Staff: Craig Fergusson - (858) 627-3311
Grace C. Lowenberg - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-108: Traffic Signal at Bayside Walk and West Mission Bay Drive.

(Mission Beach Community Area. District 2.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1056) ADOPTED AS RESOLUTION R-302771

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 68-010.0, Traffic Signals - Citywide, by the amount of \$150,000;

Authorizing the City Auditor and Comptroller to transfer the amount of \$150,000 from Fund No. 10532, Belmont Park Traffic Amelioration Fund, to CIP-68-010.0, Traffic Signals – Citywide;

Authorizing the expenditure of an amount not to exceed \$150,000 from CIP-68-010.0, Traffic Signals - Citywide, solely and exclusively, to provide funds to install a traffic signal on Bayside Walk and West Mission Bay Drive, 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 in the City Treasury;

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

Declaring the above activity is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15303, as the construction, installation or conversion of a small structure.

STAFF SUPPORTING INFORMATION:

This action will authorize the Mayor to appropriate and expend \$150,000 of Belmont Park Traffic Amelioration Funds for the installation of a traffic signal at Bayside Walk and West Mission Bay Drive. This location has met the criteria established in Council Policy 200-06 for the installation of a traffic signal.

FISCAL CONSIDERATIONS:

The total estimated project cost is \$150,000. With this action, funds in the amount of \$150,000 will be available in CIP-68-010.0 from the Belmont Park Traffic Amelioration Fund, Fund 10532.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None with this action.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Mission Beach Precise Planning Board supports the installation of the traffic signal.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

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

Boekamp/Haas

Aud. Cert. 2700703.

Staff: Deborah Van Wanseele - (619) 533-3012
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-109: 5998 Camino De La Costa Storm Drain Replacement.

(La Jolla Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1195) ADOPTED AS RESOLUTION R-302772

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$174,761 from CIP-13-005.0, Emergency Drainage Projects to CIP-52-338.0, Camino De La Costa Storm Drain Replacement Job Order 523388);

Authorizing the appropriation and expenditure of an amount not to exceed \$174,761 from CIP-52-338.0, Camino De la Costa Storm Drain Replacement, Job Order 523388), solely and exclusively, for the purpose of providing funds for Camino De La Costa Storm Drain Replacement, 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;

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 Mitigated Negative Declaration No. 40117, LDR File No. 41014, dated April 22, 2005, adopted by the City Council November 22, 2006, by Resolution No. R-5581. This 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. Therefore, the activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

Relatively rapid marine erosion of sea caves has undermined the end of street improvements, including the existing 18-inch corrugated metal storm drain pipe, at 5998 Camino De la Costa. What is left of the existing storm drain pipe is badly corroded and its function is compromised.

The proposed project will restore the storm drain pipe and prevent any impact to the nearby existing underground Sewer Pump Station #20 and other existing facilities. Staff has prepared the construction documents, including plans and specifications, to advertise and bid the project for construction. The Development Services Department has issued coastal development and site development permits for the project. Because this project is located along the beach area, no construction work will be scheduled during the beach summer moratorium. The project was partially funded with an allocation of \$17,239 from Capital Outlay, \$130,039 from TOT Coastal Infrastructure and Facilities (Fund 1022321), \$75,000 from Sewer Revenue Fund (Fund 41506), and \$94,961 from TransNet (Fund 30300). An additional \$174,761 is needed to complete project funding for construction. The Auditor's Certificate will be provided prior to contract award.

FISCAL CONSIDERATIONS:

\$174,761 is available in CIP-13-005.0, Emergency Drainage Projects, for this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Resolution R-299853, dated November 22, 2004, authorized the appropriation and expenditure of \$150,000; \$75,000 of which was transferred from Fund 41506, Sewer Revenue Fund, and \$75,000 was from TransNet funds.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The La Jolla Community Planning Association voted approval of this project.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Beach users. In addition to protecting street end improvements, this project will protect people using the beach below.

Boekamp/Haas

Aud. Cert. 2700792.

Staff: Jamal Batta - (619) 533-3769
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-110: Cooperative Agreement with Caltrans for Conveyance of Easements for State Route 905.

(Otay Mesa Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1132) ADOPTED AS RESOLUTION R-302773

Authorizing the Mayor to execute, for and on behalf of the City, an Agreement with the State of California, for the conveyance of easements for the construction of State Route 905 (Project), under the terms and conditions set forth in the Agreement;

Declaring this activity is covered under the Final EIR/EIS for State Route 905, SCH#95031031. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental 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).

STAFF SUPPORTING INFORMATION:

The State of California (Caltrans) will be constructing State Route 905 from east of the interchange with Interstate 805 to the Otay Mesa Port of Entry. To do so, Caltrans will require the temporary control of various City drainage and flowage easements in or adjacent to the project's right-of-way. The cost of any improvements or changes to the easements will be borne by Caltrans as part of the construction. Upon completion of the freeway construction project, the easements will be conveyed back to the City.

FISCAL CONSIDERATIONS:

None. All costs related to the project will be borne by Caltrans.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City Council approved a Freeway Agreement for the construction of State Route 905 on October 10, 2005.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Caltrans, as project construction manager, is a key stakeholder.

Boekamp/Haas

Staff: Larry Van Wey - (619) 533-3005
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-111: Approving the Final Map of Pacific Highlands Ranch Unit No. 6 Including Street Vacation.

(Pacific Highlands Ranch Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1216 Cor. Copy) ADOPTED AS RESOLUTION R-302774

Approving and accepting the final map of Pacific Highlands Ranch Unit No. 6.

STAFF SUPPORTING INFORMATION:

This map is located northwesterly of Del Mar Heights Road and Carmel Valley Road in the Pacific Highlands Ranch Community Plan area in Council District 1. This map requires City Council approval because there is a street being vacated on the map. The street, Zinnia Hills Place as shown on Engineering Drawing No. 20030-B, was dedicated as a cul-de-sac at no cost to the City by document recorded January 9, 2004 as F/P 2004-0018924. The cul-de-sac is being removed/vacated to make Zinnia Hills Place a through-street.

