CITY OF SANTA BARBARA
CITY COUNCIL

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City Hall
735 Anacapa Street
http://www.SantaBarbaraCA.gov

NOVEMBER 18, 2014
AGENDA

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and http://www.SantaBarbaraCA.gov. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (http://www.SantaBarbaraCA.gov). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: If you need auxiliary aids or services or staff assistance to attend or participate in this meeting, please contact the City Administrator's Office at 564-5305. If possible, notification at least 48 hours prior to the meeting will usually enable the City to make reasonable arrangements. Specialized services, such as sign language interpretation or documents in Braille, may require additional lead time to arrange.

TELEVISION COVERAGE: Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
12:30 p.m. - Ordinance Committee Meeting, Council Chamber
2:00 p.m. - City Council Meeting

FINANCE COMMITTEE MEETING - 12:30 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

Subject: Options For Municipal Golf Course Operation (120.03)

Recommendation: That the Finance Committee:

A. Receive a report from staff on the status of the municipal golf course, including trends, financial projections, and options the City might consider to improve the financial outlook for the continued operation of the course; and

B. Provide a recommendation to City Council for how staff should move forward with addressing the current financial challenges facing the Golf Course.

ORDINANCE COMMITTEE MEETING - 12:30 P.M. IN THE COUNCIL CHAMBER (120.03)

Subject: Municipal Code Amendments Pertaining To Recreational Vehicle Parking (120.03)

Recommendation: That the Ordinance Committee consider proposed amendments to Municipal Code sections 10.44.205, 15.16.060 and 15.16.080 pertaining to recreational vehicle parking and the definition of "temporary recreational vehicles," and forward the ordinance amendments to the City Council for introduction and adoption.

REGULAR CITY COUNCIL MEETING – 2:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Amendment To The Position And Salary Control Resolution For Drought Related Water Supply Positions (410.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 14-046, the Position and Salary Control Resolution for Fiscal Year 2015, Affecting the Public Works Department, Effective November 18, 2014.

2. Subject: Grant From The Institute Of Museum And Library Services For Family Literacy (570.04)

Recommendation: That Council:

A. Authorize the Library Director to accept a $249,914 grant from the Institute of Museum and Library Services for the Read Together Program; and

B. Increase appropriations and estimated revenue in the General Fund, Library Department's Public Services Program by $62,333.25 in Fiscal Year 2015.

3. Subject: Adoption Of Revised Minimum Standard Requirements For Airport Aeronautical Activities (560.01)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Revised Minimum Standard Requirements for Airport Aeronautical Activities at the Santa Barbara Airport and Repealing Resolution No. 06-078.

CONSENT CALENDAR (CONT'D)

4. Subject: Purchase Order For Skidata, Inc., Parking Revenue Control Equipment At Stearns Wharf (550.08)

Recommendation: That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070(L), and authorize the General Services Manager to issue a purchase order to Sentry Control Systems for Skidata parking revenue control equipment for Stearns Wharf in an amount not to exceed $84,500.

5. Subject: Cancellation Of Certain Council Meetings In 2015 (120.09)

Recommendation: That Council cancel the regular Council Meetings on the following dates: January 6, January 20, February 17, March 31, May 26, July 7, August 18, August 25, September 8, November 3, December 1, December 22, and December 29, 2015.

6. Subject: Contract For Design Of Sodium Hypochlorite Line Replacement At The El Estero Wastewater Treatment Plant (540.13)

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services contract with MNS Engineers, Inc., in the amount of $51,105 for design services of the Sodium Hypochlorite Line Replacement Project at the El Estero Wastewater Treatment Plant, and authorize the Public Works Director to approve expenditures of up to $5,110 for extra services of MNS Engineers, Inc., that may result from necessary changes in the scope of work.

7. Subject: Contract For Construction Management For El Estero Digester Cleaning And Equipment Rehabilitation Project (540.13)

Recommendation: That Council authorize the Public Works Director to execute a contract with MNS Engineering, Inc., in the amount of $54,600 for construction support services, and approve expenditures of up to $5,460 for extra services of MNS Engineers, Inc., that may result from necessary changes in the scope of work.

CONSENT CALENDAR (CONT'D)

8. Subject: Introduction Of Ordinance To Amend Municipal Code Title 16, Liquid And Industrial Waste Disposal (540.13)

Recommendation: That Council:

A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code By Repealing Title 16 in its Entirety and Adding Title 16 Pertaining to Liquid and Industrial Waste Disposal; and

B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Updated Pretreatment Program Enforcement Response Plan.

9. Subject: Records Destruction For Police Department (160.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Police Department.

NOTICES

10. The City Clerk has on Thursday, November 13, 2014, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

11. A City Council site visit is scheduled for Monday, November 24, 2014, at 1:30 p.m. to the property located at 3626 San Remo Drive, which is the subject of an appeal hearing set for November 25, 2014, at 2:00 p.m.

12. Receipt of communication advising of vacancy created on the Parks and Recreation Commission with the resignation of Carolyn Brown. This vacancy will be part of the current City Advisory Groups Recruitment.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

REPORT FROM THE ORDINANCE COMMITTEE

PUBLIC HEARINGS

13. Subject: Public Hearing To Adopt A Resolution Of Necessity For The Cabrillo Boulevard Bridge Replacement Project And Authorization For Agreement For Legal Services (530.04)

Recommendation: That Council:

A. Hold a public hearing, and make the necessary findings to acquire the real property rights in the parcels subject to this hearing, and subsequently adopt (by a 2/3 vote), by reading of title only, A Resolution of Necessity of the Council of the City of Santa Barbara to Acquire Certain Real Property Rights Over the Property Commonly Known as 13 (Otherwise Known as 15) East Cabrillo Boulevard (APN: 033-111-012), 21 Helena Avenue (APN: 033-111-004), and 6 State Street (APN: 033-111-011); and

B. Authorize the City Attorney to execute a professional services agreement with the law firm of Best Best & Krieger, LLP, in the not-to-exceed amount of $200,000 for special legal services to the City on matters related to the Cabrillo Boulevard Bridge Replacement Project.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

14. Subject: Stage Two Drought Update (540.05)

Recommendation: That Council receive an update on the status of the current drought and the implementation of the Parks and Recreation Department's Park and Tree Drought Response Plan.

PUBLIC HEARINGS (CONT'D)

15. Subject: Appeal Of Planning Commission Approval Of A Coastal Development Permit For A New Residence At 3435 Marina Drive (640.07)

Recommendation: That Council deny the appeal of Kitch Wilson, Ron Green, Mike Moore, and Don Santee, and uphold the decision and findings of the Planning Commission to approve the application of Mr. Charles Rudd for a Coastal Development Permit for a new single-family residence on a vacant lot.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

16. Subject: Conference With City Attorney - Anticipated Litigation (160.03)

Recommendation: That Council hold a closed session to consider significant exposure to litigation (one potential case) pursuant to Government Code Sections 54956.9(d)(2) & (e)(1) and take appropriate action as needed.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

ADJOURNMENT

To Monday, November 24, 2014, at 1:30 p.m. at 3626 San Remo Drive. (See Agenda Item No. 11)

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: November 18, 2014
TIME: 12:30 P.M.
PLACE: David Gebhard Public Meeting Room
630 Garden Street

Dale Francisco, Chair
Bendy White
Gregg Hart

Paul Casey
Acting City Administrator

Robert Samario
Finance Director/
Acting Assistant City Administrator

ITEMS TO BE CONSIDERED:

Subject: Options For Municipal Golf Course Operation

Recommendation: That the Finance Committee:

A. Receive a report from staff on the status of the municipal golf course, including trends, financial projections, and options the City might consider to improve the financial outlook for the continued operation of the course; and
B. Provide a recommendation to City Council for how staff should move forward with addressing the current financial challenges facing the Golf Course.

File Code No. 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Finance Committee

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Options For Municipal Golf Course Operation

RECOMMENDATION: That the Finance Committee:

A. Receive a report from staff on the status of the municipal golf course, including trends, financial projections, and options the City might consider to improve the financial outlook for the continued operation of the course; and
B. Provide a recommendation to City Council for how staff should move forward with addressing the current financial challenges facing the Golf Course.

EXECUTIVE SUMMARY:

The City's municipal golf course, Santa Barbara Golf Club (SBGC) is operated as an Enterprise Fund, whereby revenue generated at the club sustains maintenance and operations of the golf course. The golf course receives no tax support. The sport of golf has seen declines nationally and regionally primarily due to fewer people playing golf or playing less frequently, an overexpansion of the golf course inventory, and the national recession. With play declining since 1990, SBGC has experienced increasing fiscal challenges and the Golf Fund could deplete all of its reserves as early as Fiscal Year 2016.

There are a number of options the City might consider to address the potential structural deficit including:

- Shift the golf course to the General Fund;
- Provide some level of subsidy to the Golf Course while still maintaining it as a separate enterprise fund; or
- Change how the golf course is operated, i.e., facility lease, management agreement, and/or contract maintenance.

Preliminary information on various options is presented to initiate the discussion. City Council direction will be needed prior to June 2015, to insure adequate time for new contractual relationships to be in place by June 2016, when the two existing concessionaire agreements expire.

DISCUSSION:

Background

The Santa Barbara Golf Club (known as SBGC or "Muni") has served as the City's municipal golf course since 1958. The course is operated as an enterprise fund, whereby revenue generated at the club sustains maintenance and operations of the golf course. The golf course receives no General Fund or tax support.

The sport of golf has seen declines nationally and regionally primarily due to fewer people playing golf or playing less frequently, an overexpansion of the golf course inventory, and the national recession. Santa Barbara's municipal golf course has experienced increasing fiscal challenges due to a continuing decline in the number of rounds played at the course. Play has generally declined 3-5% per year, down from over 100,000 rounds in 1990 to 62,500 in Fiscal Year 2014. Play has somewhat stabilized over the last four years.

Nearly 80% of golf course revenue is generated by user fees charged to the golfers (greens fees). Fewer rounds mean less revenue. A number of measures have been taken over recent years to decrease expenses, restructure debt, and increase play. The golf course has limited ability to further reduce expenses without negatively affecting course conditions, which would have a reciprocal effect on play. Similarly, fee increases intended to generate additional revenue will have the opposite effect, as the local golf market offers golfers many choices today with competitive pricing. Expenses to maintain and operate the course have been exceeding revenue, and as a result, the Golf Fund reserves have been below policy level since Fiscal Year 2008. If current trends continue, the Golf Fund could deplete all of its reserves as early as Fiscal Year 2016.

Municipal Golf Course – An Important Community Asset

Since it was built the Santa Barbara municipal golf course has been a popular and greatly valued recreational resource for the Santa Barbara community. It is known as a well-maintained and operated facility, and golfers regularly compliment staff on the course conditions. Approximately 6,000 golfers play at SBGC, including those who play on a regular basis, occasional players, and visitors to the area. Roughly 1,000 golfers participate in 25 organized home clubs and golfing groups. The course offers extensive junior golf programs, and discount play for juniors and students, and seniors. Over 35% of all rounds played at SBGC are from seniors 65 years and older. Over the last four years, participation in junior programs has increased over 50%, with over 700 youth involved per year. SBGC is also home to the Santa Barbara City College men's and women's golf teams, and other local high school teams.

Although there has been declining interest in the sport of golf, Santa Barbara's golf course remains busy providing affordable golf for many community residents and visitors. Staff is exploring alternative activities which could coexist with traditional golf and provide new revenue streams to offset course operational costs.

Potential Deficit Projections

The following table shows how the projected deficit may change over ten years based on whether rounds decline, stay flat, or experience moderate growth.

Year	Projected Golf Fund Deficit Compared to Fiscal Year 14 Actual Play				
	4% decline	2% decline	Flat	1% growth	2% growth
2016	(430,189)	(353,136)	(274,506)	(234,601)	(194,301)
2017	(446,281)	(330,343)	(209,599)	(147,394)	(83,952)
2018	(519,285)	(364,569)	(200,122)	(114,124)	(25,544)
2019	(579,076)	(385,782)	(176,096)	(64,789)	+51,003
2020	(644,822)	(413,231)	(156,823)	(18,666)	+126,486
2021	(701,222)	(431,692)	(127,129)	+39,440	+216,183
2022	(774,514)	(467,471)	(113,369)	+83,198	+293,847
2023	(682,501)	(338,436)	+66,543	+294,717	+541,671
2024	(759,040)	(378,497)	+78,649	+340,064	+625,811
2025	(858,455)	(442,032)	+68,527	+364,841	+691,959
2026	(960,730)	(509,070)	+56,103	+389,000	+760,159

Assumptions:

- 59,197 paid rounds in Fiscal Year 14
- Costs are the same for all round volumes due to fixed nature (incl. Finance Dept. assumptions for salary/benefit increases).
- $1 fee increase applied every year
- Capital Projects fully funded
- No change to current operational structure or concession terms
- Golf course debt obligations conclude 2023

It is important to note that, in even the most favorable scenario (2% growth), the Golf Fund will fully exhaust its reserves balances and run out of cash. In addition, all scenarios assume annual increases to greens fees of $1 per round. As discussed above, such increases to fees could adversely affect rounds depending what on other competing golf courses do with green fees.

Options to Address Possible Structural Deficit

The City could shift the golf course over to the General Fund; provide some level of subsidy to the Golf Course while still maintaining it as a separate enterprise fund; or change how the golf course is operated, i.e., facility lease, management agreement, and/or contract maintenance. The discussion can be initiated with the first of two questions:

1. Should a portion of annual golf course operation be subsidized by the General Fund to solve the structural deficit; or,

2. Should an alternate golf course operating model be implemented to resolve the structural deficit? If so, which one?

General Fund Support of Parks and Recreation Programs and Services

At the October 7, 2014, Finance Committee meeting, staff was asked to provide information on the Department's General Fund programs. The majority of programs and services provided by Parks and Recreation are funded through the General Fund. Exceptions are the golf course and the Measure B funded Creek Restoration/Water Quality Improvement Program. The cost to maintain and operate various parks, beaches, community buildings, and recreational facilities is included in associated program budgets with the exception of capital expenses and department or City overhead costs. User fees and contractual agreements comprise Department revenues, which supplement the General Fund subsidy to fully cover program expenses. The Recreation Division has the lowest subsidy percentage (45%) due to fees charged for programs and facility use. The numbers and percentages below are based on Fiscal Year 2014 final revenue and expenses.

	Expense	**Revenue**	**% GF Subsidy**
Parks and Recreation General Fund Budget	$14,168,362	$5,217,263	63%
Administration Division	$992,500	$59,145	94%
Parks Division	$6,867,738	$1,716,734	75%
Recreation Division	$6,308,125	$3,441,384	45%

Philosophically, the Department provides higher subsidy levels for those programs and services which serve the general community (e.g., park visitors do not pay fees to visit a park unless they want exclusive use of a particular park area), and programs directed to the underserved/low income (i.e., the free Summer Fun Drop-In Program or free afterschool sports program). Activities for youth are generally subsidized at a higher level than for adults. Fees are generally set to recover direct activity costs and contribute towards park/facility maintenance and operational costs.

In looking to make a comparison between the golf course and other recreation programs, the Department selected Los Baños Pool and the Tennis Program. All three programs operate and maintain a facility, generate revenue from activities related to that facility, and provide similar activities. The following table reviews the three programs with facilities, programs, target audience, revenue/expense, and annual participation. The golf course is notably more expensive to operate compared to Los Baños Pool and the Tennis Program.

	Los Baños Pool	Tennis Program	Golf Course
Facility	Pool, shower/lockers, restrooms, weight room, offices	Municipal Tennis Facility (12 courts), offices, shower/ lockers; Oak Park (2 courts), lights for Pershing Park tennis (8 courts)	18-hole golf course, driving range, lesson area, pro shop, cart barn, maintenance building, restaurant, restrooms
Programs	Lessons, camps, clinics, group swim, competitive swimming, casual/drop in swim, facility rentals, supervised facility	Lessons, camps, clinics, organized group play, tournaments, casual/drop in play, facility rentals, partially supervised facility	Lessons, camps, clinics, organized group play, tournaments, casual/drop in play, group golfing activities, supervised facility
Target Audience	Youth, Adults, Seniors	Youth, Adults, Seniors	Youth, Adults, Seniors
Operating Expense*	$521,266	$297,302	$2,111,329
Program Revenue*	$228,120	$96,559	$2,043,085
GF Subsidy*	56%	68%	N/A
Annual Participation (duplicative)*	105,000 (swim sessions)	37,500 (tennis sessions)	62,500 (rounds played)

*Fiscal Year 2014

Alternate Operating Options for the Santa Barbara Golf Club

With the growing concerns for the fiscal sustainability of the golf course, staff contracted with Pro Forma Advisors LLC to provide information on golf industry trends, the comparative performance of Santa Barbara's municipal golf course to regional facilities, and alternative operating models, and the economics of how each might work if implemented for Santa Barbara. A copy of the ProForma report is included as an attachment to this staff report.

Five basic golf course operating options employed by municipalities are presented, including the current model used by the City of Santa Barbara. They are described below and include:

A. Golf Facility Lease
B. Management Agreement
C. Hybrid – current model in Santa Barbara
D. Modified Hybrid – alternate model with contract maintenance
E. Full Self-Operation

A. Under the **Golf Facility Lease** model, the City would enter into a long-term facility lease with a private golf course operator who provides course maintenance, golf operations, food and beverage, and overall facility management. Typically, the lease model has been utilized when a private entity will be investing significant capital into the facility. The operator's lease payments typically are based on a minimum rental payment versus a percentage of gross revenues derived from golf, merchandise, food and beverage, etc. Under a typical facility lease, the lessee receives 100 per cent of the revenue and is obligated to fund required front-end capital improvements,

operating expenses, and a capital reserve fund. This model is not as common in today's municipal golf market.

B. The **Management Agreement** model is the most common model employed in the municipal golf market today. The City would enter into a fee-for-service agreement with a Director of Golf, General Manager, or an outside management company. Under a typical management agreement, the facility owner (City) receives all revenues and is responsible for funding all capital improvements, operating expenses and capital reserves. In addition, the City pays the operator a fee for management of the facility. In effect, the professional operator serves as the City's agent in managing, operating, and maintaining the golf facility (pro shop, maintenance, food and beverage). Management compensation typically consists of a base fee, plus performance incentives.

C. The **Hybrid** model consists of any combination of concession agreements and service contracts. The City of Santa Barbara currently employs a Hybrid model with City employees providing Administration/Management and golf course maintenance; golf operations and food and beverage services are provided by two concessionaires: Director of Golf - Chris Talerico/Channel Islands Golf Enterprises, Inc., and Mulligans Café LLP – Mario and Lani Medina.

D. A **Modified Hybrid** model respective to the City of Santa Barbara could entail the City retaining the current golf operations and food and beverage concessions, with golf course maintenance shifted to a private landscape maintenance entity on a contract basis. The City would still be responsible for overall golf course management, and overseeing the three contracts.

E. The **Full Self-Operation Model**, whereby the facility is operated fully by the City with a City workforce, is very uncommon and movement away from this model continues given higher public employee compensation labor costs. This model is not seen as a viable option for Santa Barbara at this time.

Preliminary information shows that Options A, B, and D could provide a net income to the City from the golf course if implemented. The report provides detailed economics of how each model might compare if implemented in Santa Barbara. In general, the primary difference in net operating income derives from whether golf course maintenance is provided by a City employee workforce or a private entity. Currently, there are 11 permanent City employees performing golf course maintenance assisted by four hourly employees for a total of 12.75 full-time equivalent (FTE) staff.

Conclusion

The existing golf course concession agreements will terminate in June 2016. Whether the City chooses to continue the current model or modify it in some way, a decision will need to be made no later than June 2015. The RFQ/RFP process combined with contract negotiation and transition between operators is estimated to take 12 months.

Any significant change to how the golf course operates will likely involve a number of public meetings including the City Council, Finance Committee, Parks and Recreation Commission, and Golf Advisory Committee. This item has been tentatively scheduled before City Council on December 9, 2014.

BUDGET/FINANCIAL INFORMATION:

The Santa Barbara Golf Course is operated as an Enterprise Fund, with all operating and capital expenses covered by revenue generated by golf course operations. The Golf Fund has been below policy reserves since Fiscal Year 2008, and reserves may be depleted as early as Fiscal Year 2016.

ATTACHMENT:

1. Evaluation of Operating Options Santa Barbara Golf Club, Pro Forma Advisors LLC, dated November 2014
2. SBGC Golf Trends Fiscal Year 1982-2014, Golf Revenue and Expense Fiscal Year 2013-2020, Golf Fund Reserves Fiscal Year 2012-2014, Golf Fund Reserve Balance Fiscal Year 2013-2020

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

ATTACHMENT 1

Evaluation of Operating Options
Santa Barbara Golf Club

Santa Barbara, California

Prepared for: **City of Santa Barbara**
Prepared by: **Pro Forma Advisors, LLC**

November 2014
PFAID: 10-644

Version: 1.0

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Pro Forma
Advisors LLC

General Limiting Conditions

Certain information included in this report contains forward-looking estimates, projections and/or statements. Pro Forma Advisors LLC has based these projections, estimates and/or statements on expected future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," “project,” or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

No warranty or representation is made by Pro Forma Advisors that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Pro Forma Advisors accepts no liability in relation to the estimates provided herein.

In the production of this report, Pro Forma Advisors has served solely in the capacity of consultant and Pro Forma Advisors has not rendered any “expert” opinions and does not hold itself out as an “expert” (as the term “expert” is defined in Section 11 of the Securities Act of 1933).

This report is not to be used in conjunction with any public or private offering of securities, and may not be relied upon without the express written consent of Pro Forma Advisors.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.