FISCAL CONSIDERATIONS:

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

PREVIOUS COUNCIL and/or COMMITTEE ACTION: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Community Planning group has no objection to this action.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Pardee Homes

Broughton/Waring

Staff: G. Bollenbach - (619) 446-5417
Nina M. Fain - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-112: Regional Interoperable Communications Development Grant Funded Expenditures – Phase 2 – Harris Stratex Networks, Inc.

(See Report to the City Council No. 07-112.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1192) ADOPTED AS RESOLUTION R-302775

Authorizing the City Auditor and Comptroller to expend a maximum of \$2,099,469 in grant funds to purchase microwave communication hardware from Harris Stratex Networks, Inc. as required for this grant-funded project;

Authorizing the City Purchasing Department to purchase this equipment, in compliance with the grant programs, City contract regulations, and according to the original terms of the competitive bid;

Authorizing the Chief of Police to direct and oversee this purchase, in compliance with the grant program.

STAFF SUPPORTING INFORMATION:

On June 22, 2006, in Resolution R-301551, Council authorized City to accept and expend grant funds from the FY 2006 Homeland Security Grant Program. Based on the prioritization of regional projects by the Unified Disaster Council's Urban Area Working group, the Regional Command and Control Communications (3Cs) Project's second phase was allocated \$3,602,996 in grant funds.

The 3Cs network will continue improving public safety by adding capacity and linking area emergency services in an integrated, interoperable microwave communication network. This will establish reliable and secure transport of high speed and high capacity voice and data communications during critical incidents.

The City wishes to engage Harris Stratex Networks, Inc. to provide microwave equipment that serves as the infrastructure for this enhanced communication system, in an amount based on actual documented services/products, but not to exceed \$2,099,469. This vendor was selected by competitive bid process conducted by City Communications (IT&C).

FISCAL CONSIDERATIONS:

All costs of this expenditure are grant funded. Grant funds are not to exceed \$2,099,469. No City funds are required. There is no requirement to continue grant funded activities, expenditures or programs after grant funds are depleted or terminated. Federal law requires that these funds supplement and not supplant funds otherwise available to law enforcement.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

- ✓ On April 11, 2005, in Resolution R-300311, Council authorized City to accept and expend a federal grant of \$6 million for the development of a far-southwest region interoperable Command and Control Communications system (3Cs).
- ✓ On June 22, 2006, in Resolution R-3001551, Council authorized City to accept and expend grant funds from the FY 2006 Homeland Security Grant Program.
- ✓ On July 11, 2006, in Resolution R-301636, Council authorized City to expend a maximum of \$5 million with Harris Stratex Networks, Inc. to purchase microwave communication hardware as required by this grant program.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Harris Stratex Networks, Inc.

Lansdowne/Olen

Aud. Cert. 2700806.

Staff: Donna J. Warlick - (619) 531-2221
John C. Hemmerling - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-113: Grant Award from the California Air Resources Board (CARB).

(Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1202) ADOPTED AS RESOLUTION R-302776

Authorizing the Mayor, or his designee, to accept, for and on behalf of the City, a grant award from California Air Resources Board (CARB) in the amount of \$128,925, under the terms and conditions set forth in Grant Number G06-PA26, Grant Award Agreement;

Authorizing the City Auditor and Comptroller to accept and appropriate grant funds and to deposit same into Vehicle Replacement Fund No. 50031;

Authorizing upon the City's receipt of such funds and the executed grant agreement, the expenditure of an amount not to exceed \$128,925, solely and exclusively, to reimburse the City for the acquisition and installation of particulate matter filters on off-road diesel construction equipment,

Declaring the above activity is not a "project" subject to the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15060(c)(2) and 15382 because this activity will not result in a direct or reasonably foreseeable indirect adverse physical change in the environment.

STAFF SUPPORTING INFORMATION:

CARB has awarded the City a grant of \$128,925 to reimburse the City for the purchase and installation of particulate filters on nine (9) pieces of off-road diesel construction equipment at a maximum cost of \$14,325 each. The Equipment Division and Purchasing are currently conducting a RFP to acquire a vendor; it is expected that the total cost will not exceed \$14,325 per piece of equipment. The grant will assist the City in reducing emissions and in meeting an imminent Fleet Rule being promulgated now by CARB for the reduction of emissions for off-road diesel construction equipment similar to the existing Fleet Rule for on-road diesel trucks. The deadline for submittal of the signed Agreement is June 30, 2007.

FISCAL CONSIDERATIONS:

It is anticipated that there will be no cost to the City, assuming that the RFP in process will result in a cost of \$14,325 or less per piece of construction equipment. If the vendor cost is greater than \$14,325, there are sufficient replacement funds to cover the difference.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: -

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: -

KEY STAKEHOLDERS AND PROJECTED IMPACTS: -

Brown/Jarrell

Aud. Cert. 2700801.

Staff: Daro Quiring - (619) 527-7560
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: MEET

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

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

* ITEM-114: Del Mar Heights Road Easement Grant to COX Communications.

(Carmel Valley Community Area. District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-894) ADOPTED AS RESOLUTION R-302777

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City of San Diego, conveying to COX an easement for the purpose of installing a fiber optic cable into the High Bluff Business Park affecting a portion of Parcel "C" of N.C.W. NEIGHBORHOOD 7, UNIT 11 in the City of San Diego, County of San Diego, according to Map thereof No. 11694, recorded in the Office of the County Recorder, as more particularly described in said easement;

Authorizing the City Auditor and Comptroller to collect and deposit \$1,590 from Fund 100, Revenue Account No. 77438 and \$610 will be collected and deposited to Fund 302453, Capital Outlay Fund, Revenue Account No. 78335.

STAFF SUPPORTING INFORMATION:

The easement allows COX to complete the installation of fiber optic cable into the High Bluff Business Park. This provides businesses in the area access to a very reliable, high capacity fiber network. This is a diverse route and would insure that if a problem occurs in the network, data traffic automatically re-routes to an alternate feed, substantially increasing network reliability. High capacity, reliable networks are vital to the success of major San Diego businesses.

Additionally, any large businesses exploring opportunities to relocate to San Diego requires diverse, high capacity data networks that not only tie in to the Internet but have the ability to link buildings together through point-to-point fiber networks. By building a fiber network to this area, Cox will have the facilities in place to build these links.

If and when COX vacates the easement it will automatically revert to the City.

FISCAL CONSIDERATIONS:

To cover READ's labor costs and expenses related to processing an Easement Deed, a fee of \$1,590 was deposited into Fund 100, Revenue Account No. 77438 in the form of a check provided by COX Communications. Prior to conveyance of the easement, \$610 will be collected and deposited into Fund 302453, General Capital Outlay Fund Miscellaneous, Revenue Account 78335, for the purchase of the real property rights.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Carmel Valley Maintenance Assessment District Committee received a presentation from a COX Communications representative. Concerns as to placement of a telecommunications cabinet on City property were averted by placing it in the public right-of-way.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

COX Communications

The project provides enhanced telecommunications services to existing and future business entities in the High Bluff Business Park and area.

Barwick/Waring

Staff: Steve Geitz - (619) 236-6311
Todd Bradley - Deputy City Attorney

FILE LOCATION: DEED F-10106

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

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

* ITEM-115: Settlement of Injury/Wrongful Death Claims of the Estate of Beatrice Madison, et al.

(District 3.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1190) ADOPTED AS RESOLUTION R-302778

A Resolution approved by the City Council in Closed Session on Tuesday, April 17, 2007, by the following vote: Council President Peters-yea; Faulconer-absent; Atkins-yea; Council President Pro Tem Young-yea; Maienschein-absent; Frye-yea; Madaffer-absent; Hueso-yea.

Authorizing the total sum of \$699,000 to be paid from the Public Liability Fund (81140) in settlement of each and every claim against the City, its agents and employees, arising from the litigation;

Authorizing the City Auditor and Comptroller to issue checks for each Plaintiff in the total amount of \$699,000, all payable to Belsky and Associates Trust Account.

STAFF SUPPORTING INFORMATION:

The proposed settlement would resolve all claims arising from the Injury/Wrongful Death Claims.

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 April 17th, 2007, the City Council approved the settlement amount of \$699,000. City Council voted 5 to 0 with three members absent to approve. The motion was made by Council Present Peters with a second by Councilmember Atkins. Councilmembers Faulconer, Maienschein and Madaffer were absent.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Severson/Goldstone

Aud. Cert. 2700817.

Staff: Janice Ellis - (619) 236-7705
Maria C. Severson – Chief 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: 10:29 a.m. – 10:29 a.m.)

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

* ITEM-116: Jan Garbosky Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1168) ADOPTED AS RESOLUTION R-302779

Commending Jan Garbosky for her passionate commitment toward increasing awareness and education for LGBT-related issues within San Diego City Schools;

Proclaiming June 8, 2007, to be “Jan Garbosky Day” in the City of San Diego.

FILE LOCATION: AGENDA

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

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

* ITEM-117: Nico Ferraro Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1176) ADOPTED AS RESOLUTION R-302780

Commending Nico Ferraro for his passionate commitment toward increasing awareness about the benefits of union membership within the City of San Diego;

Proclaiming June 9, 2007, to be "Nico Ferraro Day" in the City of San Diego.

FILE LOCATION: AGENDA

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

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

* ITEM-118: The Copley Family YMCA Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1207) ADOPTED AS RESOLUTION R-302781

Commending The Copley Family YMCA for 50 years of improving the quality of life in Mid-City by building strong children, strong families, and strong communities;

Proclaiming June 26, 2007, to be “Copley Family YMCA Day” in the City of San Diego.

FILE LOCATION: AGENDA

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

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

* ITEM-119: 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-2007-863) ADOPTED AS RESOLUTION R-302782

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

FILE LOCATION: GEN’L – State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico

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

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



ITEM-120: 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-2007-880) ADOPTED AS RESOLUTION R-302790

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

FILE LOCATION: GEN'L – State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego

COUNCIL ACTION: (Time duration: 2:04 p.m. - 2:08 p.m.)

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



ITEM-330: Line of Credit with San Diego National Bank for the Affordable Housing Opportunity Fund and the City Heights and Naval Training Center Redevelopment Project Areas.

(See Redevelopment Agency Report No. RA-07-20/RTC-07-100. Clairemont Mesa, Linda Vista, Old Town, Uptown, Midway/Pacific Highway Corridor, Mission Valley, Peninsula, Mid-City, and North Park Community Areas. Districts 2, 3, and 7.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1209) ADOPTED AS RESOLUTION R-302784

Approving the financing of a portion of the costs of the Redevelopment Projects by means of the Agency borrowing moneys under the Credit Agreements in the maximum amounts set forth below for the Project Areas and to be repaid in the manner and on the terms set forth in the Credit Agreements from a subordinate pledge of tax increment from the Redevelopment Projects:

<u>Credit Agreement</u>	<u>Maximum Loan Amount</u>
1. North Park Housing Credit Agreement	\$7,300,000
2. North Bay Housing Credit Agreement	\$8,600,000
3. City Heights Housing Credit Agreement	\$11,000,000
4. NTC Housing Credit Agreement	\$7,100,000
5. City Heights Non-Housing Credit Agreement	\$20,000,000
6. NTC Non-Housing Credit Agreement	\$16,000,000

STAFF SUPPORTING INFORMATION:

On February 15, 2006, a Request for Proposals was issued for six separate non-revolving lines of credit in an aggregate amount of \$70 million for the City Heights, Naval Training Center ("NTC"), North Bay, and North Park Redevelopment Project Areas. A line of credit is recommended given the Agency's current rating suspension and the unavailability of audited financial statements. Two proposals were received from commercial banks. After review of the proposals, the Agency's financial advisor, Kitahata & Company, recommended the lines of credit with San Diego National Bank as the preferred lender, in terms of lower costs and greater flexibility.