I. Introduction and Background

Background

The City of Santa Barbara municipal golf course, the Santa Barbara Golf Club (SBGC or "Muni"), has served the community of Santa Barbara since 1958 under the leadership of the Parks and Recreation Department. SBGC provides the Santa Barbara community, residents and visitors alike, with affordable golf in a well-designed and maintained golf course facility. The 108-acre, 18-hole regulation, par-70 golf course is located in the north side of town and features sweeping views of the Santa Ynez foothills and the Pacific Ocean.

SBGC is managed by the Parks and Recreation Department. The Department also provides the golf course maintenance operation, staffed with City employees. The Department manages two concession contracts associated with the operation of the course, the Director of Golf/Pro Shop concession and the Food and Beverage concession. Although concession rents provide revenue to the golf course, over 80% of City golf revenue derives from greens fees paid by golfers.

Operated as an enterprise fund within the City, SBGC receives no tax revenue support through the City's General Fund and is funded solely by revenues generated at the course. Since 1987, the course has seen a gradual decline in the number of rounds being played, affecting revenue. Discussed in the report, the decline in play is largely attributed to a national decline in golf participation and an unprecedented increase in the number of golf courses serving golfers, including in the Santa Barbara area. This industry decline has been compounded in recent years as people changed their leisure and spending habits in response to the deep national recession. Concurrently, SBGC experienced a significant decline in play resulting from two major construction projects at the facility. Although the level of play has recovered and stabilized to some degree, it has not returned to pre-2009 levels and the outlook is that play will likely remain relatively flat in the near-term, with slow growth over the longer time frame.

With sluggish growth in play/revenues and increasing expenses, the longer term fiscal health of SBGC became a focus for the Parks and Recreation Department and the City. This study was undertaken to provide the City with information on trends within the golf industry, the comparative performance of SBGC to comparable regional facilities, various operating models used for municipal golf courses, strengths and weaknesses of the various models, and how the various models compare to the current operating model in place for the City of Santa Barbara.

Basic Assignment Objectives

Key objectives of the assignment included:

- Prepare a description of SBGC facilities and historical operating review.
- Provide an overview of the golf market, including national and regional demographics and trends.
- Complete a comparative performance review of regional golf courses, including rounds of play, average revenue per round, revenues, and operational costs including maintenance.

- Describe and compare various operating models employed by municipal golf courses in California, including Santa Barbara.
- Review the economics of alternative operating models related to SBGC.

Overall Work Process

The overall work process for this assignment has occurred over about a two-year time frame. A significant portion of the analysis was conducted in 2013 and updated in mid-2014. The work tasks completed during this study process included the following:

- Discussions and interviews with selected stakeholders, including the concessionaires and Parks and Recreation staff, and industry representatives, including a series of private golf management companies.
- A review of historical operating and financial statements for SBGC.
- Inspection of the golf course and support facilities.
- Analysis of current and anticipated future golf course market conditions.
- A review of future capital improvement requirements at the golf facility.
- Identification and analysis of the various operating models employed by municipal golf courses.
- Projections of near- and mid-term operating performance of SBGC.
- Comparative evaluation of prospective operating models with the current SBGC operating structure.

The Parks and Recreation Department contracted with Gene Krekorian, a Principal with Pro Forma Advisors LLC, to provide the majority of the information provided in this report. Mr. Krekorian was well qualified for this effort having prepared various operational analysis reports on the City's golf course over the years. Additionally, Mr. Krekorian has undertaken similar studies for other golf courses in the Tri-County area so he is familiar with golf operations in the region. Staff worked with Mr. Krekorian to provide assistance and information to complete the report.

The final report, drafted by Pro Forma Advisors, is the product of a collaborative effort of Pro Forma Advisors and Parks and Recreation staff.

II. Summary

The following section presents a summary of principal findings related to future operations at Santa Barbara Golf Club (SBGC). Substantiation and documentation of these summary findings are contained in the subsequent sections of the report.

Background

The Santa Barbara Golf Club (known as SBGC or "Muni") has served as the City's municipal golf course since 1958. The course is operated as an enterprise fund, whereby revenue generated at the club sustains maintenance and operations of the golf course. The golf course receives no tax support.

Santa Barbara Golf Club is managed by the City Department of Parks and Recreation, which also maintains the golf course. Golf operations is the responsibility of a golf concessionaire who pays rent to the City based on a percentage of gross revenue. Similarly, the food and beverage operations at SBGC are provided under a concession agreement.

Santa Barbara's municipal golf course has experienced increasing fiscal challenges due to a continuing decline in the number of rounds played at the course. The sport of golf has seen declines nationally and regionally primarily due to fewer people playing golf or playing less frequently, an over-expansion of the golf course inventory, and more recently the effects of a struggling economy. Additionally, SBGC has yet to see play fully rebound from 2010 losses due to the lingering effects from two major construction projects on the golf course and the national economic recession. The course has seen play decline an average of nearly 3% per year, down from over 100,000 rounds in 1990 to 62,500 in Fiscal Year (FY) 2014.

Presently, over 80 percent of golf course revenue is generated by user fees charged to the golfers (greens fees). Fewer rounds mean less revenue. A number of measures have been taken over recent years to decrease expenses, restructure debt, and increase play. The golf course has limited ability to further reduce expenses without negatively affecting course conditions, which would have a reciprocal effect on play. Similarly, extraordinary fee increases intended to generate additional revenue will have the opposite effect, as the local golf market offers golfers many choices today with competitive pricing.

Despite the actions which have been taken, and given some stability in the golf market, SBGC sustained negative cash flow in FY2014, and the outlook suggests financial performance may deteriorate further. Actual financial results for FY2014 are summarized as follows:

SBGC Net Cash Flow-2014 ($000)	
City Revenue/Rent	
Greens Fees Revenue	$1,664.7
Concession/Other Revenues	378.4
Total	$2,043.1
Operating Expenses	
Course Maintenance	1,369.1
Other Operating Expenses	263.0
Total	$1,632.1
Net Operating Income (EBITDA)[1/]	$411.0
Less: Debt Costs	264.8
Capital Improvement Allowance	214.5
Net Cash Flow	(68.2)

[1/] Earnings before interest, taxes, debt and amortization, and capital improvements.

Golf Market Overview

Nationwide, golf play increased steadily between the mid-1980s and 2000. Over the period 1990-2010, the national inventory of golf courses increased by 34% while golf demand only increased 12%. Since 2000, first signs of industry problems surfaced and have persisted for the last 10 years. Since 2007, the golf market has been further impacted by the national and regional recession. In response, promotions, discounts and special rate loyalty programs which offer reduced fees have become the norm and increased local competition.

Regionally, similar patterns were seen over the same period. The Tri-County region has 38 public access golf courses, expressed as 18-hole equivalent courses, of which 7.5 are located in Santa Barbara County. Inventory has increased 58 per cent since 1995. While only two new courses were added to the golf inventory in Santa Barbara County since 1995, and none since 1998, the significant expansion in Ventura County has provided many more options for residents of the region. The Tri-County public golf market is highly competitive. In addition to numerous municipal facilities, there are a number of higher quality public access courses available at relatively affordable greens fees.

Since 2011, the regional golf market has been generally flat, benefitting from favorable weather. Golf industry leaders project limited growth over the next 10- to 20-year term. Most of this growth will result from the aging

population trend (60 to 74 age cohort) where the propensity to, and frequency of, play increase compared to younger age cohorts. While the regional market appears to have stabilized, there are no indications that portend much, if any, growth in the near- to mid-term.

Regional Comparative Metrics

With the inventory of golf courses increasing by one, the aggregate annual play at 10 selected Ventura and Santa Barbara public courses declined by only 5.3 percent over the 2004-2013 period. However, the survey shows that the average play per course declined 15 per cent over the nine-year period. (By comparison, play at all regulation length public access courses in Los Angeles County declined 14 per cent.) Play at SBGC declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 per cent. Factors contributing to decline in SBGC rounds included:

- Glen Annie Golf Club has repositioned toward the mid-market, thus becoming more competitive with SBGC.
- Higher end daily fee courses (i.e., Sandpiper Golf Club and Rancho San Marcos) have been targeting Tri-County residents with discounts.
- City of Ventura recently renovated both of their municipal courses (Buenaventura and Olivas Links) resulting in fewer Ventura area players traveling to Santa Barbara, and more Santa Barbara players traveling to the newly renovated courses.
- Promotional programs and greens fees discounting by competitive courses in the region has reduced their effective fee structures relative to SBGC.
- Lost play following 2010 SBGC construction.

When compared to the performance of seven municipal courses and three daily fee courses, revenue per round ranged from $19 to $35.30. SBGC FY 2014 performance was $26.57 per round. For comparison, Buenaventura was $24.80 and Olivas Links was $28.89. SBGC merchandise revenue performs slightly superior to most other courses in the region. Average cart fee is consistent with similar courses in the region. Practice range revenue is relatively low at SBGC compared to others due to facility limitations. Food and beverage (Mulligans Bar & Cafe) performance is strong.

When compared to five municipal courses and four mid-market daily fee courses, the greatest expense variance was the cost of maintenance labor. With staffing levels ranging from 9 to 15 FTE at 18-hole golf courses in the region, the majority of payroll and benefit cost was in the range of $311,000 to $555,000 while SBGC direct labor cost was $929,000 with 12 FTE. Santa Barbara operates SBGC with a City employee workforce which is the primary reason for the higher labor cost.

Golf Course Operating Options

Golf courses have four primary operational areas, including Administration/Management, Course Maintenance, Golf Operations (daily golfer services), and Food and Beverage service. Five basic golf course operating options employed by municipalities are presented, including the current model used by the City of Santa Barbara.

- Hybrid – current model in Santa Barbara (City maintenance)
- Modified Hybrid – alternate model with contract maintenance
- Management Agreement
- Golf Facility Lease
- Full Self-Operation

A brief description of each model is below. The following table provides an overview of the responsibilities for each function in the various models.

Responsibility for Function				
Model	**Course Maintenance**	**Golf Operations**	**Food & Beverage**	**Administration/ Management**
SBGC Hybrid*	**City**	**Concession**	**Concession**	**City**
Modified Hybrid**	City/Private	Private/ Concession	Concession	City/Private
Management Agreement	Private	Private	Private	Private
Golf Facility Lease	Private	Private	Private/ Concession	Private
Full Self-Operation	City	City	City/Concession	City

* Represents current SBGC Hybrid model.
** Hybrid model with City course maintenance and golf operations concession represents the current city model, with some modifications of terms/expenses.

In addition to these basic options, there are numerous permutations which would create alternative hybrid models. These alternative hybrid models combine some form of self-operation, concession agreements, and/ or management/contract agreement.

The **Hybrid** model consists of any combination of concession agreements and service contracts. The City of Santa Barbara currently employs a Hybrid model with City employees providing Administration/Management and golf course maintenance; golf operations and food and beverage services are provided by two concessionaires: Director of Golf - Chris Talerico/Channel Islands Golf Enterprises, Inc., and Mulligans Café LLP – Mario and Lani Medina. The "hybrid model" (golf operations concession, with City maintenance), currently accounts for 6 percent of the 83 municipal golf courses in Southern California.

A **Modified Hybrid** model respective to the City of Santa Barbara could entail the City retaining the current golf operations and food and beverage concessions, with golf course maintenance shifted to a private landscape maintenance entity on a contract basis. The City would still be responsible for overall golf course management, and overseeing the three contracts. The "modified hybrid model" (golf operations concession, with

contract/private maintenance), also currently accounts for 6 percent of the 83 municipal golf courses in Southern California.

The **Management Agreement** model, although observed at only about one-quarter of the Southern California municipal golf courses, is the most common model employed in the municipal golf market today. The City would enter into a fee-for-service agreement with a Director of Golf, General Manager, or an outside management company. Under a typical management agreement, the facility owner (City) receives all revenues and is responsible for funding all capital improvements, operating expenses and capital reserves . In addition, the City pays the operator a fee for management of the facility. In effect, the professional operator serves as the City's agent in managing, operating and maintaining the golf facility. Management compensation typically consists of a base fee, plus performance incentives. The "management agreement model" currently accounts for 23 percent of the 83 municipal golf courses in Southern California, although in recent years the model has been employed in the majority of the municipal transactions.

Under the **Golf Facility Lease** model, the City would enter into a long-term facility lease with a private golf course operator who provides course maintenance, golf operations, and overall facility management. The food and beverage operation may be included or provided through a separate lease. Typically, the lease model has been utilized when a private entity will be investing significant capital into the facility. The operator's lease payments typically are based on a minimum rental payment versus a percentage of gross revenues derived from golf, merchandise, food and beverage, etc. Under a typical facility lease, the lessee receives 100 percent of the revenue and is obligated to fund required front-end capital improvements, operating expenses, and a capital reserve fund. This model is not as common in today's municipal golf market, although it is the model employed in over one-half of the municipal golf courses in Southern California. The "golf facility lease model" currently accounts for 57 percent of the 83 municipal golf courses in Southern California, although in recent years the model has been employed in a much smaller percentage of the municipal transactions.

The **Full Self-Operation** model, whereby the facility is operated fully by the City with a City workforce, is very uncommon and movement away from this model continues given higher public employee compensation labor costs. This model is not seen as a viable option for Santa Barbara at this time. Currently, the "full self-operation model" accounts for 6 percent of the 83 municipal golf courses in Southern California. In addition, there are two recreation districts (two percent) in Southern California which operate municipal golf courses.

There are economic and non-economic advantages and disadvantages of the various types of operating structures, and the most appropriate structure generally is strongly influenced by the the objectives of the owner (City). Most of the advantages and disadvantage of each approach are summarized in the following table.

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Summary

Strengths and Weaknesses of Golf Course Operating Options			
Hybrid (Current Model)	**Facility Lease**	**Management Agreement**	**Modified Hybrid**
STRENGTHS			
• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option	• Provides reasonably strong financial return to City • Produces guarantee minimum rent payment to City • Minimizes financial risk • Minimizes political influence with less direct involvement of City with setting fees, policies, and practices • Offers potential benefits in golf management expertise and specialized maintenance support services • May provide private capital investment in facilities	• Provides strong financial return to City. • Provides high level of City control • Greater potential quality assurance • Opportunity to provide shorter term contracts • Potentially more compatible with multiple operator options • Provides opportunity to retain specialists in professional golf management • Captures benefits of private sector wage and benefit structure	• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Potential benefits from lower private sector maintenance payroll/ benefits • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option
WEAKNESSES			
• Constrains ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • Involves higher public sector wage and benefit structure for maintenance • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements	• Minimum operational and quality control • May involve long-term contractual commitment • Minimizes financial upside, particular in current market • Current weak market for facility leases • Potential conflicts over capital reinvestment responsibilities of contracting parties	• Requires more City involvement than facility lease option • Minimizes private capital investment in facilities. • Entails greatest level of City financial risk	• May constrain ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • May involve higher public sector wage and benefit structure • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements

In general, there are three factors which influence the preferred structure:

- Level of control desired by public entity in terms of fee structure, operating policies, and other procedures.
- Ability or willingness to fund significant capital improvements required.
- Degree of financial risk tolerance related to market and other events.

Options Economics

The report provides detailed economics of how each model might compare if implemented in Santa Barbara. In general, the primary difference in net operating income and cash flow derives from whether golf course maintenance is provided by a City employee workforce or a private entity.

A comparative summary of the economics associated with the various operating models is presented in the following table. The comparative analysis is predicated on the assumption that revenue is constant among the various models. General experience suggests that revenue (play levels) are likely to be greater under the management agreement model and the facility lease model. To the extent that revenues are higher, the differential between the management agreement (and facility lease) model and the hybrid model would likely be substantially greater.

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Summary

Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease[1/]
Department		City Maint*	Contract Maint with Living Wage	No Living Wage	With Living Wage	
City Revenue/Rent						
Greens Fees Revenue	$1,664.7	$1664.7	$1664.7	$1,664.7	$1,664.7	---
Golf Operations Revenue	---	---	---	793.4	793.4	---
Facility/Golf Ops Concession Rent	189.6	161.5	161.5	---	---	$449.9
Food & Beverage Rent	139.1	137.8	137.8	206.7	206.7	137.8
Other Revenue	49.7	49.7	49.7	49.7	49.7	10.0
Total	$2,043.1	$2,013.7	$2,013.7	$2,714.5	$2,714.5	$597.7
Less: Cost of Sales	---	---	---	142.7	142.7	---
Gross Profit	$2,043.1	$2,013.7	$2,013.7	$2,571.8	$2,571.8	$597.7
Operating Expenses						
Course Maintenance	$1,369.1	$1,370.0	$1,140.7[2/]	$880.0	$1,037.0	---
Golf Operations	---	---	---	313.0	378.0	---
G & A/Clubhouse	71.4	71.4	71.4	420.0	420.0	---
City Contract Administration	118.1	118.1	150.0	80.0	80.0	80.0
Citywide Overhead Allocation	73.5	73.5	73.5	73.5	73.5	73.5
Total	$1,632.1	$1,633.0	$1,435.6	$1,766.5	$1,988.5	$153.5
Net Operating Income (EBITDA)[3/]	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Replacement Reserve	214.5	225.0	225.0	225.0	225.0	108.1
Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Current Hybrid Model, With City Maintenance	$40.8	---	$197.4	$424.6	$202.6	$180.4

* Represents current City Hybrid model with current terms. [1/] Assumes no Living Wage ordinance; [2/] Assumes Living Wage ordinance; [3/] Earnings before interest, taxes, depreciation, debt service and amortization.

III. Description of Facilities and Historical Operating Review

The following section contains a brief description of Santa Barbara Golf Course (SBGC) and a review of historical operating performance.

Facilities

The Golf Course was designed and built in 1957 by Lawrence Hughes, and opened for play on January 12, 1958. The 18-hole golf course envelope is approximately 108 acres, of which 85 acres is irrigated turf. The regulation, par-70 golf course features sweeping views of the Santa Ynez foothills and the Pacific Ocean. Located in the north side of town, the course is surrounded by homes, Earl Warren Showgrounds, Las Positas Road, McCaw Road, Club House parking lot, and Adams Elementary School.

The amenities of the course include a practice putting green, electric golf cart storage facility, pro shop/office, restrooms, an unlighted driving range with fence which has 12 stalls for irons and woods, 6 stalls for irons only, and for the exclusive use of providing lessons only, an 1,800 square foot teaching area with easy access for 4-5 simultaneous lessons, a putting/chipping green, and a small sand bunker. The Santa Barbara Golf Club has a 210-space paved parking area.

The clubhouse, originally built with the golf course as a small food and beverage operation, was significantly expanded and remodeled in 1989 into the current configuration. The clubhouse includes a full-service restaurant, bar and banquet room as well as exterior patio dining areas on two sides of the facility overlooking the golf course, and a takeout counter serving golfers.

Existing Concessionaire Agreements

The pro shop concession, which provides the daily operation of the course and golfer services, is with Chris Talerico, Channel Islands Golf Enterprises, Inc. Golfer services include the tee reservations and starter function, carts, driving range operation, retail sales of golf supplies and equipment, lessons, tournaments, leagues, and the marshaling operation which oversees the pace of play on the course. The three-year agreement term ends June 30, 2016. The current pro shop concession terms include a base rent minimum of $125,000, plus percentage rents as follows: 30% on carts, 25% on the driving range, 4% on merchandise, and 4% on lessons and equipment rental sales. In FY 2014 annual income to the City from the pro shop concession was $189,600.

The food and beverage concession is with Mario and Lani Medina, Mulligan's Café LLP. Mulligans Café has served the SBGC since 1993. The restaurant serves breakfast, lunch and dinner seven days a week and draws a substantial business from the general community in addition to serving golfers. The current concession agreement term will conclude June 30, 2016. The Mulligans food and beverage concession terms include a base rent minimum of $116,774 plus 10% percentage rent on gross receipts above the base rent amount. In FY 2014 annual income to the City from the Food and Beverage concession was $139,060.

Municipal Water Quality Elements

The Santa Barbara Golf Club, located at the top of the Las Positas Creek watershed, receives storm water and urban runoff from surrounding streets and properties. The Creek Restoration and Water Quality Program constructed the Upper Las Positas Creek Restoration and Storm Water Management Project on the course in 2010. The project was designed to detain and treat storm water and incidental runoff and improve water quality downstream in Las Positas Creek, the Arroyo Burro Estuary, and Arroyo Burro Beach. This project added several new aesthetic elements to the course, including several large retention basins, as well as natural area creek and native landscape elements.

Staffing Levels

SBGC is supported with City employee resources in management, marketing and maintenance. After many years of consistent staffing levels, reductions were made in 2010 (-.20 FTE) and again in 2012 (-2.50 FTE) to reduce expense in response to decreased revenues, both at a management level and golf maintenance staffing.

Current Golf Fund staffing totals 12.75 full time equivalent employees. Management and marketing total .75 FTE (.20 FTE Parks and Recreation Director, .5 Business Analyst, .05 FTE Marketing Coordinator). Golf Maintenance is 12.0 FTE, comprised of the following:

- 1.0 FTE – Golf Superintendent
- 1.0 FTE – Maintenance Coordinator
- 1.0 FTE – Irrigation Tech
- 1.0 FTE - Automotive/Equipment Tech
- 1.0 FTE – Sr. Grounds Maintenance Worker
- 4.0 FTE – Grounds Maintenance Worker II
- 1.3 FTE – Grounds Maintenance Worker I
- 1.7 FTE – Grounds Maintenance Worker I (hourly)

Golf Fund Revenues and Expenses

Greens fees are the largest component of Golf Fund revenue, comprising over 80% of annual revenue. Any change in the number of rounds played has a corresponding effect on Golf Fund revenue. Since 1987, the number of rounds at SBGC has continued on a gradual decline. A number of factors for this are related to national trends and regional golf operations and discussed in more detail in the Golf Market Overview. In 2010, SBGC rounds hit their lowest point of 59,091, reflecting the impacts of two major golf course construction projects compounded by changes golfers made in their leisure and spending habits in response to the national recession. Although the level of play has partially recovered and stabilized to some degree, it has not returned to pre-2009 levels (see Table III-1).