The lines of credit in the aggregate amount of \$70 million carry terms of three years and are secured by a subordinate pledge of the tax increment revenues generated within the respective Project Areas, excluding those revenues required by law to be set-aside for tax-sharing purposes, and the amounts needed to service the outstanding tax allocation bonds for City Heights, North Bay, and North Park. Interest-only payments are required on a quarterly basis, in arrears, and are expected to begin in September 2007. The proceeds of any future tax allocation bonds issued for the four project areas must first repay the respective lines of credit.

Funds will be drawn down on an as-needed basis. The interest rate is the lower of the 3-year U.S. Treasury plus 190 basis points or 30-day LIBOR¹ plus 110 basis points. As of May 2, 2007, the rate would be 6.65% based on the 3-year U.S. Treasury rate and 6.46% based on the 30-day LIBOR rate.

Four proposed lines of credit in an aggregate amount of \$34 million will be supported by the Housing Set-aside tax increment revenue from the City Heights, NTC, North Bay and North Park Project Areas. Of that total, \$29 million will be available to the Agency's Housing Opportunity Fund for affordable housing projects including those currently under review. Approximately \$5 million of the borrowed funds would be dedicated to existing City Heights programs and the remaining obligation for the NTC Homeless Assistance Agreement.

A \$20 million non-housing line of credit for City Heights will be used for the purchase of the State Route 15 surplus parcels from the City; property acquisition at 41st and University Avenue; community enhancement projects; a City Heights Opportunity Purchase Fund, which will enable the Agency to purchase property as it comes on the market and for repayment of the loan from San Diego Revitalization Corporation for the City Heights Square Project.

A \$16 million non-housing line of credit for NTC will be used to fund a consultant contract with the Agency's environmental consultant in negotiations with the Navy for the Early Transfer Conveyance and cleanup of the NTC boat channel; reimbursement to the NTC Master Developer for infrastructure improvements costs; traffic improvements in the area served by the project area; NTC Park and shoreline enhancements; and a proposed second rehabilitation grant agreement with the NTC Foundation, which will be brought to the Agency for consideration in the coming months.

FISCAL CONSIDERATIONS:

There is no fiscal impact to the City or the City's General Fund by this action. Based on the projected uses of funds, estimated maximum debt service on the line of credit is approximately \$165,000 per month, or \$1.97 million for a twelve-month period. Assuming \$47 million is drawn down in the next twelve months, the effective annual rate of borrowing is estimated at 4.20%, based on LIBOR rates or 4.32% based on US Treasury rates as of May 2, 2007. The Agency paid a \$10,000 Application Fee upon acceptance of the terms of the proposal. The fees related to consultants for this transaction will be pro-rated among the four project areas. These fees include (i) the bond counsel fees in an amount not to exceed \$40,000; (ii) the financial advisory services in an amount not to exceed \$30,000; and (iii) the SDNB counsel fees of approximately \$34,000, to which the \$10,000 Application Fee will be applied.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 25, 2006, the Agency authorized the issuance of an RFP to secure a bank line of credit in the amount of \$35 million to provide funding for an Affordable Housing Opportunity Fund. In September 2006, the Agency and the City Council authorized a \$10,000,000 line of credit with Bank of America secured by non-housing tax increment revenues from the North Park Project Area. The line of credit was issued on October 31, 2006, with the first quarterly interest payments made in January 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On February 12, 2007, the City Heights Project Area Committee ("PAC") adopted a motion (9-1-1-2) to support the line of credit; there were two recusals. On March 13, 2007, the North Park PAC adopted a motion (8-0-0) to support the use of North Park Housing Set-aside tax increment revenue for the Housing Opportunity Fund line of credit. On April 11, 2007, the North Bay PAC adopted a motion (11-1-0) for the Agency to move forward on the line of credit. On March 15, 2007, the Peninsula Community Planning Board was notified of this action.

No vote was taken; however, members requested that any proposed projects to receive funding from the line of credit be presented to the Board.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Business entities involved in this transaction are - San Diego National Bank (lender); Kathleen C. Johnson, Attorney at Law (Bank's counsel); Best Best & Kreiger (bond counsel); and Kitahata & Company (financial advisor).

¹ London Interbank Offered Rate. The rate of interest at which banks offer to lend money to one another in the wholesale money markets in London. A standard financial index used in U.S. capital markets to set the cost of various variable-rate loans.

Weinrick/Waring

Staff: Maureen Ostrye - (619) 236-6270
Mark D. Blake – Chief Deputy City Attorney

NOTE: See the Redevelopment Agency Agenda of June 26, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:17 p.m. - 4:17 p.m.)

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



ITEM-331: Two actions related to Park Boulevard at Harbor Drive Bridge – Request to Bid Construction, Acceptance of Federal Transportation Funds, Second Amendment to Agreement for Design Consulting Services with T. Y. Lin International.

(See Centre City Development Corporation Report CCDC-07-22/CCDC-07-10. East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project. District 2.)

CENTRE CITY DEVELOPMENT CORPORATION'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1198) ADOPTED AS RESOLUTION R-302785

Accepting allocated federal transportation funds from the Federal Highway Administration (FHWA) through the California Department of Transportation (Caltrans);

Authorizing the transfer of said federal transportation funds for the pedestrian bridge project to the Agency;

Finding and determining that the construction of the improvements in the East Village Redevelopment District for which the Agency proposes to pay are of benefit to the Centre City Redevelopment Project area, or the immediate neighborhood in which the pedestrian bridge project is located; that it finds and determines that no other reasonable means for financing the proposed construction is available to the community; and that it finds and determines that the proposed construction will assist in eliminating blighting conditions inside the Project area. These findings are more fully set forth in Attachment A hereto.

Finding and determining that the construction of said on-site and off-site improvements are consistent with the Implementation Plan adopted for the Project by the Agency on June 21, 1994, as Document No. 2141, pursuant to California Health and Safety Code Section 33490.