As shown, in FY2014 SBGC accommodated approximately 62,500 total rounds of play. The majority of these rounds were played by about 6,000 individual golfers.

The distribution of 2014 play, by type of round, is presented in Table III-2. The following observations are offered:

- Residents of Santa Barbara County account for 93 percent of total play, with non-residents about 7 percent. The percentage of resident play on weekdays is slightly lower at 92.5 percent of total play, and slightly higher at 93.4 percent on weekends.
- Weekday play represents approximately 65 percent of total play, and weekend play about 35 percent. This pattern of play, which is slightly disproportional on weekends, is consistent with most municipal golf courses in Southern California.
- Seniors account for approximately 60 percent of total weekday 18-hole play. Senior play at most Southern California municipal golf courses, where discount rates are offered, typically accounts for 50 to 60 percent of total 18-hole weekday play.
- Tournament play at SBGC represents 3.1 percent of total play, slightly below the percentage observed at most Southern California municipal golf courses. Generally, tournament play accounts for about 5 percent of total play.
- Complimentary play represented 4.0 percent of total play in FY2014, consistent with the percentage seen at comparable municipal golf courses.

Golf fees have increased by an average of $1 per year, with occasionally larger increases ($2-3), to keep up with increasing operational expenses and decreases in play. Greens fee increases can affect play since the municipal course attracts many low to average income players and seniors who live on fixed incomes. The current greens fees structure at SBGC is as follows (residents are defined as golfers residing in Santa Barbara County):

SBGC Greens Fees		
	Resident/Non-Resident	
	Weekday	Weekend
Regular	$35/$50	$39/$60
Senior	28/50	37/60
Twilight	25/37	27/40
Super-Twilight	17/17	17/17
Junior	13/13	13/13

The cart fee is $15.00 per rider.

In response to the national recession, most golf operators, including SBGC, reduced rates and instituted discounts and special promotions to retain and attract golfers. As the economy has improved, SBGC has gradually and strategically been reducing the quantity and value of discounts put into place over the past several

years which will help to improve revenue. However, as the local golf market is particularly competitive, many golfers continue to be resistant to any increased fees or reduced discounts.

Gross revenue for 2014 at SBGC is presented in Table III-3. The City receives 100 percent of greens fees revenue and a share of the golf concession (carts, range, merchandise, and instruction) and food and beverage concession revenue.

Maintenance is the primary expense of the Golf Fund, and historically that budget has been relatively consistent from one year to the next except for the staffing changes discussed above, water costs based on varying weather patterns, and mandated increases to employee salary and benefits and costs allocated by the City for overhead, insurance, IS services, and other indirect support services.

Net operating income at SBGC for 2014, before capital expenditures, interest on debt, and other non-operating expenses, is shown in Table III-4. As indicated, net operating income totaled approximately $400,000 in 2014. Most of this net income was used for debt service obligations and capital expenditures (see Capital Improvements Section).

Table III-1: SBGC Historical Annual Play				
Fiscal Year	Annual Rounds		Fiscal Year	Annual Rounds
1982	97,742		1999	95,359
1983	103,147		2000	93,612
1984	113,710		2001	85,275
1985	114,174		2002	90,435
1986	109,562		2003	86,892
1987	112,032		2004	86,404
1988	111,354		2005	78,191[4/]
1989	105,170[1/]		2006	76,600[4/]
1990	108,216		2007	78,532[4/]
1991	79,194[2/]		2008	74,484
1992	99,145		2009	70,546
1993	96,634		2010	59,091[5/]
1994	99,274		2011	62,800
1995	95,221		2012	63,620
1996	98,320		2013	61,030
1997	98,796		2014	62,512
1998	93,052[3/]			

[1/] Clubhouse remodeled.
[2/] Drought conditions.
[3/] Glen Annie and Rancho San Marcos opened.
[4/] Construction.
[5/] Major construction/national recession.

Table III-2: SBGC Distribution of Rounds Played--2014			
	Resident	Non-Resident	Total
Weekday			
18-Hole Standard	7,537	1,786	9,323
18-Hole Senior	14,224	2	14,226
Twilight/9-Hole	11,818	989	12,807
Super-Twilight	770	---	770
Subtotal	34,349	2,777	37,126
Weekend			
18-Hole Standard	8,069	899	8,968
18-Hole Senior	2,737	---	2,737
Twilight/9-Hole	5,314	445	5,759
Super Twilight	2,879		2,879
Subtotal	18,999	1,344	20,343
Juniors	420	---	420
Tournament	1,853	---	1,853
Total Paid	55,621	4,121	59,742
Complimentary	---	---	2,489
Total	---	---	62,231

Table III-3: SBGC Gross Revenue--2014		
	Amount ($000)	
Department	Total	City Share
Greens Fees	$1,664.7	$1,664.7
Cart Rental Fees	422.4	138.4
Range	95.5	28.7
Merchandise	190.3	9.2
Instruction/Other Pro Shop	85.2	13.3
Food & Beverage	1,377.9	139.1
Other Revenue	49.7	49.7
Total	$3,882.2	$2,043.1

Table III-4: SBGC Net Operating Income-2014	
Department	**Amount ($000)**
City Revenue/Rent	
Greens Fees Revenue	$1,664.7
Golf Operations Revenue	---
Facility/Golf Ops Concession Rent	189.6
Food & Beverage Rent	139.1
Other Revenue	49.7
Total	$2,043.1
Less: Cost of Sales	---
Gross Profit	$2,043.1
Operating Expenses	
Course Maintenance	1,369.1
Golf Operations	---
G & A/Clubhouse	118.1
City Admin/Overhead	144.9[2/]
Total	$1,632.1
Net Operating Income (EBITDA)[1/]	$411.0
Less: Debt Costs	264.8
CIP Allowance	214.5
Net Cash Flow	(68.2)

[1/] Earnings before interest, taxes, debt and amortization, and capital improvements.
[2/] Includes vehicle replacement and maintenance, insurance, Citywide overhead allocation ($73,500) and other miscellaneous expenses.

IV. Capital Improvements

The following section presents a summary of the capital improvements program for Santa Barbara Golf Club. Capital improvements are separated into golf course maintenance equipment and golf course/support facility improvements.

Completed Capital Improvements

The current condition of the SBGC facility is very good. The course itself is maintained well, and routinely receives frequent compliments from golfers on the above average condition of the greens and course, especially for a municipal course. A number of improvements to the course have been completed since 2004, including a continuous concrete cart path around the course, updated irrigation system, two new greens, and several modifications to hole designs to improve play and safety. Within the past year, the clubhouse roof has been replaced and the clubhouse has been repainted. There are several components to the complex--primarily support facilities--where there is some deferred maintenance.

The golf course completed an analysis and developed the Golf Course Safety Improvement Master Plan in 2004. This plan addressed safety concerns at the course due to its design, constraint limitations due to size and the fact that it is surrounded by immediately adjacent streets, residences, an elementary school and businesses. The number of errant golf balls leaving the course exposed the City to increased liabilities. The plan included a number of projects to relocate holes, tee boxes, bunker and greens in order to redirect balls into the course, away from golfers and improve play. Since 2004 the course has seen a substantial number of the recommended improvements constructed, and a decrease in incidents and claims related to errant golf balls. Several of the recommended improvements have yet to be completed.

Golf Fund Debt Service

The Golf Fund debt service includes repayment of three loans for the clubhouse renovation (2022), 2008 Golf Course Safety Improvement Project (2018), and turf equipment replacement (2018). To help ease Golf Fund fiscal challenges, the City Council approved debt restructures in FY 2012 and again in FY 2013, reducing the annual payments and increasing the repayment period.

Debt service payments scheduled over the remaining amortization period are projected as follows:

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Principal	$213,052	$213,201	$233,399	$158,826	$165,182	$171,790	$174,732
Interest	49,070	40,689	31,838	26,821	20,469	13,861	10,919
Total	$262,122	$253,890	$265,237	$185,647	$185,651	$185,651	$185,651

Maintenance Equipment

The golf course maintains a full complement of golf course maintenance equipment, most of which was acquired through a City of Santa Barbara fleet fund loan purchase in April 2013. The equipment is in good condition. Going forward, a maintenance equipment replacement schedule is in place which provides for routine replacement of equipment. Commencing in FY2019, maintenance equipment replacement expenditures averaging about $80,000 annually are scheduled.

Golf Course/Support Facility Capital Improvements

SBGC has benefited from periodic improvements to the golf course infrastructure and support facilities such that most of the facilities generally are in relatively good condition. However, golf courses require continual capital reinvestment to maintain the quality of the golf experience and preserve asset value. In particular, there has been some recent deferred maintenance to support facilities, and some facilities such as golf course maintenance structures will have to be addressed at some point.

A 7-year capital improvement plan is presented in Table IV-1. Over the 2015-2021 period, capital improvement requirements at SBGC are projected at $1,794,900, or just over $250,000 per year. While there are no major capital needs required during this period, there are numerous capital items related to smaller projects which total nearly $1.18 million over the 7-year term. To the extent that the Players' Improvement Fund (PIF) contributions are used for slated capital improvements, the total amount of capital expenditures would be reduced accordingly.

Table IV-1: SBGC Projected Capital Improvement Plan								
Component	2015	2016	2017	2018	2019	2020	2021	Total
Maintenance Shop Addition	$5,000		$65,000					$70,000
Parking Lot & Other Asphalt	32,000	45,000						77,000
Club House Painting					$30,000			30,000
Irrigation Controller Upgrades					100,000			100,000
Driving Range Improvements		45,000				100,000		145,000
irrigation Mapping and Software			33,000					33,000
Club House Upgrades			15,000	30,000				45,000
Irrigation System Replacements	50,000	25,000					100,000	175,000
Rebuild Greens		75,000	75,000	150,000	30,000			330,000
Rebuild Tee Boxes		35,000				40,000		75,000
Other Course Improvements		32,000	7,500			3,000	14,500	57,000
Maintenance Equipment					80,000	80,000	80,000	240,000
Player Improvement Fund Imps	59,700	59,700	59,700	59,700	59,700	59,700	59,700	417,900
ANNUAL TOTAL	$146,700	$316,700	$255,200	$239,700	$299,700	$282,700	$254,200	$1,794,900

V: Golf Market Overview

The following section presents an overview of the demographic makeup of the Santa Barbara market area and an analysis of national, regional and local golf market conditions.

Market Area Demographics

The primary market area for a golf course is influenced by a number of factors including course quality, rate structure, transportation network and access, location and characteristics of competitive facilities, resident demographic attributes, and other such factors. The primary market area for SBGC, from which 80 to 90 percent of total play is expected to derive, is defined as the Tri-County region (Santa Barbara, San Luis Obispo and Ventura Counties), recognizing that the vast majority of support derives from Santa Barbara County. Most residents of Santa Barbara County are within about a 20- to 30- minute drive time (10-15 miles) of the golf complex, while residents of Ventura and San Luis Obispo Counties have a drive time of 30-60 minutes, or longer. Additional support derives primarily from overnight visitors to the area.

Comparative demographics of the Santa Barbara market area are presented in Table V-1. As noted, Santa Barbara County population has increased at a very modest rate over the past 20 years, and is projected to continue to increase marginally over the next 10 years, reaching just under 450,000 by 2020 (note that the projected population is based on applying projected California Department of Finance growth rates to actual 2010 population). The Tri-County area population has increased at a faster rate than Santa Barbara County, and is expected to continue to grow at a slightly faster rate, with the majority of the growth occurring in Ventura County. Residents of Santa Barbara County are somewhat older than the statewide benchmark, and of comparable overall affluence.

While Santa Barbara County population growth is projected to be very modest, the aging of the population will be a significant factor which is expected to positively impact golf demand as the propensity to play and frequency of play increase with age, particularly in the 60-74 age cohort.

Santa Barbara County Population Growth					
	Population			Average Annual Growth	
Year	60-74 Age Cohort	Total	Percent of Total	60-74 Age Cohort	Total Population
2000	39,500	399,300	9.9%	---	---
2010	48,900	423,900	11.5%	2.16%	0.60%
2020 (projected)	71,600	448,200	16.0%	3.88%	0.56%
2030 (projected)	82,300	472,700	17.4%	1.40%	0.53%

Note: Population projections are adjusted based on actual 2010 Census count.

Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit;

As shown in Table V-2, Santa Barbara County's 60-74 age cohort, as a percentage of the total population, is slightly larger than the statewide average (11.5% versus 11.1%), but somewhat less than that of neighboring counties. Over the next 10 years, this age cohort in Santa Barbara County is forecast to increase at a significantly faster rate (3.88%) compared with the general County population (.56%). This rate of increase parallels that of the State as a whole and neighboring counties.

The south portion of Santa Barbara County, which accounts for approximately one-half of the total population, is demographically different from the north portion. In general, the South County population tends to be older and more affluent than North County, positive factors favoring golf demand in South County. However, North County population is expected to increase at a faster pace than South County over the next 10-20 years.

Santa Barbara (City) has extremely mild Mediterranean climate, as indicated in Table V-3, which compares favorably with many other areas of Southern California. Moderate year-round temperatures, and rainfall of about 16 inches annually, provide for year-round golf.

National Trends

Nationwide, golf play increased steadily between the mid-1980s and 2000. As shown in Table V-4, during this period, the total number of annual rounds played nationally increased at an average rate of 2.4 percent per year. Golf balls sold, perhaps the best indicator of play, increased at a similar rate (2.5 percent per year). This unprecedented growth in golf play was due to a number of factors including:

- An increase in the number of golfers,
- The increasing importance of golf-oriented real estate,

- Expansion of the golf tourism industry, and
- One of the longest economic expansions in the nation's history.

The increase in golf demand and the popularity of golf-related housing development during the 1990s stimulated extraordinary expansion of the national golf course inventory, primarily between 1995 and 2002, as summarized in Table V-5. Over the full 1990-2010 period, the inventory of golf courses in the United States increased by 34 percent, while the U.S. population registered only a 24 percent gain, and golf demand (play) increased only 12 percent over this same period.

Right after the new century started, the first signs of industry problems surfaced, and have persisted for the past 10 years. While total golfers and rounds played are down industrywide, individual golf courses have experienced steeper declines in utilization, along with revenue contraction and falling net operating income, as the market totals are spread over an increased supply of facilities. Further, golf course transaction prices have declined precipitously, bankruptcies and foreclosures have become routine, and new golf course construction has virtually ceased while the number of courses closing now well exceeds new openings. The impact of market softness has been widespread and affected all segments of the market and all geographic areas.

The National Golf Foundation (NGF) reports that over the 2001-2011 period, annual golf play in the United States declined from 518 million to 463 million rounds, or over 11 percent, rebounding somewhat in 2012 to 490 million rounds before declining again in 2013 to 465 million rounds. Golf ball sales, perhaps a better indicator of demand, declined by about 20-25 percent over this time period. The golf participation rate, after rising steadily through 2003, has fallen precipitously from 12.4 percent in 2004 to a current level estimated at just under 9.0 percent. (It should be noted that the golfer participation rate is based on the number of golfers relative to the population over the age of 6 years old). Since 2007, the golf market has been significantly impacted by the national economic recession. Annual rounds in the U.S., according to industry reports, have declined by nearly 5 percent since 2007. Other independent sources indicate a much more severe contraction, which is borne out by golf ball sales and other market indicators.

Since 2002, the construction of new courses has declined sharply, and the rate at which courses have closed has accelerated. Between 2006 and 2013, for example, the number of courses closed exceeded new course openings. New courses have been added to the inventory since 2006 at an annual rate of 50-60 courses per year, while course closings have averaged about 120 per year over this period. Despite the slowing expansion of new supply over the past eight years, golf market conditions in most markets continued to deteriorate, although most markets experienced some stability over the past three years.

Regional Market Trends

Golf demand in Southern California also increased steadily through the early-2000 period, with strong growth occurring since the mid- to late-1980s time period. Through the mid-1990s, there was relatively limited expansion of the inventory of public golf facilities. Note that the public golf course inventory is comprised of municipal golf courses and daily fee golf courses, defined as public access golf courses owned by a private sector entity. In the early 1990s, the municipal golf courses and limited number of daily fee golf courses in South-

ern California were performing exceptionally well, with municipal golf course play exceeding 100,000 rounds at many Southern California courses and play on daily fee courses in the range of 60,000-80,000 annual rounds.

In response to increasing demand and a static supply situation, a number of golf courses were developed. The total number of public regulation length golf courses that have opened in Southern California since 1995 is summarized in Table V-6. As shown, these 56 course additions represent a 33 percent increase in the Southern California public golf course inventory. At the same time, ten regulation length public golf courses have been closed in Southern California over the past 6-7 years, reducing the net increase to 46 courses (27%).

The Tri-County area, with a current inventory of 38 regulation length public courses, represents 18% of the total Southern California inventory, while the Tri-County area has accounted for 25% of the additions to the inventory since 1995. Although there have been only two new courses added to the golf course inventory in Santa Barbara County since 1995, and none since 1998, the significant expansion in Ventura County has provided many more options for residents of the region. No new golf courses have entered the Southern California golf market in the past five years, and none are expected to be added in the foreseeable term.

While the regional golf market largely mirrors the national golf market, there are year-to-year variations influenced by weather. The regional market, in terms of rounds played, improved somewhat in 2011, showing about a 3.0 percent increase over 2010. Much of this increase was related to favorable weather. Since 2011, regional golf market demand has been generally flat, benefitting from favorable weather. While the regional golf market appears to have stabilized over the 2011-2013 period, there are no indications that portend much, if any, growth in the near- to mid-term. Prospects for SBGC appear to be consistent with these expectations such that growth in play levels will likely be nominal over the foreseeable term.

Tri-County Golf Market

The Tri-County region (Ventura, Santa Barbara, San Luis Obispo) has a current inventory of 38 public access golf courses, expressed as 18-hole equivalent courses, of which 7.5 are located in Santa Barbara County. Table V-7 summarizes the number of new public golf courses that have opened in the Tri-County area since 1995, and Table V-8 presents a list of the new courses opened in the region.

As shown, these additions since 1995 represent a 58 percent increase in the Tri-County public regulation length golf course inventory, led by San Luis Obispo County with a near doubling of their golf course inventory. As noted above, since 1995, 14 regulation length daily fee golf courses have entered the market, with half of these opening in Ventura County.

Based on historical golf data for the Tri-County region, the following illustrates the approximate aggregate and average per golf course play levels for regulation length golf courses:

Year	Number of Golf Courses (18-Hole Equivalent)	Total Annual Play	Average Play Per Golf Course
1996	24.0	1,560,000	65,000
2004	36.0	1,950,000	54,200
2010	38.0	1,860,000	48,950
2013	38.0	1,840,000	48,420

The Santa Barbara County public regulation length golf course inventory consists of the following facilities:

- Santa Barbara Golf Club (Muni), Santa Barbara
- Glen Annie Golf Club, Goleta
- Rancho San Marcos, Lake Cachuma
- Sandpiper Golf Course, Goleta
- La Purisima, Lompoc
- River Course, Solvang
- Alisal, Solvang
- Twin Lakes (9 holes), Goleta

It also should be noted that the 9-hole regulation length (par-36) Ocean Meadows Golf Course in Goleta closed in March 2013 due in large part to poor operating performance. Reportedly, Ocean Meadows was generating approximately 30,000 rounds (starts) annually, although less than one-half of the rounds were paid. Most of the unpaid rounds were in exchange for goods/services provided by the golfers. The closure of Ocean Meadows has not significantly benefitted regional golf courses.

Golf Course Survey

A survey of selected public golf courses in the primary market area is presented in Table V-9. Play and greens fees at courses in the region for 2013 are summarized in Table V-10. Based on a review of area golf courses, the following observations regarding the overall local golf market are offered:

- The Tri-County public golf market is highly competitive. In addition to numerous municipal facilities, there are a number of higher quality public access golf courses available at relatively affordable greens fees.
- The Tri-County golf market, like virtually all other areas of Southern and Central California, has softened considerably over the past 5-10 years, and remains relatively soft at this time. Performance over the past three years, however, suggests that the golf market has stabilized. This recent improvement stems

from an improving economy, no expansion of the golf course inventory, and the aging population, where propensity to, and frequency of, play are positively correlated with age.

- The typical pattern of play at the higher quality public golf courses in Ventura and Santa Barbara Counties historically has been primarily local play on weekdays with more non-local play – primarily north Los Angeles County golfers – on weekends.
- Tri-County residents generally play at lower greens fees levels on municipal and daily fee golf courses while non-locals support higher fees. The greens fees discount offered Tri-County residents and loyalty club members varies widely from no discount to 45%, averaging approximately 20% on weekdays and slightly more on weekends.
- Over the past five years, posted greens fees have generally increased modestly, at or slightly below the Consumer Price Index (CPI) rate.
- Numerous specials and other discounts have increased in importance in recent years, primarily related to weekday play. Increasingly, player clubs and other loyalty programs have been offered which feature discounted greens fees.
- As a result, the average greens/cart fee has remained about the same, or declined slightly, at most courses between 2005 and 2013.
- There is strong competition for golf play during weekdays, while weekend play is slightly less competitive.
- Use of golf carts at most courses is optional, with utilization ranging from about 50% to 90% depending on the terrain, course distance, and profile of golfer. Cart fees per player for 18 holes generally are in the $14-$16 range.
- Senior rates are offered at many, but not all, courses. In particular, courses which offer loyalty programs or resident discounts often do not have senior rates.
- Annual play at courses in the Tri-County also ranges widely depending on the quality of the golf experience, rate structure, strength of market, and other such factors. Rounds at surveyed courses range from 30,000 to about 70,000 rounds per year, with most mid-market courses generating in the range of 60,000 rounds per year.

Table V-11 shows annual play at selected Ventura and Santa Barbara public golf courses over the 2004 through 2013 period. In 2004, the 9.0 golf courses (18-hole equivalents) open accommodated about 598,600 rounds, or an average of 66,500 rounds per course. In 2013, the 10 courses combined generated 566,900 rounds, or an average of 56,690 rounds per 18-hole course. Thus, the average play per course declined 15% over this 9-year period.

As noted, the total play at the selected market area courses declined from 598,600 in 2004 to 566,900 in 2013, or nearly 6%. By comparison, play at all of the regulation length public access courses in Los Angeles County declined from approximately 4.2 million to 3.6 million rounds, or about 14% over this same 9-year period. Play at SBGC declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 percent. Over the more recent 2008-2013 period, play at SBGC has declined 18.1 percent.

Golf Market Outlook

The public golf market appears to have stabilized over the past three years, and some courses have experienced a slight improvement in rounds and revenues over this period, although part of this improvement is weather related. Nonetheless, the regional public golf market is likely to remain sluggish in the near-term as the market works to absorb the new supply. However, as development opportunities become limited due to lack of available land suitable for golf course development and as the population continues to grow and mature, it is anticipated that market area demand will eventually catch up with supply, such that the long-term outlook remains reasonably favorable. The consensus among recognized golf authorities is that golf demand, in real terms, will increase very modestly at about a 1.0 percent average annual growth rate over the next 10- to 20-year term. Most of this growth will result from the aging population trends shown above (60-74 age cohort), where the propensity to, and frequency of, play increase compared to younger age cohorts.

The same factors which influence future golf demand for the national and regional golf markets also apply to the local golf market and SBGC specifically. Very modest growth of perhaps 1.0 percent annually is expected, although virtually no growth may be realized over the near-term, and the long-term forecasts remain highly uncertain given the current state of the industry.

Table V-1: Regional Demographic Characteristics			
	Santa Barbara County	Tri-County Area	California
Population (000)			
1990	369.6	1,255.8	29,760.0
2000	399.3	1,399.2	33,871.7
2010	423.9	1,515.3	37,223.9
2020 (projected)	448.2	1,662.3	42,015.2
Average Annual Growth Rate			
1990-2000	0.78%	1.09%	1.30%
2000-2010	0.60%	0.81%	0.96%
2010-2020	0.56%	0.92%	1.21%
Median Age (2010)	33.8	36.0	34.9
Population 65+	12.8%	12.2%	11.4%
Median HH Income	$59,350	$67,100	$60,390

Note: Population projections are adjusted based on actual 2010 Census count.

Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit;

Table V-2: Santa Barbara County 60-74 Age Cohort			
	2010	2020	2030
Population (60-74)			
Santa Barbara	48,900	71,600	82,300
San Luis Obispo	39,100	52,600	56,700
Ventura	100,300	144,400	150,000
Tri-County	188,300	268,600	289,000
State of California	4,131,800	6,078,200	7,123,100
Percent of Total Population			
Santa Barbara	11.5%	16.0%	17.4%
San Luis Obispo	14.55%	18.3%	18.2%
Ventura	12.2%	15.7%	14.5%
Tri-County	12.4%	16.1%	16.0%
State of California	11.1%	14.5%	15.2%
Average Annual Increase			
Santa Barbara	2.16%	3.88%	1.40%
San Luis Obispo	3.36%	3.01%	0.75%
Ventura	4.13%	3.71%	0.38%
Tri-County	3.42%	3.62%	0.73%
State of California	3.06%	3.94%	1.60%
Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit; and Pro Forma Advisors, LLC.			

Table V-3: Santa Barbara Historical Climate Summary			
	Average Historical Monthly		
Month	High Temperature	Low Temperature	Precipitation (inches)
January	63	40	3.5
February	65	43	3.4
March	65	45	2.8
April	68	47	1.2
May	69	50	0.2
June	71	53	--
July	74	57	--
August	75	58	0.1
September	75	56	0.3
October	73	51	0.4
November	69	44	1.8
December	65	40	2.4
Total	---	---	16.1
Source: Station #723925, KSBA, Santa Barbara, CA			

Table V-4: Indicators of U.S. Golf Demand (1985-2013)				
Year	Rounds (millions)	Number of Golfers[1] (millions)	Participation Rate[2]	Golf Ball Sales[3] (millions of dozens)
1985	365	17.5	10.2	36.0
1990	400	27.8	13.5	42.0
1995	420	25.0	11.6	46.0
2000	518	28.8	11.7	52.2
2001	518	29.5	11.9	50.0
2002	502	29.5	12.0	46.7
2003	495	30.4	12.4	43.4
2004	499	29.5	11.5	43.4
2005	489	29.3	11.2	43.6
2006	493	29.4	11.2	44.0
2007	490	29.5	11.1	43.5
2008	481	28.6	10.7	42.2
2009	477	27.1	10.0	40.1
2010	475	26.1	9.6	--[5/]
2011	463	25.7	9.2	--[5/]
2012	490	25.3	9.0	--[5/]
2013	465	24.7	8.9	--[5/]
Average Annual Growth				
1985-1990	1.8%	9.7%	---	3.1%
1990-1995	1.0%	(2.1)%	---	1.8%
1995-2000	4.3%	2.9%	---	2.6%
Subtotal	2.4%	3.4%	---	2.5%
2000-2005	(1.1%)	0.3%	---	(3.5%)
2005-2010	(1.0%)	(2.3%)	---	(2.1%)[4/]
2010-2013	(0.7%)	(1.8%)	---	--[5/]

1/ Represents golfers over 12 years of age. 2/ Estimated by PFA. 3/ Estimated by PFA based on "soft goods" sales recorded by Data Tech and golf ball manufacture sales. 4/ For period 2005-2009. [5/] Data for 2010-2013 not available in comparable format.
Source: National Golf Foundation and Pro Forma Advisors LLC.

	Table V-5: Number of Golf Courses[1] - U.S.			
Year	Average Annual Courses Added	Average Annual Courses Closed	Total Golf Courses[2]	Average Annual Percent Change
1990	---	---	11,105	---
2002	315	15	14,725	2.96%
2006	120	60	14,968	0.80%
2007	115	95	14,988	0.13%
2008	70	105	14,953	(0.23%)
2009	50	100	14,903	(0.33%)
2010	45	110	14,838	(0.44%)
2011	35	140	14,733	(0.71%)
2012	14	155	14,592	(0.96%)
2013	14	157	14,449	(0.98%)

1/ 18-hole equivalents.
2/ Includes courses added, less courses closed., 2006-2013
Source: National Golf Foundation; and Pro Forma Advisors.

Table V-6: Number of Regulation Length Public Golf Courses Opened by Year									
Year	Santa Barbara	Ventura	San Luis Obispo	Los Angeles	Orange	Inland Empire[1]	Kern	San Diego	Total
Up to 1995	6.5	12.5	5.0	40.5	21.0	44.5	7.0	33.0	170.0
1996	0.0	0.0	1.5	0.0	2.0	1.0	0.0	0.0	4.5
1997	0.0	0.0	1.0	0.0	1.0	1.0	0.0	0.0	3.0
1998	2.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	4.0
1999	0.0	2.0	1.0	1.0	2.5	2.0	1.0	2.0	13.5
2000	0.0	1.0	0.0	4.0	0.0	5.0	0.0	1.0	12.0
2001	0.0	1.0	0.0	0.0	3.0	1.0	0.0	1.0	7.0
2002	0.0	2.0	0.0	0.0	0.0	1.0	0.0	0.0	5.0
2003	0.0	0.0	0.0	1.0	0.0	1.0	0.0	0.5	2.5
2004	0.0	0.5	0.0	1.0	1.0	0.0	0.0	0.0	3.0
2005	0.0	0.5	1.0	0.0	0.0	0.0	0.0	1.0	3.0
2006	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	2.0
2008	0.0	0.5	0.0	0.0	0.0	2.0	0.0	0.0	3.0
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	8.5	20.0	9.5	47.5	30.5	60.5	8.0	40.5	225.0
Change 1996-2013)									
Number	2.0	7.5	4.5	7.0	9.5	16.0	1.0	7.5	56.0
Percent	31%	60%	90%	17%	45%	36%	14%	23%	33%

[1]Excludes Coachella Valley.

Source: Pro Forma Advisors, LLC

Table V-7 Tri-County Public Access Golf Courses				
	Number of Public Access Golf Courses Opened by Year			
	Ventura	Santa Barbara	San Luis Obispo	Total Central
Up to 1995	12.5	6.5	5.0	24.0
1996	0.0	0.0	1.5	1.5
1997	0.0	0.0	1.0	1.0
1998	0.0	2.0	0.0	2.0
1999	2.0	0.0	1.0	3.0
2000	1.0	0.0	0.0	1.0
2001	1.0	0.0	0.0	1.0
2002	2.0	0.0	0.0	2.0
2003	0.0	0.0	0.0	0.0
2004	1.0	0.0	0.0	0.5
2005	0.0	0.0	1.0	1.0
2006	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0
2008	0.5	0.0	0.0	0.5
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0
Total	20.0	8.5	9.5	38.0
Change in Inventory (1995-2013)				
Number	7.5	2.0	4.5	14.0
Percent	60%	31%	90%	58%
Source: Pro Forma Advisors, LLC.				

Table V-8: New Public Regulation Length Golf Courses Added to Tri-County Market--1996-2013			
Course	**Location/County**	**Year Opened**	**Course Designer**
Vista del Ombre	Paso Robles/SLO	1996	Duran
Blacklake (9)	Nipomo/SLO	1996	Robinson
Dairy Creek	San Luis Obispo/SLO	1997	Harbottle
Glen Annie	Santa Barbara/SB	1998	Pascuzzo-Graves
Rancho San Marcos	Lake Cachuma/SB	1998	R.T. Jones, Jr.
Cypress Ridge	Arroyo Grande/SLO	1999	Jacobsen-Hardy
Sterling Hills	Camarillo/VTA	1999	Pascuzzo-Graves
Tierra Rejada	Moorpark/VTA	1999	Cupp
Lost Canyons-Sky	Simi Valley/VTA	2000	Pete Dye
Lost Canyons-Shadow	Simi Valley/VTA	2001	Pete Dye
Moorpark CC (18)	Moorpark/VTA	2002	Jacobsen/Hardy
Rustic Canyon	Moorpark/VTA	2002	Hanse
Moorpark (9)	Moorpark/VTA	2004	Jacobsen/Hardy
Victoria Lakes (9)	Oxnard/VTA	2004	Millhouse
Monarch Dunes	Nipomo/SLO	2005	Pascuzzo-Graves
Victoria Lakes (9)	Oxnard VTA	2008	Millhouse
Source: Pro Forma Advisors, LLC.			

Table V-9: Selected Characteristics of Tri-County Public Golf Courses					
Course	**SBGC**	**Glen Annie**	**Sandpiper**	**Rancho SM**	**La Purisima**
Location	**Santa Barbara**	**Goleta**	**Goleta**	**Lake Cachuma**	**Lompoc**
Course Type	Municipal	Daily Fee	Resort/Daily Fee	Daily Fee	Daily Fee
Architect	L. Hughes	Graves/Pascuzzo	William Bell	R.T. Jones II	R. M. Graves
Owner	City	Capital Crossings	Ty Warner Prop	Ty Warner Prop	Pro Tec Investment
Operator	City	Touchstone Golf	Ty Warner Prop	Ty Warner Prop	In-House
Year Opened	1958	1997	1972	1998	1986
Number of Holes/Par	18/70	18/71	18/72	18/71	18/72
Course Length (back/middle)	6037/5785	6417/5945	7068/6597	6817/6243	7105/6670
Rating (back/middle)	69.3/68.1	71.3/68.9	74.5/72.2	72.9/70.8	75.6/73.1
Slope (back/middle)	126/123	130/125	134/131	137/131	143/136
Greens Fees					
Standard (18 holes)					
Weekday	$30/35/50[1/]	$42/62[2/]	$70/140[2/]	$50/80[2/]	$29/55[3/]
Weekend	34/39/60[1/]	52/76[2/]	90/160[2/]	60/110[2/]	42/69[3/]
Twilight (9 holes)					
Weekday	$22/25/37[1/]	$26/36[2/]	75/75[2/]	$50/802/	$24/30[3/]
Weekend	$24/27/40[1/]	32/42[2/]	90/90[2/]	70	35/40[3/]
Super Twilight					
Weekday	$17	---	---	---	$15/19[3/]
Weekend	$17	---	---	---	15/19[3/]
Senior (18 holes)					
Weekday	$23/28/50[1/]	$46	---	---	---/55[3/]
Weekend	$32/37/60[1/]	---	---	---	---
Cart Fees (18/9 holes)	$15/9	$13/8	$20/12	$20/12	$14/15[3/]
Mandatory	No	no	no	no	no
Percent Using Carts	51%	85%	70%	70%	65%
Inventory	60	80	80	80	80
Facilities					
Clubhouse Size (sq.ft.)*	3,500	6,000	4,000	2,500	8,000
Banquet Seating Capacity	110	125	---	---	150
Snack Bar	Yes	yes	yes	yes	yes
Driving Range	Yes	yes	yes	yes	yes
Number of Tees	15	16	40	25	30
Annual Number of Rounds	62,500	50,000	38,000	32,000	30,000
Percent Twilight/9-Hole	35%	20%	15%	10%	10%

Table V-9 (continued): Selected Characteristics of Tri-County Public Golf Courses					
Course	**Buenaventura**	**Olivas Links**	**River Ridge**	**River Course**	**Rustic Canyon**
Location	**Ventura**	**Ventura**	**Oxnard**	**Solvang**	**Moorpark**
Course Type	Municipal	Municipal	Municipal	Daily Fee	Daily Fee
Architect	Bill Bell, Jr.	Forrest-Richardson	Bill Bell, Jr.	Hallsey/Daray	Gil Hanse
Owner	Ventura	Ventura	Oxnard	Alisal Ranch	Ventura Co.
Operator	Kemper Golf	Kemper Golf	High Tide & GG	Alisal Ranch	Highlands Golf
Year Opened	1932	1960s/2007[7/]	1986/2008[5/]	1992	April 2002
Number of Holes/Par	18/70	18/72	36/72	18/72	18/72
Course Length (back/middle)	6054/5737	6818/6530	6543/6111	6830/6451	6906/6585
Rating (back/middle)	69.2/67.7	73.7/72.4	70.7/68.7	72.7/70.9	73.1/71.3
Slope (back/middle)	118/115	135/132	114/109	125/121	130/125
Greens Fees					
Standard (18 holes)					
Weekday	$29/33/40[4/]	$33/41/50[4/]	$32/38[3/]	$60	$43/46[6/]
Weekend	$37/43/50[4/]	$42/50/60[4/]	45/50[3/]	72	$66
Twilight (9 holes)					
Weekday	$25	$29/33/404/	$24/26[3/]	$45	$28/30[6/]
Weekend	28	34	26/31[3/]	45	44
Super Twilight					
Weekday	$17	$21	$16/18[3/]	---	$18/20[6/]
Weekend	$17	$21	$15/17[3/]	---	25
Senior (18 holes)					
Weekday	$26	$29/33/404/	$23/28[3/]	$45	$28/306/
Weekend	---	No discount	No discount	No discount	No discount
Cart Fees (18/9 holes)	$15/10	$15/10	$15	$16/8	$15/10
Mandatory	No	No	No	no	No
Percent Using Carts	50%	60%	55%	60%	55%
Inventory	75	80	80	80	80
Facilities					
Clubhouse Size (sq.ft.)*	2,000	2,000 (mod)	13,000	10,000	5,000
Banquet Seating Capacity	200	---	200	200	50
Snack Bar	Yes	Yes	Yes	yes	Yes
Driving Range	No	Yes	Yes	yes	Yes
Number of Tees	---	25	25	12	25
Annual Number of Rounds	65,900	59,800	82,000	35,000	55,000

Table V-9 (concluded): Selected Characteristics of Tri-County Public Golf Courses					
Course	**Soule Park**	**Camarillo Sprgs**	**Los Robles**	**Simi Hills**	**Sterling Hills**
Location	**Ojai**	**Camarillo**	**Thousand Oaks**	**Simi Valley**	**Camarillo**
Course Type	Municipal	Daily Fee	Municipal	Municipal	Daily Fee
Architect	Bill Bell, Jr.	Ted Robinson	Baldock	Ted Robinson	Graves, Pascuzzo
Owner	Ventura County	Oak Creek Ranch	Thousand Oaks	RSH Rec. District	Oak Creek Ranch
Operator	Highlands Golf	Oak Creek Ranch	Eagle Golf	American Golf	Oak Creek Ranch
Year Opened	1962	1971	1964	1981	1999
Number of Holes/Par	18/72	18/72	18/70	18/71	18/71
Course Length (back/middle)	6730/6465	6375/5931	6274/5693	6411/6062	6813/6395
Rating (back/middle)	72.3/71.1	70.8/68.9	70.1/68.7	70.6/69.1	72.7/71.1
Slope (back/middle)	126/124	128/121	125/119	125/121	131/125
Greens Fees					
Standard (18 holes)					
Weekday	$28	$30	$32/41[9/]	$32	$41
Weekend	40	$55[8/]	$40/50[9/]	$42	$59
Twilight (9 holes)					
Weekday	$19	$24	$23/28[9/]	$23	$27
Weekend	27	$34	$28/33[9/]	$28	$39
Super Twilight					
Weekday	$12	$15	$15/18[9/]	$17	$17
Weekend	12	$22	$18/22[9/]	20	$24
Senior (18 holes)					
Weekday	$25	$20	$22/28[9/]	$20	$27
Weekend	45[8/]	No discount	No discount	No discount	$39
Cart Fees (18/9 holes)	$15/10	$13/10	$15/11	$13/10	$15/10
Mandatory	No	Weekend mornings	No	No	Weekends
Percent Using Carts	75%	80%	65%	65%	70%
Inventory	75	80	84	80	85
Facilities					
Clubhouse Size (sq.ft.)*	10,000	7,000	22,000	2,000	---
Banquet Seating Capacity	250	150	250	40	---
Snack Bar	Yes	Yes	Yes	Yes	Yes
Driving Range	Yes	Yes	Yes	Yes	Yes
Number of Tees	12	26	20	20	20
Annual Number of Rounds	42,000	55,000	78,200	73,000	45,000
Percent Twilight/9-Hole	15%	25%	30%	30%	20%

[1/] Resident loyalty program/standard resident/standard non-resident. [2/] Tri-County resident/non-resident. [3/] Loyalty club member/standard. [4/] City/county/non-resident. [5/] Vineyard Course/Victoria Lakes Course. [6]Monday-Thursday/Friday. [7]Originally opened/full redesign. [8/] Includes required cart. [9]City resident/non-resident.

Table V-10 Summary of Rounds and Rates at Selected Tri-County Public Golf Courses						
	Annual	18-hole Greens Fees (excluding cart)				
	Rounds	Standard/Non-Resident			Resident/Player Club	
Golf Course	2013	Weekdays	Weekends		Weekdays	Weekends
SBGC	61,000[2/]	$50	$60		$35/30[1/]	$39/34[1/]
Glen Annie	50,000	62	76		42	52
Sandpiper GC	37,000	140	160		70	90
Rancho San Marcos	30,000	80	110		50	60
Olivas Links	59,800	50	60		33/41[2/]	42/50[2/]
Buenaventura	65,900	40	50		29/33[2/]	37/43[2/]
River Ridge-Vineyard	37,000	38	50		32	45
River Ridge-Victoria Lakes	45,000	38	50		32	45
Rustic Canyon	55,000	43/46[3/]	66		43/46[3/]	66
Soule Park	42,000	28	40		28	40
Sterling Hills	45,000	41	59		41	59
Tierra Rejada	42,000	65[4/]	95[4/]		49[4/]	85[4/]
Alisal (River Course)	35,000	60	72		45	45
Camarillo Springs	55,000	30	55[4/]		25	30
Los Robles	78,200	41	50		32	40
Simi Hills	73,000	32	42		32	42
La Purisima	30,000	55	69		29	42
Blacklake (27 holes)	70,000	42	52		42	52
Monarch Dunes	39,000	67	87		50	60
Cypress Ridge	35,000	65	100[4/]		38	48

[1/] Tri-County Residents/Loyalty Club Members. [2/] Represents play for FY2013. Note that FY2014 play totaled 62,500 rounds [3] Monday-Thursday/Friday. [4/] Includes Cart. [5/] City Residents/County Residents.