Authorizing the City Clerk to deliver a copy of this resolution to the Executive Director and members of the Agency.

Subitem-B: (R-2007-1196) ADOPTED AS RESOLUTION R-302786

Stating for the record that the information contained in the Final MND, including any comments received during the public review process, has been previously reviewed and considered by the Council and it is determined that no substantial changes or new information of substantial importance within the meaning of NEPA and CEQA would warrant any additional environmental review in connection with the approval of construction of the Park Boulevard at Harbor Drive Pedestrian Bridge Project.

SUPPORTING INFORMATION:

The Ballpark District Plan has always contemplated a reconfigured 12th Avenue and Park Boulevard, providing the long desired Park-to-Bay-Link across Harbor Drive with an open view corridor and access to the waterfront. This Project is a direct result of the closing of the former Eighth Avenue crossing at Harbor Drive, an infrastructure work component of the Downtown Ballpark and Ancillary Development Project.

The California Public Utilities Commission ("CPUC") (the regulatory authority for railroad activities throughout California) stipulated in a 2003 legal decision that it would grant permission to re-open the new Park Boulevard crossing on the condition that a grade-separated crossing for pedestrians, vehicular and rail traffic was constructed. The construction of a pedestrian bridge was deemed the most feasible of all grade separated options considered.

FISCAL CONSIDERATIONS:

Bids received will be evaluated, and presented later this year for consideration. If appropriate, a recommendation will be made to award a construction contract to the lowest responsible bidder. Funds for the Second Amendment to Agreement for Design Consulting Services with T.Y. Lin International are available in the Fiscal Year 2008 Project Budget. Previous Agency actions have already encumbered \$2,465,941.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On April 25, 2007, the Corporation Board of Directors unanimously approved this item.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In 2004, three stakeholder groups (Civic/Community, Technical/Agency, Design Community) were established comprised of representatives from the City of San Diego (Mayor and Council offices), Corporation, Centre City Advisory Committee ("CCAC"), Port of San Diego, Gaslamp Quarter and East Village associations, Downtown San Diego Partnership, design community, and others to solicit input regarding the Project's conceptual designs, and to make a recommendation for the preferred design. Several community forums were also held to gather feedback from the general public regarding the conceptual designs, and the preferred option.

Since that time, periodic Project updates have been provided to the Agency/Council, the Corporation Board and its Real Estate and Budget/Finance committees, the Port of San Diego, the CCAC, the East Village and Gaslamp Quarter associations, and the Downtown San Diego Partnership. Public outreach efforts have included Project presentations to local community groups and associations; regional design/engineering and construction professional associations; Project publications in regional trade periodicals, and Project postings on the Corporation's website.

Ruth/Graham/Yee

NOTE: See the Redevelopment Agency Agenda of June 26, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:44 p.m. - 4:44 p.m.)

MOTION BY FAULCONER TO ADOPT THE RESOLUTIONS IN SUBITEMS A AND B. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-not present, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-332: Barrio Logan Public Facilities Financing Plan Fiscal Year 2007.

(See Barrio Logan Public Facilities Financing Plan Report for June 2007 and Barrio Logan Public Facilities Financing Plan Draft for May 2007. Barrio Logan Community Area. District 8.)

(Continued from the meeting of June 12, 2007, Item 330, at the request of Council President Peters, to allow full City Council to be present.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1103) ADOPTED AS RESOLUTION R-302783

Approving the Barrio Logan Public Facilities Financing Plan, rescinding the existing Development Impact Fees for the Barrio Logan Community and establishing new Development Impact Fees for all property within the Barrio Logan Community.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 4/11/2007, LU&H voted 3 to 0 to approve. (Councilmembers Atkins, Young, and Madaffer voted yea. Councilmember Hueso not present.)

SUPPORTING INFORMATION:

Development Impact Fees (DIF) were established in 1987 by the City Council to mitigate the impact of new development in urbanized communities. Fees were based on the facility needs of each community. This plan updated the existing Public Facilities Needs List adopted in 1987.

The draft FY 2007 Barrio Logan Public Facilities Financing Plan describes the public facilities that will be needed for the Barrio Logan Community as it develops according to the Community Plan. Since Barrio Logan is an urbanized community, most of the community facilities and infrastructure are already in place. A majority of the remaining needed facilities are in the categories of transportation, park improvements, a library and a fire station.

The proposed fees reflect the current costs of the facilities identified in the Barrio Logan Community Plan and are necessary to maintain existing levels of service in the community. A summary of the proposed impact fees for Barrio Logan is as follows:

<u>Residential Units</u>		<u>Commercial and Industrial</u>	
Transportation	\$2114 per unit	Transportation	\$302 per trip
Park & Recreation	\$7195 per unit	Fire	\$457 per 1,000 SF of gross bldg area
Library	\$ 434 per unit		
Fire	\$ 457 per unit		
TOTAL FEE	\$10,200 per unit		

The total impact fee for residential development will increase from \$920 to \$10,200 per dwelling unit, primarily due to the adjusted needs and costs for park and recreation facilities. The estimated cost for eligible transportation facilities has increased from \$3,900,000 to \$14,247,200. An increase in the transportation fee from \$51 to \$302 per trip reflects project costs and administrative costs associated with plan reviews, impact fee collection and with financing plan preparation. The estimated cost for park facilities increased from \$780,000 to \$9,753,000, resulting in a fee increase from \$560 to \$7,195. This increase is a more accurate reflection of acreage requirements and costs to meet population based park needs within the community. A Library fee of \$434 per residential unit has been added to cover the community's share of the new Logan Heights Branch Library. A Fire fee has been added to build a new station within the community, that fee is \$457/1000 square feet.

Projected cost for all projects is \$46,108,200. Eligible project costs in the amount of \$30,438,130 will serve as the basis for the development impact fees, which will be collected at the time building permits are issued. Since these costs are for projects which will benefit both the existing community and future development, costs will be shared and new development is only expected to provide their pro-rata share for DIF eligible projects. Those portions of project costs not funded by new development through impact fees will need to be identified by future City Council actions in conjunction with the adoption of Annual Capital Improvements Program Budgets.

Alternative: Do not approve the proposed Financing Plan and Development Impact Fee Schedule. This is not recommended because the new fees will ensure that new development continues to contribute its fair share for facilities identified in the Community Plan.

In the absence of these fees, alternative funding sources would have to be identified to fund new development's share of identified facilities.

FISCAL CONSIDERATION:

Adoption of this financing plan will continue to provide new development's share of funding for the required public facilities.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Barrio Logan Public Facilities Financing Plan was approved by the Land Use & Housing Committee on April 11, 2007.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

Barrio Logan does not currently have a recognized Community Planning Group.

KEY STAKEHOLDERS and PROJECTED IMPACTS (if applicable):

Developers of new projects on vacant sites will be subject to a higher impact fee than currently exists.

Anderson/Waring

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:01 a.m. – 11:02 a.m.)

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



ITEM-333: 52nd Street Seniors.

Matter of the appeal by Chollas Restoration Enhancement and Conservancy of the Planning Commission's decision approving an application for a Planned Development Permit & Conditional Use Permit for a mixed-use project to develop a two phase project, and Certifying the associated Mitigated Negative Declaration. The 52nd Street Seniors project would consist of a phased, mixed-use development on a vacant 4.15-acre site, located at 4310 Dawson Avenue in the CU-2-3 Zone of the Central Urbanized Planned District within the City Heights neighborhood of the Mid-City Communities Plan. The applicant proposes the

construction of an 88-unit senior housing facility in Phase I and the development of 152 market-rate residential units and approximately 54,000 square-feet of commercial in Phase II. The 88-unit senior housing facility would be sited at the southern, 0.83-acre southern portion of the site, and would be developed in a four-story 80,971 square-foot building above a one-story 23,576 partially underground, parking garage. The 88-unit senior housing facility would consist of 87 affordable, for-rent senior housing units including 72 one-bedroom units, 15 two-bedroom units, and one two-bedroom resident manager unit. The 87 affordable units would be affordable to seniors earning no more than 60% the area median income (AMI), thereby exceeding the requirements of the City of San Diego Inclusionary Affordable Housing regulations.

(MND No. 27958/MMRP/PDP No. 426991/CUP No. 161157/Project No. 27958. City Heights Community Plan Area. District 7.)

According to the San Diego Municipal Code (SDMC), Land Development Code, Section 112.0520(d)(1)-(3), the City Council shall consider the appeal and shall, by a majority vote:

- (1) Deny the appeal, uphold the environmental determination and adopt the CEQA findings of the previous decision-maker, where appropriate;
- (2) Grant the appeal and make a superceding environmental determination or CEQA findings; or
- (3) Grant the appeal, set aside the environmental determination, and remand the matter to the previous decision-maker, in accordance with SDMC Section 112.0520(f), to reconsider the environmental determination that incorporates any direction or instruction the City Council deems appropriate.

If the City Council denies the appeal or grants the appeal under Section 112.0520(d)(2), the lower decision-maker's decision to grant the entitlements, approval or City authorization, shall become effective immediately.

If the City Council grants the appeal under Section 112.0520(d)(3), the lower decision-maker's decision to grant the entitlements, approval or City authorization shall be deemed vacated and the lower decision maker shall reconsider its environmental determination and its decision to grant the entitlements, approval or City authorization, in view of the action and, where appropriate, any direction or instruction from the City Council.

STAFF'S RECOMMENDATION:

Take the following actions:

Subitem-A: (R-2008-79) DENIED APPEAL AND UPHELD THE MITIGATED
NEGATIVE DECLARATION; ADOPTED AS
RESOLUTION R-302787

Adoption of a Resolution granting or denying the appeal and upholding or overturning the decision by the Planning Commission certifying Mitigated Negative Declaration No. 27958, and adopting the Mitigation Monitoring and Reporting Program;

Certifying that the information contained in Mitigated Negative Declaration No. 27958, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) as amended, and the State guidelines thereto (California Administrative Code Section 15000 et seq.), that the report reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by the City of San Diego City Council;

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

That pursuant to California Public Resource Code, Section 21081.6, the City of San Diego City Council hereby adopts 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;

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

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

Subitem-B: (R-2008-44) DENIED APPEAL AND GRANTED PLANNED
DEVELOPMENT PERMIT AND CONDITIONAL USE
PERMIT; ADOPTED AS RESOLUTION R-302788

Adoption of a Resolution granting or denying the appeal and granting or denying
Planned Development Permit No. 426991 and Conditional Use Permit No.
161157, with appropriate findings to support Council action;

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

OTHER RECOMMENDATIONS:

Planning Commission on April 26, 2007, voted 4-0-3 to approve; was opposition.

Ayes: Griswold, Otsuji, Ontai, Naslund

Recusing: Schultz

Not present: Garcia
(one vacancy)

The City Heights Area Planning Committee has recommended approval of this project,
with one condition, which was added to the permit.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

Deny an appeal of the Planning Commission decision and Approve Planned Development Permit
No. 426991 and Conditional Use Permit No. 161157.

STAFF RECOMMENDATION:

1. **Deny** the appeal of the Planning Commission decision filed by the Chollas Restoration,
Enhancement, and Conservancy;
2. **Certify** Mitigated Negative Declaration No. 27958, and Adopt the Mitigation Monitoring
and Reporting Program; and
3. **Approve** Planned Development Permit No. 426991 and Conditional Use Permit No. 161157.

EXECUTIVE SUMMARY:

The project site is located on the south side of El Cajon Boulevard, between 52nd Street and Dawson Avenue, within the City Heights Redevelopment Project Area and the City Heights community of the Mid-City Communities Plan Area. The site is designated for Commercial and Mixed-Use and is zoned CU-2-3. For projects proposing mixed-use development, a bonus of up to 43 dwelling units to the acre is allowed. The site is subject to the regulations of the Central Urbanized Planned District Ordinance. The CU Zones were established to allow a variety of mixed uses at varying densities. The CU-2-3 Zone allows a mix of heavy commercial and limited industrial uses with residential uses, and is intended to accommodate development with pedestrian orientation and medium-high density residential use. The allowed density is one unit per 1,000 square feet of lot area.