Table V-11: Annual Rounds By Course (000)[1/]											
	Fiscal Year										2008-2013 Growth
Course	04	05	06	07	08	09	10	11	12	13	
SBGC	86.4	78.2	76.6	78.5	74.5	70.5	59.1	62.8	63.6	61.0	(18.1%)
Glen Annie	49.2	41.9	43.8	46.4	46.1	43.1	48.3	51.5	52.0	50.0	8.5%
Olivas Links	88.9	57.7	---	11.7	54.1	61.4	65.4	60.7	59.1	59.8	10.5%
Buenaventura	23.1	65.9	77.7	77.5	67.9	65.3	68.5	66.6	64.7	65.9	(2.8%)
River Ridge-Vineyard	71.4	68.7	68.6	67.3	61.6	42.0	42.0	37.0	38.0	37.0	(6.6%)
River Ridge-Victoria Lakes	---	12.7	23.2	25.6	26.2	37.0	37.0	37.0	39.0	45.0	(6.6%)
Rustic Canyon	50.0	39.0	50.3	54.1	50.8	55.2	54.1	56.6	56.0	55.0	8.3%
Soule Park	61.7	45.1	31.2	44.7	42.2	38.0	35.0	43.2	43.0	42.0	(0.5%)
Simi Hills	84.8	74.8	74.9	76.9	78.7	79.4	75.1	74.1	75.0	73.0	(7.2%)
Los Robles	83.1	80.1	79.8	79.0	85.4	83.0	82.5	78.9	77.8	78.2	(8.4%)
Total	598.6	564.1	526.1	561.7	587.5	574.9	567.0	568.4	568.2	566.9	(3.5%)

[1/] Includes complimentary rounds.

VI: Comparative Operating Revenues and Expenses

Current operating revenues and expenses at Santa Barbara Golf Club (SBGC) are compared with the performance at other courses in the region. The performance at any course is influenced by a number of factors including golf course characteristics, market positioning, operating structure, management objectives, and the like.

Annual Play

Annual play at selected Tri-County regional regulation length public golf courses over the 2004-2013 period is presented in Table VI-1. Note that annual play for SBGC in Fiscal Year 2010 was affected by the extensive construction during the year.

Aggregate annual play at the 10 courses shown has declined from 598,600 rounds in 2004 to 566,900 rounds in 2013, or approximately 5.3 percent over the 9-year period. One golf course was added (Victoria Lakes at River Ridge) in 2005, and the play trend was affected by the major re-construction of Olivas Links in 2006/2007. By contrast, play at SBGC has declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 percent over the period. Since 2008, play at SBGC has declined approximately 18.1 percent. Play in FY2014 rebounded somewhat to 62,500 rounds.

SBGC's market share relative to the courses shown has declined sharply over the 2004-2013 period. Between 2004 and 2008, the golf course consistently captured 13%-14% of the regional play, with this market share declining to 10%-11% over the 2010-2013 period, as shown in Table VI-2. There appear to be several reasons which have contributed to this decline:

- In recent years, Glen Annie Golf Club in Goleta has been repositioned more toward the mid-market, and has thus become more competitive with Santa Barbara in terms of price point.
- The other higher end daily fee courses in the market--Sandpiper Golf Club and Rancho San Marcos Golf Club--have targeted Tri-County residents through greens fees discount and loyalty club programs.
- The City of Ventura recently fully renovated both of their golf courses--Buenaventura and Olivas Links--resulting in less "leakage" of golf rounds generated in Ventura County captured by Santa Barbara County courses.
- Competitive courses in the region have intensified promotional programs and greens fees discounting which has reduced their effective fee structure relative to Santa Barbara Muni.
- Construction at SBGC in 2010 resulted in many golfers electing to play at competitive courses. Recapturing lost play generally requires substantial time.
- As a result of historically high play levels, there remain perceptions in the golfing community that tee times are difficult to secure at SBGC.

Operating Revenues

The average revenue per round by department for selected public golf courses in Ventura and Santa Barbara Counties is shown in Table VI-3. The municipal golf courses are identified by name, while a sample of daily fee

courses operating in the region are designated as “Daily Fee-A”, Daily Fee-B”, and “Daily Fee-C” so as not to disclose proprietary information.

In terms of play levels, SBGC is affected by the design and market positioning of the golf course. In particular, the design of SBGC offers a playable golf course which caters to a broad range of golfer abilities, and is attractive to senior golfers, a group which generates substantial levels of play on weekdays.

Given the moderate topography and level of senior play at SBGC, the average cart fee is consistent with similar courses in the region.

Practice range revenue is relatively low at SBGC as the range serves primarily same day golfers. There is limited commercial practice range revenue due to the location, design and condition of the range (limited range depth). As well, the range is not lighted for night use.

Merchandise revenues at Santa Barbara have declined by about 50% over the past 5-6 years, and are currently about $3.04 per round. The decline in merchandise sales is consistent with all other courses where the competition from off-course discount golf merchandisers is intense. Even with the decline, SBGC’s current performance is slightly superior to most other courses in the region.

Food and beverage activities (Mulligan’s Cafe) at SBGC are very strong. The strong performance is due to the outstanding location and ambiance of the clubhouse site. Mulligan’s has successfully marketed the restaurant to non-golfers, and generated substantial special event business, despite having limited capacity for accommodating indoor non-golf special events/banquet business.

Operating Expenses

Annual operating expenses by department are shown in Table VI-4 for SBGC and a series of other mid-market oriented golf courses in the region. As noted, some of the courses are municipal, while four are upper-mid-market daily fee courses (designated as mid-market Daily Fee Courses “A”, “B”, “C” and “D”) which are considered reasonably comparable to SBGC. It should be noted that Santa Barbara Golf Club’s maintenance is provided by City Parks and Recreation employees, while maintenance at Olivas Links, Buenaventura, Los Robles, and all of the daily fee courses is provided by a private sector contractor. Thus, SBGC is the only golf course in the region where course maintenance is provided by City staff.

The table includes only “on-site” operating expenses. Contract administration and overhead support services provided off-site are not included. As well, for SBGC, since golf operations are provided by an independent concessionaire, there are no expenses shown in the table.

Comparative maintenance expenses, staffing and general golf course characteristics for SBGC and a series of other course is presented in Table VI-5.

Table VI-1: Annual Rounds By Course (000)[1/]										
	Fiscal Year									
Course	04	05	06	07	08	09	10	11	12	13
SBGC	86.4	78.2	76.6	78.5	74.5	70.5	59.1	62.8	63.6	61.0
Glen Annie	49.2	41.9	43.8	46.4	46.1	43.1	48.3	51.5	52.0	50.0
Olivas Links	88.9	57.7	---	11.7	54.1	61.4	65.4	60.7	59.1	59.8
Buenaventura	23.1	65.9	77.7	77.5	67.9	65.3	68.5	66.6	64.7	65.9
River Ridge-Vineyard	71.4	68.7	68.6	67.3	61.6	42.0	42.0	37.0	38.0	37.0
River Ridge-Victoria Lakes	---	12.7	23.2	25.6	26.2	37.0	37.0	37.0	39.0	45.0
Rustic Canyon	50.0	39.0	50.3	54.1	50.8	55.2	54.1	56.6	56.0	55.0
Soule Park	61.7	45.1	31.2	44.7	42.2	38.0	35.0	43.2	43.0	42.0
Simi Hills	84.8	74.8	74.9	76.9	78.7	79.4	75.1	74.1	75.0	73.0
Los Robles	83.1	80.1	79.8	79.0	85.4	83.0	82.5	78.9	77.8	78.2
Total	598.6	564.1	526.1	561.7	587.5	574.9	567.0	568.4	568.2	566.9

[1/] Includes complimentary rounds.

Table VI-2: Santa Barbara Golf Club Market Share				
Year	Number of Courses in Market	Annual Rounds		Market Share
		SBGC	Market	
2004	9.0	86,400	598,600	14.4%
2005	8.5[1/]	78,200	564,100	13.9%
2006	8.5[1/]	76,600	526,100	14.6%
2007	8.5[1/]	78,500	561,700	14.0%
2008	9.5	74,500	587,500	12.7%
2009	10.0	70,500	574,900	12.3%
2010	10.0	59,100	567,000	10.4%
2011	10.0	62,800	568,400	11.0%
2012	10.0	63,600	568,200	11.2%
2013	10.0	61,000	566,900	10.8%

[1/] Ventura courses (Olivas Links and Buenaventura) under construction.

Table VI-3: Average Revenue per Round at Selected Public Access Golf Courses (FY2013-14)

		Average Revenue Per Round					Annual
Course	Annual Total Rounds	Greens Fees[1/]	Cart Fees	Range	Merch	F&B golfers	F& B Banquet
SBGC	62,500	$26.57	$6.76	$1.53	$3.04	$5.00	$1,065,000
Olivas Links	59,800	28.89	5.65	4.32	1.38	2.40	---
Buenaventura	65,900	24.80	5.29	---	1.13	4.00	---
River Ridge[2/]	82,000	26.85	10.01	2.21	2.81	5.16	235,000
Los Robles	78,200	24.44	8.47	2.60	1.75	3.75	1,200,000
Soule Park	42,000	21.55	7.15	2.20	2.90	5.60	250,000
Simi Valley	73,000	26.10	7.76	2.74	2.27	4.37	---
Daily Fee-A	---	19.00	7.10	2.20	1.45	5.20	300,000
Daily Fee-B	---	35.30	7.60	2.20	2.90	4.55	175,000
Daily Fee-C	---	33.30	3.00	1.40	2.25	5.00	850,000

[1/] Includes passholders and/or annual membership play. [2/] 36 holes (revenues are expressed per paid round).

Table VI-4: Comparative On-Site Operating Expenses--FY 2013/FY2014 ($000)								
	Municipal Golf Courses				Mid-Mkt Daily Fee			
	SBGC	Olivas Links	Buena	Los Robles	Simi Hills	A	C	D
Course Maintenance								
Payroll and Benefits	$945	$412	$311	$415	$450	$555	$376	$477
Services and Supplies	198	265	237	175	225	142	182	165
Utilities	226	106	93	60	490	392	341	354
Maintenance Equipment	---	---	---	---	---	---	---	---
Subtotal	$1,369	$783	$641	$650	$1,165	1,089	$899	$996
Golf Operations								
Payroll and Benefits	---	$206	$196	$300	$175	183	$130	$105
Cart Leasing	---	---	---	70	70	21	74	79
Cart Operation	---	207	72	140	75	70	119	65
Range	---	19	---	25	---	---	10	6
Services and Supplies	---	14	10	100	15	39	5	13
Subtotal	---	$446	$277	$635	$335	$312	$338	$268
Undistributed/Clubhouse	---	$19	$49	$500	$60	100	$14	$86
General and Admin								
Payroll and Benefits	---	$64	$141	$150	$120	$209	$48	$167
Insurance	---	---	---	40	---	36	33	49
Property Taxes	---	---	---	5	---	4	93	106
Marketing/Promotion	---	90	12	60	5	9	5	72
Services and Supplies	---	174	115	145	145	130	183	60
Management Fee	---	109	64	200	---	115	120[3]	96
Subtotal	---	$437	$331	$600	$270	503	$478	$550
Total	**$1,369**	**$1,742**	**$1,298**	**$2,385**	**$1,830**	**$2,004**	**$1,733**	**$1,900**

1 Excludes food and beverage.
Source: PFA.

Table VI-5: Comparative Maintenance Expenses ($000)										
	Municipal Golf Courses						Mid-Mkt Daily Fee			
	SBGC	Buena ventura	River Ridge	Los Ro-bles	Simi Hills	Olivas Links	A	B	C	D
Number of Holes	18	18	36	18	18	18	18	18	18	18
Characteristics										
Age (orig/rennov)	54	80 (6)	26/8	48	33	43 (5)	35	50 (5)	10	15
Turf Area (acres)	100	90	220	120	100	90	90	110	80	90
Turf Type										
Greens	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa
Tees	berm hyb	rye/kiku	berm hyb	berm	berm	pas pal	berm hyb	berm hyb	berm hyb	berm
Fairways	berm hyb	rye/kiku	berm hyb	berm	berm	pas pal	berm hyb	berm hyb	berm hyb	berm
Over-seed	no	no	no	no	no	no	no	no	no	no
# Bunkers	30	35	100	32	53	40	30	50	50	55
Water Source	reclaim/ potable	reclaim	ground	potable	potable	reclaim	potable	ground	potable	reclaim
Annual Cost ($000)										
Water	$223	$93	$110	---	$460	$106	$392	$16	$341	$330
Power	3	---	105	60	30	---	---	58	---	25
Total	$226	$93	$215	$60	$490	$106	$392	$74	$341	$355
Staffing (FTE)										
Superintendent	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mechanic	1.0	1.0	2.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0
Irrigation Tech	1.0	0.0	1.0	0.0	1.0	0.0	1.0	1.0	1.0	1.0
Landscape	9.0	7.0	23.0	11.0	11.0	11.0	11.0	8.0	9.0	11.0
Total	12.0	9.0	28.0	13.0	15.0	13.0	14.0	11.0	12.0	14.0
Course Maint-000										
Payroll and Benefits	$945	$311	$910	$415	$500	$399	$555	$377	$376	$477
Services & Supplies	198	237	556	175	225	245	142	187	182	165
Utilities	226	93	215	60	510	73	392	74	341	354
Maintenance Equip	---	---	---	---	---	---	---	---	---	---
Total	$1,369	$641	$1,681	$650	$1,235	$716	$1,089	$638	$899	$996
Average Cost/Acre										
Payroll and Benefits	$9,450	$3,455	$4,130	$3,460	$5,000	$4,430	$6,170	$3,425	$4,700	$5,300
Services & Supplies	1,980	2,630	2,530	1,460	2,250	2,720	1,580	1,700	2,275	1,830

VII: Golf Course Operating Options

The following section presents a description and information regarding various forms of golf course operation and management available to the City of Santa Barbara. Presently, SBGC is operated under a hybrid structure whereby the City is responsible for golf course maintenance and overall management, with the golf course operations and the food and beverage functions provided under concessionaire agreements with two independent entities.

There are five basic golf course operating options that are available to the City of Santa Barbara:

- Full Self-Operation/Recreation District
- Current Hybrid Model (golf operations concession with City maintenance)
- Modified Hybrid Model (golf operations concession with contract/private maintenance)
- Management Agreement
- Golf Facility Lease

The distribution of the 83 municipal golf courses located in Southern California by type of operating model is indicated as follows (based on golf facilities, regardless of number of holes):

	Number of Southern California Municipal Facilities						
Region	Self-Operation	Recreation District	Concession w/City Maint	Concession w/Cont Maint	Management Agreement	Facility Lease	Total
San Diego County	---	---	3	---	3	5	11
Orange County	---	---	1	2	2	8	13
Ventura/Santa Barbara	---	1	1	---	4	3	9
Los Angeles County	5	---	---	3	3	25	36
Kern County	---	---	---	---	---	3	3
Western Inland Empire	---	1	---	---	2	3	6
Coachella Valley	---	---	---	---	5	---	5
Total	5	2	5	5	19	47	83
Percentage Distribution	6%	2%	6%	6%	23%	57%	100%

SBGC is shown under the model labeled “concession with City maintenance” which is the current hybrid model (golf operations concessionaire with City maintenance).

The above distribution presents a snap shot of the current situation. The “leased facility” numbers are skewed somewhat by Los Angeles County where 13 golf facilities are the County of Los Angeles’ municipal golf courses and four are the City of Long Beach golf courses, all of which are leased. In terms of City self-operation, all of the five facilities shown are Los Angeles City Department of Recreation and Parks properties.

There are two facilities--the Simi Hills Golf Course in Simi Valley and Hesperia Country Club in Hesperia--which are operated by public recreation districts.

In addition to the City of Los Angeles five golf facilities which are self-operated, there are five other facilities, including the City of Santa Barbara, which feature concessionaires for golf operations and City Parks and Recreation staff for golf course maintenance. In addition to Santa Barbara, these include two golf facilities owned by the City of San Diego (Torrey Pines and Balboa Park), Coronado Golf Course on Coronado Island, and the San Clemente municipal golf course in San Clemente.

The distribution does not present a clear picture of the trends established over the past 10-20 years. Nearly all of the management agreements at golf courses have been put in place within the past 20 years. Over this time span, there have been several golf courses which have converted from City maintenance to either facility leases or management agreements.

Responsibility for the basic maintenance, operation and management functions for each of these operating models is summarized as follows:

Responsibility for Function				
Model	**Course Maintenance**	**Golf Operations**	**Food & Beverage**	**Administration/ Management**
Full Self-Operation	City	City	City/Concession	City
Current Hybrid	City	Concession	Concession	City
Modified Hybrid	City/Private	Private/Concession	Concession	City/Private
Management Agreement	Private	Private	Private	Private
Golf Facility Lease	Private	Private	Private/Concession	Private

City determined that the full self-operation model is not a viable option at this time. There are very few municipal golf courses in California which are self-operated, and movement away from this form of operation continues. Sunnyvale Golf Course in Sunnyvale is one of the few remaining full self-operations in the State. In mid-2014, Pacific Grove Golf LInks in Pacific Grove converted from full self-operation to a fully privatized form of maintenance and golf operation (golf facility lease).

In addition to the basic options outlined above, there are numerous other permutations which would create alternative hybrid models. These alternative hybrid models, discussed later in this section, combine some form of self-operation, concession agreements, and/or management/contract private party agreements. All of the operating options require City oversight responsibilities including contract monitoring, budget preparation and review, management oversight, and the like. The degree of City participation varies by operating model.

Current Hybrid Model

Presently, SBGC's operating structure is described as a hybrid between full self-operation and a facility lease, combining elements of self operation (course maintenance and overall facility management) with elements of a facility lease (golf operations and food and beverage concession agreements). Under the current model, the City is responsible for maintaining the course and overall golf facility management, relying on concessionaires for the golf operations and food and beverage functions. The City sets pricing and policies, and administers the overall program. Under the current model, the City receives 100 percent of the greens fees, and a percentage of the concession (golf carts, driving range, pro shop merchandise, lessons, and food and beverage) gross revenue.

The current SBGC hybrid model, where a golf operations concessionaire is retained and the City provides golf course maintenance, is the most common type of hybrid structure. Historically, there have been many public agencies which have elected to maintain the golf course through their parks and recreation department, while retaining concessionaires for golf and food and beverage operations. In most of these instances, the reservations, starting, marshaling, and greens fees collection function is the responsibility of the concessionaire, although in some instances (e.g. City of Los Angeles and City of San Diego) the municipality fills this role, creating some level of redundancy in staffing. In addition to Santa Barbara Golf Club, the other examples of this hybrid model in California include Torrey Pines and Balboa Park in San Diego, Manteca Park in Manteca, Harding Park and Lincoln Park in San Francisco, San Clemente Golf Course in San Clemente, Poplar Creek Golf Course in San Mateo, DeLaveaga in Santa Cruz, Sharp Park Golf Course in Pacifca, and a few other municipal operations. Under all of these agreements, all of the maintenance is provided by City Parks and Recreation staff, and golf operations – pro shop merchandise, cart rentals, driving range, instruction – are provided by a concessionaire. Food and beverage operations may be provided by the golf operations concessionaire, but more often are the responsibility of a separate concessionaire.

Concessionaires normally pay rent to the City based on a percentage of gross revenue (percentage varies by revenue category). Sometimes the percentage rental rates are adjusted downward to reflect the concessionaire responsibility for reservation, greens fees collections, and starting, but in other cases a separate fee is paid to the concessionaire by the City for these services. In these cases, the City receives rent from the concessionaire, and also pays the concessionaire a fee for services. A summary of representative golf operations concession agreements is provided in Table VII-1).

The primary advantage of the current model is the level of control retained by the City in terms of setting policies, prices and standards. A case can also be made that under the current structure, the City has substantial overhead support functions at its disposal from other City departments. It also is often argued that a portion of the entrepreneurial compensation (profit for services rendered) is retained by the public agency under this model, and most of the financial upside related to better than anticipated performance accrues to the City. The validity and value of these advantages is subjective.

The principal potential disadvantages of the current model include higher wage and benefit packages related to public sector employment for the golf course maintenance function, more restrictive labor policies, the potential absence of "best practices" in revenue generation, and bureaucratic constraints which inhibit management's ability to adapt and respond quickly to changing market practices and conditions. In addition, the current model involves multiple providers of service other than the City which potentially may create conflicts and inconsistent service levels. Most golf analysts strongly believe that there are significant advantages to controlling the entire golfer experience through providing all of the functions at the golf course under one management entity. Under the current operation, most of the financial risk is borne by the City.

The number of California municipal golf courses where golf course maintenance is provided by municipal employees continues to dwindle, particularly during periods when Cities and Counties are fiscally challenged. Over recent years, the maintenance function has been privatized at Pacific Grove Golf Links in Pacific Grove, Palo Alto Muni in Palo Alto, Shoreline in Mountain View, Chuck Corica in Alameda, Indio municipal golf course in Indio, and Anaheim Hills and Dad Miller in Anaheim. Other than the larger Cities of San Diego, Los Angeles, and San Francisco, there are only a few municipalities which utilize municipal employees in maintaining their golf course.

Golf Facility Lease

Under this option, the golf course is leased to a private golf course operator who provides course maintenance, golf operations, and overall facility management services. The food and beverage operation may be included under the golf course facility lease or provided under a separate lease to a dedicated food and beverage operator. The operator's lease payments typically are based on a minimum rental payment versus a percentage of golf, merchandise, lessons, and food and beverage departmental gross revenue. Under a typical facility lease, the lessee receives 100 percent of the revenue and is obligated to fund required front-end capital improvements (if any), operating expenses, and a reserve for ongoing capital improvements. As such, the financial risk is largely borne by the lessee. The term of the lease is negotiable, although the length generally is related to operator capital improvement levels and rental payment terms.

There are many examples of the facility lease model, although most of these leases were negotiated 15-30 years ago. All of the Los Angeles County courses, the City of Long Beach courses, and the City of Pasadena's Brookside Golf Course are operated under a facility lease, as are numerous other courses in Southern California. The Simi Valley Recreation District, by contrast, recently elected to self-operate (through the District) the Simi Hills Golf Course after years of operation under a lease agreement with American Golf Corporation.