The proposed project would be developed in two phases. Phase I, located on the 0.83-acre southern portion of the site, is currently vacant and vegetated with small plants and non-native grasses. Phase II, located on the northern end of the site adjacent to El Cajon Boulevard, has 46,367 existing square-feet of commercial and retail space.

The 52nd Street Seniors project would consist of a phased, mixed-use development on a vacant 4.15-acre site. The applicant proposes the construction of an 88-unit senior housing facility in Phase I and the development of 152 market-rate residential units and approximately 54,000 square-feet of commercial in Phase II. The 88-unit senior housing facility would be sited at the southern end of the project site, the 0.83-acre portion of the site, and would be developed in a four-story 80,971 square-foot building above a one-story 23,576 partially underground, parking garage. The 88-unit senior housing facility would consist of 87 affordable, for-rent senior housing units including 72 one-bedroom units, 15 two-bedroom units, and one two-bedroom resident manager unit. The 87 affordable units would be affordable to seniors earning no more than 60% the area median income (AMI), thereby exceeding the requirements of the City of San Diego Inclusionary Affordable Housing regulations.

Appeal – On May 7, 2007, the Planning Commission's decision to approve the project and the environmental document was appealed by the Chollas Restoration Enhancement and Conservancy. The appeal (see Attachment 2) asserts that the sensitive environment of the Chollas Creek watershed, community interests, local traffic, stormwater regulations, and emergency and library services were not adequately considered nor addressed through the National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) process. It is staff's position that the items listed in the appeal were adequately considered and addressed, as described in the staff response to the appeal (see Attachment 3).

FISCAL CONSIDERATIONS:

No cost to the City. All costs are recovered through a deposit account funded by the applicant.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On March 1, 2005, the Housing Authority took actions to facilitate the proposed project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On April 26, 2005, the Planning Commission voted 4:0:0 to certify Mitigated Negative Declaration No. 27958, Adopt the Mitigation Monitoring and Reporting Program; and approve Planned Development Permit No. 426991 and Conditional Use Permit No. 161157. At the Planning Commission hearing, the Chollas Restoration, Enhancement, and Conservancy, represented by John Stump, spoke in opposition to the project.

On June 5, 2006, the City Heights Area Planning Committee voted 16:1:1 to recommend approval of the project with one condition, which was added to the draft permit.

KEY STAKEHOLDERS:

52nd Street, a Joint Venture composed of Larry G. Mabee, Philip A. Ward, and the San Diego Housing Commission, Owners and Housing Development Partners of San Diego, Inc.

Waring/Escobar-Eck/DS

LEGAL DESCRIPTION:

The 4.15-acre project site is located at 4310 Dawson Avenue, San Diego, CA 92115. The project site is in the City Heights Redevelopment Project Area of the Central Urbanized Planned District, within the City Heights community of the Mid-City Communities Plan. The project site is bounded by El Cajon Boulevard to the north, Dawson Avenue to the east, and 52nd Street to the west. Existing multi-family residences are located to the south of the project site, followed by Trojan Avenue. Phase I of the proposed project is located on the southern portion (0.83-acre) of the project site on APN 472-040-20 and a portion of 472-040-14. The Phase I portion of the project site is currently vacant and covered by small plants and non-native grasses. The eastern two-thirds of the site is characterized by a gently sloping (northwest-southeast) lower section and an upper moderately sloping (north-south) section at the west end of the site adjacent to 52nd Street. Phase II of the proposed project is located on the northern portion (3.32 acres) of the project site, which is currently developed with 46,367 square-feet of commercial and retail development.

The project site is not located within the Coastal Zone. As shown of the Federal Emergency Management Agency (FEMA) map panel (Map No. 06073C1639F) the site is neither within a 100-year nor 500-year flood plain. The site is not within or adjacent to the Multi-Habitat Planning Area (MHPA) of the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan area.

Staff: Dan Stricker – (619) 446-5251

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:08 p.m. - 3:21 p.m.)

Testimony in favor of the appeal by John Stump, Jim Varnadore, Theresa Quiroz, Tad Worku, and Hassan Liban.

Testimony in opposition of the appeal by Dana Morabito and Wendy DeWitt.

MOTION BY MADAFFER TO ADOPT THE RESOLUTION TO DENY THE APPEAL AND UPHOLD THE MITIGATED NEGATIVE DECLARATION IN SUBITEM A AND TO GRANT THE PLANNED DEVELOPMENT PERMIT AND THE CONDITIONAL USE PERMIT IN SUBITEM B. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-not present, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-yea.

ITEM-S400: Approval of Participation and Administration Agreements in San Diego City Employees' Retirement System (SDCERS) Group Trust.

(Continued from the meeting of June 18, 2007, Item 200, at the request of City Attorney, for further review.)

SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM'S RECOMMENDATION:

Take the following actions:

CONTINUED TO TUESDAY, JULY 10, 2007

Approving the attached Participation and Administration Agreement between SDCERS and the Unified Port District; and

Approving the attached Participation and Administration Agreement between SDCERS and the Airport Authority; and

Approving the attached Participation and Administration Agreement between SDCERS and the City of San Diego;

Directing the City Attorney to prepare the appropriate resolutions in accordance with Charter Section 40.

Along with the City, the Port and the Airport Authority participate in SDCERS under City Charter Section 149 and San Diego Municipal Code Sections 24.1801 et seq. These provisions allow a public agency to contract with SDCERS to participate in the SDCERS Trust Fund, after the City Council makes a finding that the public agency is eligible and approves the contract between the agency and SDCERS. In 2002, the City Council found that the Port and the Airport Authority were eligible to participate in SDCERS under Charter Section 149, and approved the initial contracts between SDCERS and each agency.

Under Charter Section 149 and Municipal Code Section 24.1806, all funds contributed by a contracting public agency and its employees must be held in trust and used only to pay benefits and necessary expenses related to administering the retirement benefits of that agency. In order to carry out the intent of these provisions, and prevent the use of any contracting agency's plan assets to pay the liabilities associated with another agency's plan, tax counsel advised SDCERS to establish a Group Trust, within which SDCERS would administer each public agency's plan as a separate trust. Based on this advice, on March 16, 2007, the SDCERS Board unanimously approved a "Declaration of Trust" establishing the SDCERS Group Trust effective July 1, 2007. At that same time, the Board unanimously approved the three attached Participation and Administration Agreements with the City, the Port and the Airport Authority.

The Port and Airport Authority Boards have unanimously approved their respective Participation and Administration Agreements. Municipal Code Section 24.18020(j) requires that the Participation and Administration Agreements between SDCERS and each contracting public agency be approved by the City Council by Resolution.

A Council vote to approve the Participation and Administration Agreements of the City, Port, and Airport will ensure that the plan assets associated with each plan sponsor currently participating in SDCERS are unavailable to satisfy the liabilities of each other plan sponsor's plan. Both the Port and Airport Boards have made it clear that the participation of their assets in the SDCERS Group Trust is critical to their continued participation in SDCERS. If the City Council does not approve their Participation and Administration Agreements, the Port and Airport may be forced to seek out another pension alternative to SDCERS.

FISCAL CONSIDERATIONS:

There is no financial impact associated with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are the City, Port, and Airport Authority, as well as their employees and retirees. Council approval of the three SDCERS Group Trust Participation and Administration Agreements will assure the employees and retirees of all three agencies that the assets in their retirement plans are safe from claims by or against the other SDCERS-administered plans.

Hebrank/Wescoe

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 11:03 a.m. – 11:08 a.m.)

MOTION BY FRYE TO CONTINUE TO TUESDAY, JULY 10, 2007, FOR FURTHER REVIEW. Second by Madaffer. Passed by the following vote: Peters-nay, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S500: Support for Joint Powers Authority (CSCDA) Industrial Development Bond Financing for Fiorella Investments LLC/Cantare Foods.

(See memorandum from James Waring dated 6/21/2007. Otay Mesa Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1243) ADOPTED AS RESOLUTION R-302789

Finding that the Project is expected to create jobs and expand the City's tax base consistent with Council Policy 100-12;

Approving the issuance of the Bonds for the purposes of IRS Code Section 147(f), Section 9 of the Agreement, and California Government Code Section 91530(f);

Declaring that Council's approval of this Resolution for the issuance of the Bonds is contingent upon a provision within the relevant Bond documents providing for indemnification in favor of the City, and its elected officials, representatives, agents, and employees for any liability related to this Project;

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;

Declaring that certification of the adoption of this Resolution shall be made by the Office of the City Clerk to the Issuer.

STAFF SUPPORTING INFORMATION:

The City Council is requested to hold a public hearing and adopt a resolution supporting a CSCDA tax-exempt IDB issuance of up to \$10 million for Fiorella Investments LLC/Cantare Foods (Cantare). The IDB issuance would be a source of inexpensive financing for Cantare's new facility in the City. Cantare will use the bond proceeds to finance a 72,500 s.f. food processing facility, subject to further environmental review, to be located on a 3.57 acre site on

St. Andrews Avenue in the Brown Field Business Park in the community of Otay Mesa. The requested hearing process is a requirement for all tax-exempt private activity bond financings as stipulated under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Local agency TEFRA hearings are intended to allow interested persons an opportunity to express their views for or against the issuance of bonds.

Cantare was established in 1992 and is a producer of authentic, high quality, Mediterranean artisan foods and has received worldwide recognition for its award winning gourmet cheeses. Cantare has production facilities in Baldwin Park, CA and Miramar. Cantare intends to move its production facility and headquarters to a new facility in Otay Mesa which will allow for expanded operations. In addition to expanding the City's tax base, Phase I and II of the new food production facility in Otay Mesa is expected to create 100 new jobs upon completion. Phase I is completed and Phase II will be complete in August 2007. As the proposed CSCDA IDB issuance facilitates tax base/employment benefits that match public benefit eligibility criteria set forth in Council Policy 100-12, staff recommends that the proposed financing for Cantare be supported.

The City has been a member of the JPA (CSCDA) since 1991. CSCDA is a statewide conduit issuer of private activity bonds. CSCDA has previously issued bonds for various City-approved projects including financing for: Delimex; Johanson Dielectrics; Carvin Corp; Howard Leight Industries; the Salk Institute; the San Diego State University Foundation; and Figi Graphics, Inc. CSCDA is sponsored by the League of California Cities and the California State Association of Counties. As with previous JPA issues, the City does not issue these bonds or pledge to support them in any way. The City's role is limited to holding the TEFRA hearing.

FISCAL CONSIDERATIONS:

There is no fiscal impact on the General Fund. Council Policy 900-12 provides for an application fee and a loan origination fee based on the size of the bond issue. A \$10 million Cantare IDB would result in application and origination fees totaling up to \$26,250 which would be paid into the City's IDB Administrative Expense Fund (10240).

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The requested City Council hearing fulfills the TEFRA requirement to hold a public hearing involving the legislative body of the local agency in which the proposed project is located. As required, notice of the TEFRA hearing will be published in a newspaper of general circulation at least 14 days prior to the date of the public hearing.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

There are not any known stakeholders who are opposed or impacted by the proposed development. It is estimated that the project will create 80 new jobs and retain 30 existing jobs in City of San Diego. Additionally, the development of the new Cantare facility will generate additional tax revenue for the City's General Fund.

Kessler/Waring

Staff: Trish Hughes-Raber - (619) 236-6322
Jana L. Garmo - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:44 p.m. - 4:52 p.m.)

MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-not present, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, 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: 4:52 p.m. - 4:53 p.m.)

NON-DOCKET ITEMS:

None.