Tables VII-2 and VII-3 contain a summary of golf course "turnkey" lease terms — facilities where all operations are leased to a contract operator – for selected Southern and Northern California public properties, respectively. There has been limited activity in recent years, with Pacific Grove Golf Links in Pacific Grove, Oceanside Golf Course in Oceanside, Los Amigos Golf Course in Downey, the City of Pasadena Brookside Golf Course in Pasadena, and Chuck Corica Golf Course in Alameda among the few agreements negotiated since 2005. Soule Park in Ojai was leased in 2007 following significant improvements funded by Ventura County to repair flood damage. In general, the facilities are leased to a management company with a minimum lease payment versus percentage rents. The contract specifies performance standards, required capital improvements and a range of contractual terms. It is important to note the agreement date, as the improving economics of the golf market and competitiveness in the golf management industry during the 1990-2000 period are reflected in more favorable lease terms to the lessor, with the most recent agreements somewhat adversely influenced by soft golf market conditions since 2001.

The various terms of the leases are interrelated and the lease payments must be considered in the context of all the terms of the lease.

- Lease Term. The term of the facility leases shown generally ranges from 15-30 years. When front-end lessee capital improvements are required, which generally is the case, the term of the lease must be long enough to amortize these capital expenditures. The length of the term normally is a function of the level of capital improvements. Occasionally a short-term agreement (less than five years) is negotiated, but these are generally related to the continuation of an agreement with an operator where minimum capital improvements are required or where an option is exercised to extend the lease term.
- Minimum Rent. The minimum rent typically is established at about 75 to 80 percent of the expected "percentage rent" amount. The minimum often is adjusted annually to reflect about 80 percent of the average of percentage rents paid during the prior three to four years operation, but never less than the preceding minimum rent level.
- Percentage Rents. Percentage rents vary by golf department, although often a composite rate is applied to greens fees, cart revenue, and driving range revenue. Merchandise, food and beverage, and other minor departments generally have lower individual percentage rents primarily due to the relatively small operating profit margins on these goods and services. The percentage rents are a function of the length of term, required capital improvements, utility sharing agreements, and the replacement reserve requirements. The rent percentage may increase over the term of the lease. The higher the capital expenditure requirement, replacement reserve, and costs associated with utilities and other course operations, the lower the percentage rent structure. Also, the market strength and potential profitability of the course strongly influence percentage rents. For Los Angeles County, the rent payments shown include contributions from the golf course revenues to the capital improvements reserve fund, consisting of 10% of gross greens fees plus $1.50 per 18-hole and $.75 per 9-hole round of golf. These capital improvement contributions represent between 20 and 25 percent of the total gross rent paid. For El Dorado Park in Long Beach, the rent does not include food and beverage which is operated under a

separate concession agreement until AGC assumed responsibility for this function as well as golf operations.

- Fees and Operating Policies. Under most municipal facility leases, the lessor (City) retains substantial control over setting fees and establishing operating policies. As well, specific guidelines such as maintenance standards are in-place or negotiated as an integral part of the lease terms. While changes in fees and policies normally require City approval, in practice, the lessee has greater influence in modifying fees and terms which financially benefit the lessee. Moreover, regardless of the rigor of the lease agreement, a number of "gray" areas, such as level of course conditioning, generally remain which may be exploited by the lessee.
- Capital Improvements. Most facility leases call for capital improvements to be funded by the lessee. A list of improvements is specified and a time frame for their implementation is established. The capital improvements requirement varies widely for the facilities shown, from less than $1 million to over $8 million.
- Capital Improvement Replacement Reserve. Generally, some provision for establishing a reserve for ongoing future capital improvements is stipulated. The replacement reserve is normally a percentage of greens fee revenue, with the percentage depending on anticipated future capital requirements, the age of the course, and the front-end capital expenditure requirement. Usually, the replacement reserve is in addition to percentage rents, but sometimes the reserve funds are credited against rent payments.
- Utilities. Typically, the lessee is responsible for utility costs. However, due to the high cost of water in California, there may be some cost sharing of utilities, or some protection provided the lessee in terms of ceilings or caps on utility rate increases.

For facility lease agreements, the market potentials, specific course maintenance requirements, areas of lessor/lessee responsibility, and other contract terms must all be considered in establishing an equitable lease structure. Thus, while the experience of other courses can serve as a general guideline, specific consideration should be given to the unique characteristics of a city's golf course, such as the location and market strength. Further, the overall objectives of the City will influence the structure of contract terms.

The market for golf leases with municipalities has been substantially affected by the soft golf market conditions experienced over recent years. The number of qualified investor/operator groups which have an interest in such agreements has declined sharply, and the rent structure has generally been modified downward. In many instances, municipalities desiring leases are faced with the option of having to select groups with limited experience in exchange for the lessee's willingness to invest private capital and commit to reasonable rent payments.

It also should be noted that with the softening of golf markets in California, there have been a number of initiatives on the part of lessees to renegotiate lease terms, particularly relating to courses which negotiated new leases in the 1995-2000 period. Specifically, since 2001 a number of lessees have requested rent adjustments to compensate for declining golf play levels and associated revenues, and to assume continued lessee funding for capital improvement obligations. Eaton Canyon and Altadena Golf Course in Los Angeles County, Crystal Springs in Burlingame, Metropolitan Golf Links in Oakland, and Foxtail in Rohnert Park are examples

where leases have been renegotiated. In the cases where rent concessions have been granted by the lessor, rent terms have been modified by reducing base and percentage rent levels, often with significant increases in potential participation by the lessor in revenue above the current threshold.

The primary advantages of the facility lease option include a guaranteed minimum rent payment to the City, potential benefits of professional golf management, limited required participation by the lessor (City), minimum financial risk to the City, and private capital improvement funding availability. The primary disadvantages of the facility lease option include waiving some control over operating policies and procedures, commitment to longer term agreements, and limited participation in upside financial performance.

Management Agreement

This option relates to a fee-for-service agreement with a Director of Golf, General Manager or an outside management company. Golf and food and beverage functions may be combined or separated, but the structure is the same. All functions would be under the authority of the contract golf director, General Manager or management firm. Under a typical management agreement, the facility owner (City) receives all revenues and is responsible for funding all capital improvements, operating expenses, and reserves for ongoing capital reinvestment. In addition, the owner (City) pays the operator a fee for management of the facility. In effect, the professional operator serves as the City's agent in managing, operating, and maintaining the golf facility. Management compensation typically consists of a base fee, plus performance incentives.

Increasingly, public agencies are moving to a management contract approach to operations and maintenance. The City of Ventura retained Kemper Sports Management under a management agreement for operation of their two golf courses. Other examples of this structure include Los Robles in Thousand Oaks which is managed by EAGLE Golf Management, Green River Golf Club near Corona managed by CourseCo, Encinitas Ranch in Encinitas by JC Resorts, and Carlsbad Crossings in Carlsbad and Black Gold in Yorba Linda, both by Kemper Sports. In 2012, a municipal golf course management agreement was negotiated between the City of Mountain View and Touchstone Golf for the Shoreline Golf Course operation. A summary of selected management agreement terms and conditions relating to moderate and high quality municipal golf course operations in California is contained in Table VII-4.

As previously indicated, under this structure, the City receives all revenue and is obligated to fund all maintenance, operating and administrative expenses, including a management fee. The management fee is in addition to all on-site salaries and expenses. The basic terms and conditions of the agreements are discussed below.

Term

Generally, management terms are five years in length, long enough to allow a firm to amortize its initial efforts to establish policies, procedures, and systems, and to ensure sufficient job security for key employees. Longer terms offer little advantage to the owner. The renewal of an agreement typically is for a period of three to five years. The terms may be influenced by conditions dictated by the financing instrument used such as tax-exempt bond IRS regulations. For example, the IRS has a number of stipulations imposed to ensure a man-

agement contract does not result in private business use of a bond-financed facility. Among other things, the IRS restricts contracts which give the service provider an ownership or leasehold interest or provide compensation for services rendered based in whole, or in part, on a share of net profits from operations of the facility. Specifically, the IRS will allow agreement terms up to 15 years, but the structure of compensation is specific to the term. With 15-year agreements, at least 95 percent of the total compensation must be fixed/guaranteed. At 10 years, at least 80 percent; and at 5 years, at least 50 percent must be fixed/guaranteed. As well, in accordance with IRS regulations, incentive compensation cannot be based, in whole or in part, on a share of net profits, and thus must be based on gross revenue or expense thresholds.

The IRS also requires the management agreement to have an agreement cancellation option for the owner, typically at the end of three years. In cases where a cancellation provision is required by the financing authority, management companies have not objected.

Compensation Structure

For moderate volume courses ($2.0-$2.5 million in annual golf/greens, carts, range) revenue, the base fee generally ranges from $100,000 to $140,000 per year. Compensation typically consists of a base, or guaranteed fee, plus an incentive fee. Incentive fees are structured such that expected performance would result in additional compensation of $20,000 to $30,000. Total compensation, assuming budgets are met or slightly exceeded, for moderate volume 18-hole public courses, generally ranges from $130,000 to $160,000 per year.

For high volume courses ($3+ million in golf revenue), the base fee generally ranges from $150,000 to $180,000 per year for 18-hole courses. Incentive fees are structured such that expected performance would result in additional compensation of $30,000 to $50,000. Total compensation, assuming budgets are met or slightly exceeded, for high volume 18-hole public courses, generally ranges from $150,000 to $200,000 per year.

While there are many ways of structuring incentive agreements, it is generally more effective to key them off of net operating income, or gross revenue above established threshold levels, with incentive payments equaling anywhere from 25 to 100 percent of the base fee.

The compensation noted above relates to agreements where all management staff, including day-to-day accounting, are onsite, and there are no reimbursements for corporate support functions, marketing, or other normal offsite management services, including routine travel. The cost of some extraordinary services (e.g., legal, specialty agronomical consulting, etc.) may be borne by the golf course owner.

Incentive compensation normally is triggered by performance which exceeds predetermined levels of net operating income (defined as “earnings before interest, taxes, depreciation, and amortization,” or EBITDA) or gross revenue. Since expenses are reasonably predictable, incentive payments based on gross revenue exceeding specified threshold levels often are workable.

It should be noted that golf revenue (greens, carts, and range) has little associated variable cost, whereas merchandise and food and beverage have very high variable costs. Given this, each revenue category should be

treated independently, and incentive clauses should more greatly reward extraordinary golf revenue compared with merchandise, food and beverage, lessons, and other miscellaneous sources.

Overall, total compensation should represent about 4 percent of total gross revenue. The 4 percent allowance is an industry standard which most professional golf management firms utilize when allocating home office services for courses they own and operate.

It is generally desirable for at least one-quarter to one-third of total compensation to be incentive-based. Again, the type of financing may influence the structure of the compensation and limit the portion which is incentive-based.

Base Fee Adjustments

In many agreements, the base fee is inflation-adjusted. This is a negotiable point, and typically relates to the structure of incentive compensation, which often serves as an inflation hedge.

Management Services

Offsite management services covered under the management fee include, although are not necessarily limited to, the following functions:

- Personnel/Human Resources
- Training
- Payroll and Benefit Administration
- Management Reporting and Accounting Systems
- Internal Audits
- Budgeting Support
- Marketing Support
- Agronomical Support

Typically, all of these services are included under the management fee. If not, an accordingly lower management fee would be expected.

While the management company provides these services, they do so, in effect, as the agent for the City. The City determines the fee structure, establishes policies, and has the right to approve compensation, employment practices, and other similar items. Clearly, the management firms provide input and recommendations, but ultimately the City retains near-full control over all operating decisions.

Other Provisions

Daily accounting and management system reports are an integral part of the golf course operation. This daily function can be provided on-site by golf course administrative staff, or at the home office of the management company. When provided by on-site staff, the expense is borne by the course like any other operating expense. When provided off-site by the management company, there often is a separate charge to the City, in addition to the basic management fee.

There may be other services provided by the management company which are reimbursed by the City separately from the management fee. Examples include travel expenses by home-office management staff, outside agronomical evaluations, and the like. All of these elements of the management agreement are negotiable, and clearly, the overall compensation consists of the sum of the base fee, incentive fee, and reimbursements.

The primary advantages of the management agreement structure include the benefits related to professional golf course management, lower wage and benefit structure related to private sector employment, shorter term contractual commitments, full control over the overall golfer experience and operations, and full participation in upside financial performance. The major disadvantages of this form of operation include greater participation required on the part of the contractor (City), financial risk, and inability to attract private capital.

Modified Hybrid Model

There are numerous alternative hybrids which consist of some combination of concession agreements and service contracts, and often such hybrids involve City-provided golf course maintenance. A "Modified Hybrid Model" would involve one or more changes in the responsibilities for the various functions. One alternative hybrid would retain the current golf operations and food and beverage concessionaires, with golf course maintenance responsibility shifted to a private landscape maintenance entity on a contract basis. The City would still be responsible for overall golf course management.

An alternative model would involve retaining a golf operations professional (individual or firm) on a fee-for-service basis, who would also be responsible for overall golf facility management as well as the golf operations functions (reservations, starting, pro shop, range, carts). Under this alternative, golf course maintenance could continue to be provided by the City, or contracted to a private landscape maintenance provider. The City would receive all of the golf course revenues (greens, carts, range, merchandise) and bear most or all of the operating expenses, paying a fee to the contractor for their service. Examples of this form include Modesto's golf courses and the Anaheim courses. Generally, the agreement with the golf operations contractor has performance incentives structured in the compensation. Most of the benefits and constraints discussed under the full management agreement would transfer to this option, with a lower base fee.

There are several firms which provide contract golf course maintenance on a fee-for-service basis. The contractors employ private sector employees, paying private sector prevailing wages and benefits, which generally are well below the corresponding public sector wage/benefit scale. Maintenance is provided by a private landscape provider, such as Valley Crest or International Golf Management (IGM), on a fixed fee basis subject to standards and practices established by the public agency. Examples include DeBell in Burbank, Anaheim Hills and Dad Miller in Anaheim, and Alhambra Municipal in Alhambra. The responsibilities of the concessionaire and the structure of the golf operations concession agreement vary considerably. Under private contract maintenance, the annual cost of maintaining a mid-market 18-hole regulation length golf course is in the range of $650,000 ($35,000 per hole), including an allowance for maintenance equipment replacement/lease, but excluding utilities (water and power).

Concessionaires normally pay rent to the City based on a percentage of gross revenue (percentage varies by revenue category). Sometimes, the rent categories are adjusted downward to reflect the concessionaire responsibility for reservation, greens fees collections, and starting, but in other cases a separate fee is paid to the concessionaire by the City for these services. In these cases, the City receives rent from the concessionaire, and also pays the concessionaire a fee for services (refer to Table VII-1 for a summary of representative golf operations concession agreements).

Summary of Operating Options Strengths and Weaknesses

The strengths and weaknesses of the four basic options are outlined in Table VII-5. Each option offers advantages and disadvantages relative to economic performance, the cost of payroll and employee benefits, city control, maintenance, influence on policy-making, operator responsiveness, efficiencies relating to one operating entity, required city involvement, and other factors. As stated above the Modified Hybrid model would have the same strengths and weaknesses as the full management services.

The current hybrid model, while having some benefits in terms of quality control, support from other City departments, and upside financial participation, has many deficiencies. There are higher costs associated with public sector employment, financial risk, and absence of professional golf management "best practices." The most significant disadvantage, at least in the current structure, is the City's inability to operate in a business-oriented, entrepreneurial manner which allows management to adapt and respond to dynamic market conditions. As well, the absence of an on-site manager with the authority to manage and coordinate the various functions provided by multiple providers is problematic, potentially resulting in lower revenues, less efficient operations and a diminished golfer experience.

The strengths and weaknesses of a modified hybrid model would depend on the specific model. Contracting the maintenance function offers clear cost savings, but must be considered in the context of the City's policies with respect to outsourcing jobs. Retaining a fee-for-service golf operations management entity/individual offers similar advantages and disadvantage associated with the "management model"--principally offering greater City control and participation in upside revenues, while increasing operating and financial risk to the City.

The turnkey facility lease often yields a reasonable financial return to the City and requires the least City involvement, but maintenance and golf operations service levels may be below those desired by the City. As well, the City typically relinquishes at least some control over golf practices and policies, much of which may be due to contract "gray" areas. A major advantage of the turnkey operation is that normally substantial capital funds can be attracted from the private sector for course improvements, with the amount directly related to the length of the lease term.

A fee-for-service management agreement offers many advantages such as maintaining greater authority managing the facility. Since the City would receive all revenues and expenses under this option, the financial return to the City may exceed that of a turnkey facility lease, but carries with it additional financial exposure. At present, service contracts are more prevalent in the private sector (management of daily fee golf courses). How-

ever, there is an emerging trend toward this option primarily as a result of cities seeking to maintain greater control without giving up the benefits of private sector management and operation.

A full self-operation model, which is an extension of the current City hybrid model to include additional golf operations functions (merchandise, carts, and driving range), offers some advantages over the current model. The principal advantage is the ability to coordinate the various functions to a greater degree and potentially to achieve some operating expense efficiencies in golf operations. There are potentially additional disadvantages of moving from the existing hybrid to a full self-contained model, primarily higher payroll and benefits related to public employees in the golf operations department. As stated earlier, cities who self- operate are beginning to make certain that they are staffed appropriately with experienced “golf operators” in order to react to changing market conditions, driving both rounds and revenue to the facilities while maintaining the required golfer experience.

Table VII-1: Golf Operations Concession Agreements, Selected California Courses			
Course	**Santa Barbara GC**	**San Clemente**	**Alhambra**
Location	**Santa Barbara**	**San Clemente**	**Alhambra**
Lessor	City of Santa Barbara	City of San Clemente	City of Alhambra
Lessee	Chris Talerico Golf	Dave Cook	Jerry Wisz
Agreement Date	2013	2005	1995
Lease Term (years)			
Initial	3	10	5
Options	None	None	3 / 5-year
Discretion	---	---	Lessee
Concession Services			
Reservation	X	X	X
Starter	X	X	X
Green Fee Collect	X	X	X
Marshals	X	X	X
Range	X	X	X
Carts	X	X	X
Pro Shop	X	X	X
Lessons	X	X	X
Food and Beverage	O	X	O
Minimum Rent	$125,000	n.a.	n.a.
CPI Adjusted	Yes	---	---
Percentage Rent			
Carts	30%	20-30%[1/]	10/30/40%[2/]
Range	25%	25%	20/25/35/45%[3/]
Merchandise	4%	5%	4%
Lessons	4%	10%	---
Food and Beverage	---	13%	---
Liquor	---	13%	---
Other	4%	---	---
Investment Requirements	None	None	$500,000
Utilities	Lessor	Lessee	City
Incentive / Lessor Pymts	---	None	$50,000/yr. for marshal services
Reinvestment/Reserve	None	None	None

Table VII-1 (continued): Golf Operations Concession Agreements, Selected California Courses			
	Palo Alto Muni	Diablo Creek	Griffith Park (36 holes)
Location	**Palo Alto**	**Concord**	**Los Feliz**
Lessor	City of Palo Alto	City of Concord	City of L. A.
Lessee	Brad Lozares	J. Fernandez	Tom Barber
Agreement Date	2003	1998	5/1993
Lease Term (years)			
Initial	5	5	10
Options	1-year	2 / 5-year	None
Discretion	City	Lessee	Mo.-Mo.
Concession Services			
Reservation	X	X	O
Starter	X	X	O
Green Fee Collect	X	X	O
Marshals	X	X	O
Range	X	X	X
Carts	X	X	X
Pro Shop	X	X	X
Lessons	X	X	X
Food and Beverage	O	O	O
Minimum Rent	None	None	$250,000
CPI Adjusted	---		No
Percentage Rent			
Carts	60%	35% (0-450K)	---
Range	60%	25% (450K+)	30%
Merchandise	4%	30% (0-400K)	5%
Lessons	0%	25% (6-500K)	10%
Food and Beverage	---	5% (0-500K)	---
Liquor	---	---	---
Other	---	---	---
Investment Requirements	$100,000	None	---
Utilities	Lessor	Lessor	Lessee
Incentive / Lessor Pymts	$322,000 Base Fee[4]	Per Round[5]	None
Reinvestment/Reserve	None	$10,000/year	None

[1] Years 1-5 at 20%; increases 2% points annually beginning in year 6. [2/] 0-$100K; $100-200K; $200K+; [3/] 0-$100K; $100-200K; $200-300K; $300K+ [4]City pays operator base fee, CPI adjusted. Incentives include $3/rounds above 87,000 rounds, 20% cart revenue above $250,000, and range revenue above $440,000. [5]$1/round 93,000-98,000; $2/round 98,000-103,000; $3/round 103,000-108,000; $4/round (108,000+).

Source: Pro Forma Advisors

Table VII-2: Regulation Length Public Golf Course Facility Lease Terms--Southern California						
Course	**Soule Park**	**Brookside**	**Oceanside**	**Los Lagos**	**Mountain Meadows**	**Mission Trails**
Location	**Ojai**	**Pasadena**	**Oceanside**	**Costa Mesa**	**Pomona**	**San Diego**
Number of Holes	18	36	18	36	18	18
Lessor	Ventura County	Pasadena	Oceanside	Costa Mesa	L.A. County	San Diego
Lessee	Highlands Golf	American Golf	Jim Bellows/ Landscapes	Mesa Verde Partners	American Golf	American Golf
Agreement Date	2007	2011	2007	1992	1991	1986
Lease Term (years)						
Initial	10	5	30	18	10	35
Option Extension	1-5	---	10	2-5	---	---
Minimum Rent	$180,000	$1,825,000	None	$630K/720K	$890,000	$125,000
CPI Adjusted	No	No	---	No	No	No
Percentage Rents						
Greens	11.5%/50%[1/]	28.5%	20%	30 / 35% [2/]	35%	11.5%
Carts	11.5%/50%[1/]	28.5%	20%	30 / 35%	35%	10.5%
Range	11.5%/50%[1/]	28.5%	20%	30 / 35%	33%	10.5%
Merchandise	5%	---	20%	6%	5%	6.0%
Lessons	---	---	---	5%	10%	10.0%
Food and Beverage	5%	13.0%	20%	11%	10%	10.5%
Liquor	5%	13.0%	20%	11%	12%	10.5%
Banquet Room Rental	5%	20.0%	20%	25%	25%	---
Required Capital Imps	None	$100K/year	---	$1.938M	$500,000	$104,000
Repl Reserve Require	$1/round	9.5% of total gross	---	5% of greens	--- [3/]	---
Cost of Water	Lessee	Lessee	Lessee	Lessee	County	Lessee

Table VII-2 (continued): Regulation Length Public Golf Course Facility Lease Terms--Southern California						
Course	**La Mirada**	**DeBell**	**Los Verdes**	**Meadowlark**	**Los Amigos**	**Chula Vista**
Location	**La Mirada**	**Burbank**	**Palos Verdes**	**Huntington Beach**	**Downey**	**Chula Vista**
Number of Holes	18	18	18	18	18	18
Lessor	L.A. County	City of Burbank	L.A. County	Huntington Bch	L.A. County	Chula Vista
Lessee	American Golf	S. Scozzola	American Golf	Fore Golf	Los Amigos GP	American Golf
Agreement Date	1995 4/	2014	1994 4	1993	2012	1986
Lease Term (years)						
Initial	15	5.5	15	25	20	20
Option Extension	---	3 5-year	---	15 (city)	5 (county)	10
Minimum Rent	$805,000	$300,000	$970,000	$175K/300K/ 500K 6/	---5/	$124,000
CPI Adjusted	No	No	No	No	No	No
Percentage Rents						
Greens	40%	5.0/7.5%9/	40%		5%-43%8/	15%
Carts	40%	---	40%	8/10/18/25% 7/	5%-43%8/	15%
Range	30%	---	30%	-	5%-43%18	15%
Merchandise	5%	---	5%	8%	6%	6%
Lessons	---	---	---	---	---	6%
Food and Beverage	10%	---	10%	10%	8%	6%
Liquor	12%	---	12%	10%	12%	6%
Banquet Room Rental	10%	---	10%	---	25%	6%
Required Capital Imps	$700,000 4/	None	$800,000 4/	$3.5M	$500,000	$1.4M
Repl Reserve Require	---3/	25% of NOI	---3/	---	---3/	---
Cost of Water	Lessee	Lessee	Lessee	Lessee	Lessee	Lessee

1/ Percentage rent increases to 50% for gross greens fees exceeding $1,650,000, cart revenue of $425,000 and range revenue of $125,000.
2/ Higher percentage applied to monthly gross revenue exceeding $150,000 for greens fees, $40,000 for carts, and $20,000 for practice range.
3/ 10% of greens fees, credited against lessee rental payments.
4/ Term extended for an additional 15 years with commitment of additional capital improvements.
5/ None in first 5 years; then 80% of year 5 percentage rent.
6/ Rent percentages apply to the 5-year option period, exercised in 2005. Years 1-2/3-10/11+.
7/ Percentages relate to years 1-2, 3-10, 11-18, and 19-25, respectively.
8/ Year 1;5%; year 2-10%; year 3-15%; year 4-20%; year 5-27%; year 6-33%; year 7-36%; year 8-39%; year 9- 41%; years 10 through 20-43%.
9/ In addition to minimum rent, 5.0% of total gross revenue between $2.5-$3.5 million; 7.5% of total gross revenue exceeding $3.5 million.

Table VII-3: Regulation Length Public Golf Course Facility Lease Terms--Northern California						
Course	Spring Valley	Chuck Corica	Crystal Springs	Monarch Bay	Metropolitan	Pacific Grove
Location	Milpitas	Alameda	Burlingame	San Leandro	Oakland	Pacific Grove
Number of Holes	18	45	18	27	18	18
Lessor	County of Santa Clara	City of Alameda	City/County of San Francisco	City of San Lean-dro	City of Oakland	City of Pacific Grove
Lessee	Jetters Golf	Greenway Golf	Crystal Springs Golf Partners	American Golf	Oakland Golf, LLC	CourseCo
Agreement Date	1993	2012	1997	1997	2001	2014
Lease Term (years)			(revised 2004)			
Initial	30	20	20	25	25	9.5
Option Extension	None	One 5-year	None	Two 5-year	Three 5-year	Two 5-year
Minimum Rent	$250,000	$300,000	$1.25 million 11/	$750,000	$400,000 5/	$300,000
CPI Adjusted	No	No	Yes	No	Yes	No
Percentage Rents						
Greens	10.5% 2/	8/10-8/12 1/	25/35/32% 12/	25/27/28/30 3/	0/15/17.5/20/22.5/ 25/27.5 7/	
Carts	10.5%	8/10-8/12 1/	25/35/32%	25/27/28/30 3/		Min + 65% of total golf revenue exceeding $2.35M
Range	10.5%	8/10-8/12 1/	25/35/32%	25/27/28/30 3/		
Merchandise	10.5%	8/10-8/12 1/	8%	5/6% 4/	0/4% 8/	
Lessons	10.5%	8/10-8/12 1/	25/35/32% 12/	5/6% 4/	0/4%	
Food and Beverage	10.5%	NA	8%	5/6% 4/	0/4%	---
Liquor	10.5%	NA	8%	5/6% 4/	0/4%	---
Banquet Room Rental	10.5%	NA	25/35/32% 12/	5/6% 4/	0/4%	---
Required Capital Imps	$2.5 million	$5.7 million	$1.98 million	$8.2 million	$8.0 million	$100,000
Repl Reserve Require	None	3.0% of total gross revenue	6% (yrs.1-5); 2%(yr.6+) of total gross revenue	2% of gross	0% (1-2), 2% (3-4); 4% (5+) of total gross	1.5% of total gross revenue
Cost of Water	Lessee	Lessee	Lessee	Lessee	Lessee	Lessee

1/ Rate applies to gross revenue from all sources.
2/ Percentages apply to first 15 years of agreement term. Beginning in year 16, rent equal to 10.5% of total gross revenue up to $3.0 million plus 15.0% of revenue between $3.0 and $4.0 million, plus 20.0% of gross revenue exceeding $4.0 million.
3/ Years 1-2 / 3-5 / 6-10 / 11+.
4/ Years 1-2 / 3+.
5/ Increases to $500,000 by Year 4.
6/ Escalates to $200,000 by Year 16.
7/ Years 1-2 / 3-5 / 6-10 / 11-15 / 16-20 / 21-25 / 26+.
8/ Years 1-2 / 3+.
9/ Years 1-5 / 6-10 / 11-15 / 16+.
10/ In addition to percentages, a supplemental contribution equal to 7% of total gross revenue is applied effective 10/1/2004. Further, the percentage rents are increased by CPI beginning in 2010
11/ Escalates steadily to $1,600,000 by Year 16.
12/ As revised – years 1-2 / 3-5 / 6-20.

Table VII-4: Management Agreement Terms at Selected California Public Golf Courses					
Golf Course	**Buenaventura/ Olivas Links**	**Los Robles**	**Carlsbad Cross-ings**	**Green River**	**Black Gold**
Location	**Ventura**	**Thousand Oaks**	**Carlsbad**	**Corona**	**Yorba Linda**
Course Type	Mid-market Muni	Municipal	Upscale Municipal	Mid-mkt Daily Fee	Upscale Municipal
Number of Holes	36	18	18	36	18
Owner	City of Ventura	City of Thousand Oaks	City of Carlsbad	County of Orange	City of Yorba Linda
Manager	Kemper Sports	EAGLE Golf	Kemper Sports	CourseCo	Kemper Sports Mgmt.
Agreement Date	2009	2006	2012	2014	2011
Term (years)	5	10	5	5	5
Options	One 5-year	Four 5-year	None	None	None
Options Holder	City	City	---	---	---
Annual Gross Revenue	$4,500,000	$5,000,000	$4,000,000	$2,500,000(18 hole)	$5,600,000
Base Annual Fee	$150,000	$100,000	$125,000	$160,000	$195,000
CPI Adjusted	Yes	2%/year	No	Yes	Yes
Incentive Structure	5% of gross "golf "revenue exceeding $4,800,000	12% of NOI ex de-preciation	5.0% of gross reve-nue in excess of budget	None	5.0% of gross reve-nue in excess of $5,800,000, subject to maximum of 25% of fixed fee
Management Functions					
Course Maintenance	X	X	X	X	X
Golf Operation	X	X	X	X	X
Food and Beverage	X	X	X	X	X
Annual Compensation					
Base	$150,000	$100,000	$125,000	$160,000	$250,000
Incentive	---	75,000	25,000	---	---
Total	$150,000	$175,000	$150,000	$160,000	$250,000
% of Total Gross Rev	3.3%	3.5%	3.8%	6.4%	4.5%
Reimbursements	None	Accounting	None	None	None
Performance/Other De-posit	None	None	None	None	$50,000
Non-Compete Restrictions	None	None	None	None	No

Table VII-4 (continued): Management Agreement Terms at Selected California Public Golf Courses					
Golf Course	**Shoreline**	**SilverRock**	**Boundary Oak**	**Desert Willow**	**Encinitas Ranch**
Location	**Mountain View**	**La Quinta**	**Walnut Creek**	**Palm Desert**	**Encinitas**
Course Type	Municipal	Upscale Municipal	Municipal	Upscale Municipal	Municipal
Number of Holes	18	18	18	36	18
Owner	City of Mountain View	City of La Quinta	City of Walnut Creek	City of Palm Desert	Encinitas Ranch Golf Auth.
Manager	Touchstone Golf	Landmark Golf Mgmt.	CourseCo Inc	Kemper Sports	J.C. Resorts
Agreement Date	2012	2013	2009	2006	2012
Term (years)	5	5	5	2	10
Options	One 5-year	None	None	Two 1-year	None
Options Holder	City	---	---	City	---
Annual Gross Revenue	$3,000,000 3/	$4,000,000	$4,000,000	$7,500,000	$4,500,000
Base Annual Fee	$102,000	$96,000	$156,000	$300,000	$180,000 2/
CPI Adjusted	No	No	Yes	No	Yes
Incentive Structure	10% of golf gross revenue in excess of $2,500,000	None	10% of golf gross revenue exceeding budget; 7.5% of F & B gross exceeding budget	5% of gross revenue in excess of $6,000,000	.75% of gross golf revenue Accounting reim-bursement direct
Management Func-tions					
Course Maintenance	X	X	X	X	X
Golf Operation	X	X	X	X	X
Food and Beverage		X	X	X	X
Annual Compensation					
Base	$108,000	$96,000	$156,000	$300,000	$180,000
Incentive	25,000	---	$6,000	75,000	35,000
Total	$133,000	$96,000	$162,000	$375,000	$215,000
% of Total Gross Rev	4.2%	2.4%	4.1%	5.0%	4.8%
Reimbursements	None	None	None	None	Accounting - $24K/ year
Performance/Other Deposit	None	$25,000	None	None	None
Non-Compete Restric-tions	None	None	None	2 years	None

Table VII-5: Strengths and Weaknesses of Golf Course Operating Options

Hybrid (Current Model)	Facility Lease	Management Agreement	Modified Hybrid
STRENGTHS			
• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option	• Provides reasonably strong financial return to City • Produces guarantee minimum rent payment to City • Minimizes financial risk • Minimizes political influence with less direct involvement of City with setting fees, policies, and practices • Offers potential benefits in golf management expertise and specialized maintenance support services • May provide private capital investment in facilities	• Provides strong financial return to City. • Provides high level of City control • Greater potential quality assurance • Opportunity to provide shorter term contracts • Potentially more compatible with multiple operator options • Provides opportunity to retain specialists in professional golf management • Captures benefits of private sector wage and benefit structure	• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Potential benefits from lower private sector maintenance payroll/ benefits • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option
WEAKNESSES			
• Constrains ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • Involves higher public sector wage and benefit structure for maintenance • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements	• Minimum operational and quality control • May involve long-term contractual commitment • Minimizes financial upside, particular in current market • Current weak market for facility leases • Potential conflicts over capital reinvestment responsibilities of contracting parties	• Requires more City involvement than facility lease option • Minimizes private capital investment in facilities. • Entails greatest level of City financial risk	• May constrain ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • May involve higher public sector wage and benefit structure • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements

VIII. Economics of Golf Course Operating Options

The following section illustrates the comparative economics of the various golf course operating options available to the City of Santa Barbara. The options evaluated include the following:

- Management Agreement, with and without application of the City's Living Wage Ordinance
- Facility Lease
- Hybrid Model (current), assuming golf operations concessionaire, food and beverage concessionaire, and City maintenance
- Hybrid Model (modified), assuming golf operations concessionaire, food and beverage concessionaire, and contract maintenance

Summary Economics

A comparative summary of the economics related to each of the operating options outlined above is presented below. The economics illustrate the net cash flow accruing to the City under each option. An allowance for capital improvements/equipment costs and debt service (actual 2014 debt service) are deducted from net operating income, yielding net cash flow to the City for each option.

SBGC Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease
		City Maintenance*	Contract Maintenance	No Living Wage	With Living Wage	
Net Operating Income	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Allowance	214.5	225.0	225.0	225.0	225.0	108.1
Less: Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Hybrid Model w/ City Maint.	$40.8	---	$197.4	$424.6	$202.6	$180.4
* Represents current City hybrid model.						

Baseline Revenues

A baseline revenue estimate is first established in evaluating each of the golf course operating options. The revenue estimate is employed uniformly for the various options. The baseline revenue employed in the analysis is effectively actual FY2014 revenues, excluding any one-time revenue components. As shown in Table VIII-1, annual baseline revenue is indicated at just under $3.9 million, including nearly $1.4 million in food and beverage gross revenue.

Living Wage Ordinance

The City of Santa Barbara has adopted a "living wage" ordinance which stipulates a minimum hourly wage for businesses which are supplying services to the City on a contract basis, with some exemptions provided depending on the type of business and service provided. The current "living wage" is $16.70 per hour, with no additional benefits provided.

The living wage ordinance would apply to some of the operating options, while not affecting others. The following assumptions are employed in the analysis:

- The current hybrid model (golf operations concessionaire; food and beverage concessionaire; City course maintenance) is not subject to the Living Wage ordinance.
- A management agreement model may or may not be subject to the Living Wage ordinance, depending on the interpretation of the ordinance by City staff. This scenario is analyzed with and without the Living Wage.
- The Living Wage ordinance would not apply to the facility lease model.
- Contract golf course maintenance, in conjunction with any form of golf operations, would be subject to the Living Wage ordinance.
- The food and beverage operation would be structured such that it would be exempt from the Living Wage ordinance.

The effect of the Living Wage ordinance is reflected in higher operating expenses (payroll and benefits) for both golf course maintenance and golf operations relative to those operating options subject to the ordinance.

Operating Expenses

Annual operating expenses by major expense classification are shown in Table VIII-2. The expenses are shown both with and without application of the Living Wage ordinance, and are consistent with current staffing levels. The expenses relate to a single entity bearing responsibility for all of the golf course functions and departments. Note that food and beverage expenses are not included since the analysis is based on the premise that only the net contribution from food and beverage operations are included under revenue.

There is a $225,000 annual allowance or reserve for capital improvements replacement, which consists of approximately $150,000 for golf course and support facilities and $75,000 for maintenance equipment.

The expenses, which total $1.84 million per year assuming no Living Wage and $2.06 million with the Living Wage, are used in analyzing several of the operating options, including the management agreement model. The impact of the Living Wage is reflected in the golf course maintenance payroll and benefits line, golf operations (pro shop) payroll and benefits, and cart operation/outside services. In total, the differential in payroll and benefits between the scenario with the Living Wage versus the one without the Living Wage is approximately $220,000 per year, of which $150,000 is attributed to golf course maintenance.

Management Agreement

The economics of the management agreement operating option, whereby the City retains an outside management company or director of golf to administer all golf course functions (including food and beverage), is presented in Table VIII-3. As noted above, the management agreement model may or may not be subject to the Living Wage ordinance, and thus this option is evaluated with and without application of the ordinance.

Annual gross revenue totals $2,714,500, which includes the "net contribution" from the food and beverage operation, estimated at 15 percent of food and beverage gross revenue. That is, the net contribution of the food and beverage operation is included rather than total gross revenue, which reflects deductions for cost of sales and operating expenses. Cost of sales related to merchandise are deducted, resulting in gross profit of $2,571,800.

Assuming no Living Wage, deducting operating expenses from gross profit yields annual net operating income of $733,800. Allowances for City contract administration of $80,000 and the Citywide Overhead allocation of $73,500 are deducted, resulting in adjusted annual net operating income of $580,300. The current annual debt service obligation (264,800) is not deducted.

With the Living Wage applied, net operating income is projected at $511,800 after deducting cost of sales and operating expenses. Then, deducting an allowance for City contract administration and the Citywide Overhead allocation yields adjusted net operating income of $269,300 under the management agreement model. The current annual debt service ($264,800) is not deducted.

The management agreement model, assuming no Living Wage, produces the highest net operating income among the various models. The model also provides for a relatively high level of City control as the policies and fee structure is entirely set by the City, with input from the retained management individual/firm. The principal weakness of this model is that the City continues to bear most, if not all, of the financial risk.

Facility Lease

Based on the limited recent experience with municipal facility leases, the characteristics and performance of SBGC, and typical lessee operating economics, the economics related to a facility lease for all functions, excluding food and beverage operations, are based on the following representative lease terms. The terms are based on the assumption that the Living Wage ordinance does not apply. If the ordinance is applicable, the rental lease terms (minimum rent and percentage rental rates) would be adjusted downward to reflect the mandated higher wages.

Summary of Facility Lease Terms	
Term (years)	15
Renewal Options	none
Initial Lessee Capital Improvements	$500,000
Annual Base Rent	$300,000
Percentage Rent (% of departmental gross revenue	
Greens, Carts and Range	15.0%
Merchandise	5.0%
Instruction	5.0%
Food & Beverage	10.0%
Capital Improvement Replacement Reserve	5.0% of golf revenues (greens, carts, range)

Note that, given the current conditions of the golf course, a moderate level of initial lessee-funded capital improvements are required. To the extent that such improvements are not required, the minimum and percentage rent would be accordingly adjusted upward.

The rent paid by the lessee is equal to the greater of the minimum rent ($300,000 per year) or the percentage rents based on applying the rental rate factors to gross revenue. Typically, the minimum rent is set a about 75 percent of the expected percentage rent, and thus generally the minimum rent is exceeded by percentage rent.

Applying the percentage rent factors to the baseline annual gross revenue yields rent to the City, as shown in Table VIII-4 (note that rent due is the greater of “base rent” or “percentage rent” produced). Also included is the lessee’s required CIP replacement reserve contribution at 5.0% of “golf” gross revenue (greens fees, cart fees, and practice range revenue). A corresponding outflow for the City’s contribution to the capital improvement reserve fund and an allowance for City contract administration/overhead are deducted. Note that the capital improvement replacement reserve contribution is less than the scheduled allowance of $225,000 per year. The lower amount is attributed to the lessee providing maintenance equipment at their cost, and the initial lessee-funded capital improvements, estimated at $500,000, which reduces the ongoing capital needs.

As shown in the table, gross revenue (including the full food and beverage gross revenue) totals $3.85 million. Applying the percentage rental factors produces $597,700 to the City, including $108,100 in the capital improvement replacement reserve contribution. Deducting the reserve for capital improvements (assumed to be

equal to the contribution), a $80,000 allowance for City contract administration, and a $73,500 allowance for the Citywide Overhead allocation results in net cash flow to the City of $336,100. The current annual debt service ($264,800) is not deducted.

The facility lease option produces somewhat less net cash flow to the City than under the management model, but is accompanied by less financial risk. The level of City control and influence on the golf course operations and maintenance is clearly less than under the management model, although the City still retains control of greens fees and can set standards for maintenance. It should be noted that over the past 10-15 years, many municipalities have moved away from facility leases and towards management agreements. At the same time, the weakness in the golf market has curbed interest from the private sector for lease agreements.

Hybrid Agreement

There are numerous forms of operating agreements which combine aspects of the management and facility lease options. The current operating structure at SBGC--a golf operations concessionaire with City maintenance and overall administration--represents one such hybrid. An alternative hybrid operating agreement would involve a golf operations concessionaire and contract golf course maintenance. There are a number of private contractors which provide golf course maintenance on a fee-for-service basis. The analysis of this hybrid is predicated on application of the Living Wage ordinance under contract golf course maintenance.

Table VIII-5 illustrates the economics of these hybrid options. The projected revenue accruing to the City is shown with both continued City maintenance and with private contract maintenance, and compared with the current (FY 2014) actual results.

As with the current situation at SBGC, City revenue consists of 100 percent of greens fees, plus concession revenues from the golf operations and food and beverage functions, along with some miscellaneous income. In total, based on the assumed golf operations and food and beverage concession terms, total City revenue under this hybrid operating model is shown at $2,013,700. Note that the assumed concession terms are identical to the current terms recently negotiated between the City and the golf operations concessionaire. However, since the average percentage rent terms for FY2013 were slightly higher than the current term (the agreement was renegotiated during FY2014), the City revenue for the Hybrid model is slightly less than realized in FY2014.

Under the Hybrid model with City maintenance, golf course maintenance, clubhouse related expenses, general and administrative expenses, an allowance for capital improvements/equipment, and contract administration/ Citywide overhead are deducted, yielding $155,700 per year in net operating income. The current debt service is not deducted.

Under the Hybrid model with contract maintenance, the golf course maintenance expenses relate to private contract maintenance, based on application of the Living Wage ordinance. In addition, a 10 percent contractor fee is added to the projected cost, yielding a total maintenance budget of $1,140,700. The golf course maintenance expenses under contract maintenance are approximately $230,000 per year below

current City maintenance expenses. Deducting operating expenses, CIP reserves, and an allowance for contract administration/Citywide overhead results in net income of $353,100. Again, the current debt service is not deducted.

While there are some strengths of the hybrid model such as specialization in the various operating functions (maintenance, golf operations, food and beverage) and the City retains substantial control over operating policies, fees and maintenance quality, the hybrid model has a number of key weaknesses. Most notably is the absence of benefits related to a single coordinated operating entity where efficiencies of operation can be achieved and a more seamless and consistent product can be offered.

Summary of Options Economics

A comparative summary of the various operating models is presented in Table VIII-6. In comparing the economics of the various options, it is important to recognize that revenues are uniformly the same for each of the options--that is, all of the operating alternatives are assumed to be equally efficient, which may not be the case. Moreover, there clearly are varying degrees of risk, as well as upside participation, among the various alternatives.

Table VIII-1: SBGC Baseline Annual Gross Revenue (thousands of dollars)	
Department	**Baseline Projection (2014 dollars)**
Annual Total Rounds	62,500
Gross Revenue	
Greens Fees/Cards	$1,664.7
Cart Rentals	422.4
Practice Range	95.5
Merchandise	190.3
Food & Beverage	1,377.9
Other Pro Shop[1/]	85.2
Other Revenue	49.7
Total	$3,885.6

[1/] Includes pro shop rentals, lessons income, and other miscellaneous sources.

Table VIII-2: Santa Barbara Golf Club Projected Annual Operating Expenses Management Agreement Model* (thousands of constant 2014 dollars)		
	No Living Wage	**With Living Wage**
Course Maintenance		
Payroll and Benefits	$480	$637
Services and Supplies	175	175
Utilities	225	225
Maintenance Equipment	---1/	---1/
Subtotal	$880	$1,037
Golf Operations		
Payroll and Benefits	$145	$180
Cart Leasing	58	58
Cart Operation/Outside Services	65	95
Range	20	20
Services and Supplies	25	25
Subtotal	$313	$378
Food & Beverage	---	
Undistributed Clubhouse	$30	$30
General & Administrative		
Payroll and Benefits	$120	$120
Insurance	40	40
Property Taxes	---	---
Marketing/Promotion	25	25
Credit Card	30	30
Services and Supplies	50	50
Management Fee	125	125
Subtotal	$390	$390
Total	$1,613	$1,835
Capital Improvement Replacement Reserve	$225	$225
Total	$1,838	$2,060

* Operating expenses relate to "management agreement" model, and thus assume non-City employment costs. The maintenance expenses also are employed in "hybrid model with living wage."

1/ An annual allowance of $75,000 is included in CIP Reserve.

Table VIII-3: SBGC Projected Annual Net Operating Income--Management Agreement (thousands of constant 2014 dollars)		
Department	**No Living Wage**	**With Living Wage**
Gross Revenue		
Greens Fees/Cards	$1,664.7	$1,664.7
Cart Rentals	422.4	422.4
Practice Range	95.5	95.5
Merchandise	190.3	190.3
Food & Beverage--Net Contribution (@15%)	206.7	206.7
Other Pro Shop	85.2	85.2
Other Revenue	49.7	49.7
Total Gross Revenue	$2,714.5	$2,714.5
Less: Cost of Sales (merchandise)	142.7	142.7
Gross Profit	$2,571.8	$2,571.8
Operating Expenses		
Course Maintenance	$880.0	$1,037.0
Golf Operations	313.0	378.0
Food & Beverage	---	---
Clubhouse Undistributed	30.0	30.0
General & Administrative	390.0	390.0
Capital Improvement Replacement Reserve	225.0	225.0
Total Expenses	$1,838.0	$2,060.0
Net Operating Income (EBITDA)[1/]	$733.8	$511.8
Less: City Contract Administration	80.0	80.0
Citywide Overhead Allocation	73.5	73.5
Adjusted Net Operating Income (EBITDA)1/	$580.3	$269.3

[1/] Earnings before interest, taxes, debt and amortization, and before Citywide contract administration expenses.

Table VIII-4: SBGC Projected Annual Net Lease Income Facility Lease (thousands of constant 2014 dollars)	
Department	**Annual Amount**
Gross Revenue	
Greens Fees/Cards	$1,664.7
Cart Rentals	422.4
Practice Range	95.5
Subtotal-Golf	$2,182.6
Merchandise	190.3
Food & Beverage--Net Contribution	1,377.9
Instruction/Other	97.5
Total Gross Revenue	$3,848.3
Percentage Rent to City	
Golf (greens fees, carts, range) @15%	$327.4
Merchandise @5%	9.5
Food & Beverage Rent (@10%)	137.8
Instruction/Other Pro Shop(@5%)	4.9
Other Revenue	10.0
CIP Reserve @5% of golf	108.1
Total Rent/CIP Contribution	$597.7
Less: CIP Expenditures/Reserve	108.1
City Contract Administration	80.0
Citywide Overhead Allocation	73.5
Net Income to City	$336.1

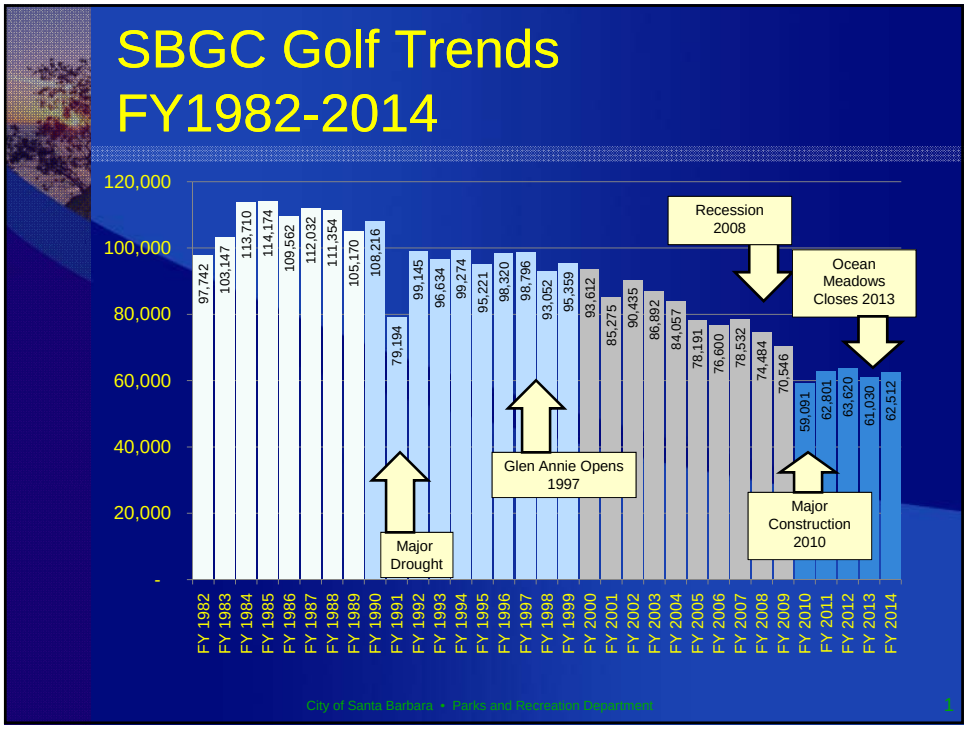
1/ Earnings before interest, taxes, depreciation and amortization, and before Citywide contract administration expenses.

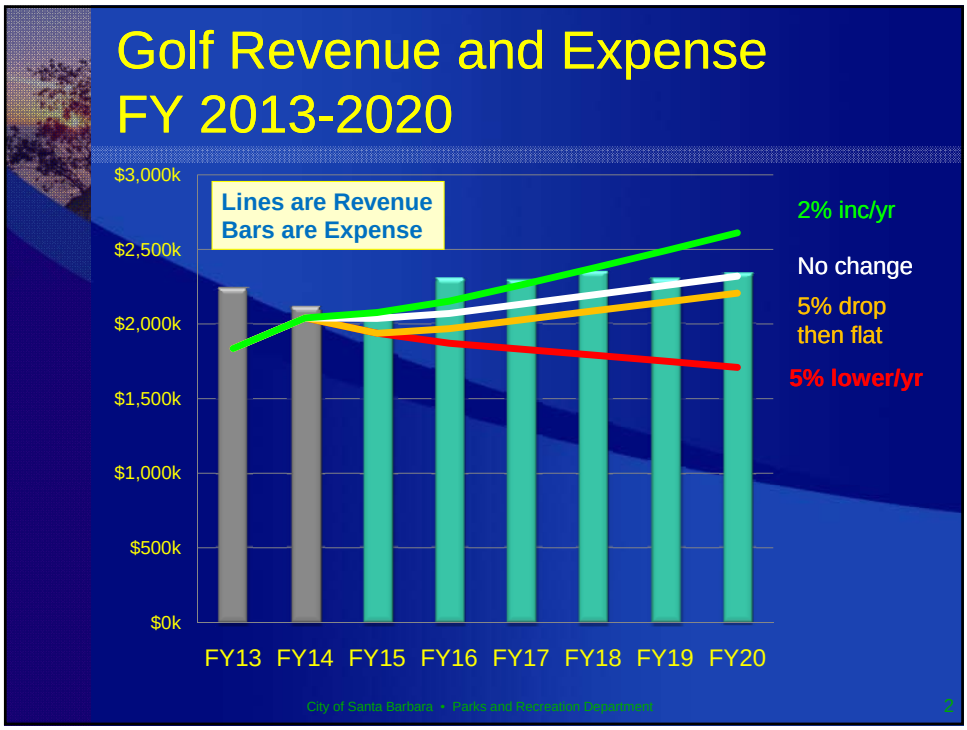
Table VIII-5: SBGC Projected Annual Net Operating Income--Hybrid Agreement With Golf Concessionaire (thousands of constant 2014 dollars)			
Department	**Current Hybrid Actual FY2014**	**City Maintenance***	**Contract Maintenance[2/]**
Gross Revenue			
Greens Fees/Cards	$1,664.7	$1,664.7	$1,664.7
Cart Rentals	422.4	422.4	422.4
Practice Range	95.5	95.5	95.5
Merchandise	190.3	190.3	190.3
Food & Beverage	1,377.9	1,377.9	1,377.9
Other Pro Shop	85.2	85.2	85.2
Other Revenue	12.3	12.3	12.3
Interest/Creeks Income	37.4	37.4	37.4
Total Gross Revenue	$3,885.6	$3,885.6	$3,885.6
City Revenue/Rent			
Greens Fees @100%	$1,664.7	$1,664.7	$1,664.7
Cart Rentals @ 30%	138.4	126.7	126.7
Practice Range @25%	28.7	23.8	23.8
Merchandise @4%	9.2	7.6	7.6
Food & Beverage @10%	139.1	137.8	137.8
Lessons/Other Pro Shop (@4%)	13.3	3.4	3.4
Other Revenue/Interest/Creeks	49.7	49.7	49.7
Total Revenue/Rent	$2,043.1	$2,013.7	$2,013.7
Less: Golf Course Maintenance	1,369.1	1,370.0	1,140.7[3/]
General & Admin/Clubhouse Expenses	71.4	71.4	71.4
City Contract Administration	118.1	118.1	150.0
CIP Reserve	214.5	225.0	225.0
Citywide Overhead Allocation	73.5	73.5	73.5
Subtotal	$1,846.6	$1,858.0	$1,660.6
Net Operating Income (EBITDA)[1/]	$196.5	$155.7	$353.1

* * Represents current City Hybrid model with current terms. [1/] Earnings before interest, taxes, debt and amortization; [2/] Assumes Living Wage ordinance; [3/] Represents maintenance expense with Living Wage, plus 10 percent contractor fee.

Table VIII-6: Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease[1/]
Department		City Maint*	Contract Maint with Living Wage	No Living Wage	With Living Wage	
City Revenue/Rent						
Greens Fees Revenue	$1,664.7	$1664.7	$1664.7	$1,664.7	$1,664.7	---
Golf Operations Revenue	---	---	---	793.4	793.4	---
Facility/Golf Ops Concession Rent	189.6	161.5	161.5	---	---	$449.9
Food & Beverage Rent	139.1	137.8	137.8	206.7	206.7	137.8
Other Revenue	49.7	49.7	49.7	49.7	49.7	10.0
Total	$2,043.1	$2,013.7	$2,013.7	$2,714.5	$2,714.5	$597.7
Less: Cost of Sales	---	---	---	142.7	142.7	---
Gross Profit	$2,043.1	$2,013.7	$2,013.7	$2,571.8	$2,571.8	$597.7
Operating Expenses						
Course Maintenance	$1,369.1	$1,370.0	$1,140.7[2/]	$880.0	$1,037.0	---
Golf Operations	---	---	---	313.0	378.0	---
G & A/Clubhouse	71.4	71.4	71.4	420.0	420.0	---
City Contract Administration	118.1	118.1	150.0	80.0	80.0	80.0
Citywide Overhead Allocation	73.5	73.5	73.5	73.5	73.5	73.5
Total	$1,632.1	$1,633.0	$1,435.6	$1,766.5	$1,988.5	$153.5
Net Operating Income (EBITDA)[3/]	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Replacement Reserve	214.5	225.0	225.0	225.0	225.0	108.1
Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Current Hybrid Model, With City Maintenance	$40.8	---	$197.4	$424.6	$202.6	$180.4

* Represents current City Hybrid model with current terms. [1/] Assumes no Living Wage ordinance; [2/] Assumes Living Wage ordinance; [3/] Earnings before interest, taxes, depreciation, debt service and amortization.


SBGC Golf Trends
FY1982-2014
120,000
100,000
80,000
60,000
40,000
20,000
-
97,742
103,147
113,710
114,174
109,562
112,032
111,354
105,170
108,216
79,194
99,145
96,634
99,274
95,221
98,320
98,796
93,052
95,359
93,612
85,275
90,435
86,892
84,057
78,191
76,600
78,532
74,484
70,546
59,091
62,801
63,620
61,030
62,512
FY 1982
FY 1983
FY 1984
FY 1985
FY 1986
FY 1987
FY 1988
FY 1989
FY 1990
FY 1991
FY 1992
FY 1993
FY 1994
FY 1995
FY 1996
FY 1997
FY 1998
FY 1999
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
Major Drought
Glen Annie Opens 1997
Recession 2008
Ocean Meadows Closes 2013
Major Construction 2010
City of Santa Barbara • Parks and Recreation Department
1

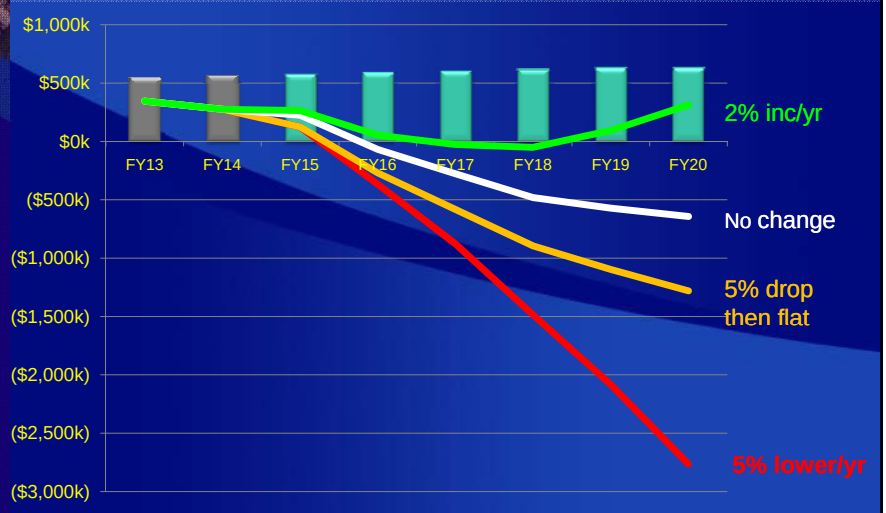

Golf Revenue and Expense
FY 2013-2020
$3,000k
$2,500k
$2,000k
$1,500k
$1,000k
$500k
$0k
Lines are Revenue
Bars are Expense
2% inc/yr
No change
5% drop then flat
5% lower/yr
FY13
FY14
FY15
FY16
FY17
FY18
FY19
FY20
City of Santa Barbara • Parks and Recreation Department
2

Golf Fund Reserves

	Required	Actual
6/30/2012	$591,275	$435,408
6/30/2013	$599,353	$345,860
6/30/2014 est	$568,000	$276,000

- Below policy reserves since FY 2008

Golf Fund Reserve Balance FY2013 - 2020



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: November 18, 2014
TIME: 12:30 p.m.
PLACE: Council Chambers

Randy Rowse, Chair
Frank Hotchkiss
Cathy Murillo

Office of the City Administrator

Kate Whan
Administrative Analyst

Office of the City Attorney

Ariel Pierre Calonne
City Attorney

ITEM FOR CONSIDERATION

Subject: Municipal Code Amendments Pertaining To Recreational Vehicle Parking

Recommendation: That the Ordinance Committee consider proposed amendments to Municipal Code sections 10.44.205, 15.16.060 and 15.16.080 pertaining to recreational vehicle parking and the definition of "temporary recreational vehicles," and forward the ordinance amendments to the City Council for introduction and adoption.

File Code No. 120.03

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE REPORT

AGENDA DATE: November 18, 2014

TO: Ordinance Committee

FROM: Ariel Calonne, City Attorney

SUBJECT: Municipal Code Amendments Pertaining To Recreational Vehicle Parking

RECOMMENDATION:

That the Ordinance Committee consider proposed amendments to Municipal Code sections 10.44.205, 15.16.060 and 15.16.080 pertaining to recreational vehicle parking and the definition of "temporary recreational vehicles," and forward the ordinance amendments to the City Council for introduction and adoption.

SUMMARY:

The proposed ordinance revisions would define "excessive" RV parking as three or more RVs on a street or street block face. The proposal would also repeal the current prohibition against camping in "temporary recreational vehicles."

DISCUSSION:

History of the "No RV" Parking Ordinances

Recreational vehicle parking regulation in Santa Barbara has a lengthy recent history, including at least two lawsuits. On November 19, 2002, the City Council adopted Ordinance No. 5263 to, among other things, prohibit overnight parking (2 a.m. to 6 a.m.) of RVs and certain other large vehicles and trailers. Thereafter, in *Homes on Wheels v. City of Santa Barbara* (2004) 119 Cal.App.4th 1173, the Court of Appeal upheld (against a preemption argument) Santa Barbara's power under Vehicle Code section 22507 to regulate overnight RV parking. But the Court of Appeal also ruled that the City had failed to provide adequate notice of the regulations because it had not posted each street where the regulations might be applicable, relying instead on posting just 33 locations that the City Attorney had deemed to be "entrances" to the City.

On January 11, 2007, the City and Homes on Wheels reached a settlement agreement under which the City agreed to amend its overnight RV parking ordinance by making it applicable only in a defined area of the City's waterfront, where "entrance" signage would be posted.[1] The City also agreed to expand the Recreational Vehicle Safe Parking Program which was previously set forth in Resolution No. 05-072, adopted August 2, 2005. That program allows supervised overnight RV parking and habitation in certain public and private parking lots.

The City's actions in furtherance of the settlement were reflected in Ordinance No. 5411, adopted on February 6, 2007, and in Resolution No. 07-026, adopted on April 24, 2007 (which repealed and superseded Resolution No. 05-072). Ordinance No. 5411 amended SBMC section 10.44.200 to remove RVs from the citywide 2 a.m. to 6 a.m. large vehicle and trailer parking prohibition. It also implemented the agreed-upon "waterfront" area RV parking restrictions. Resolution No. 07-026 authorized the City Administrator to retain a nonprofit social service organization (New Beginnings Counseling Center -- NBCC) to administer the Recreational Vehicle Accommodation Program (Safe RV Parking Program) and further designated certain public lots for "temporary transitional use for overnight Recreational Vehicle accommodations."

On June 10, 2008, the Council received an update from NBCC on the Safe RV Parking Program. As part of that update, City staff briefed the Council on efforts by the Police, Public Works and the City Attorney's Office to address RV issues in the community. The update noted that "No RV Parking" signs had been posted around Alice Keck Park, Alameda Park, and Ortega Park due to traffic safety concerns. The update concluded by alerting Council that these departments were working on broader solutions to address unwanted RV intrusion into neighborhoods.

On November 11, 2008, the Public Works and Police Departments approached the Ordinance Committee with a new RV parking ordinance. The report noted increasing and significant public nuisance problems associated with RVs, such as lack of proper sanitation or fire safety protection, littering, excessive noise, placement by RV owners of personal belongings outside of RVs, and illegal dumping. The report also noted that there had been an increase in certain criminal activity in those areas outside the waterfront where overnight RV parking was no longer prohibited, while crime in the restricted waterfront areas had decreased. Staff proposed a new ordinance that would give the Public Works Director authority, upon consultation with the Police Chief, to "designate those streets (or portions thereof) as no parking for recreational vehicles

[1] The affected area is defined in SBMC 10.44.200 to be the area south of the U.S. 101 freeway and between Castillo Street and the eastern boundary of the City at the Andre Clark Bird Refuge and Coast Village Road.

where it is necessary to decrease parking by ***excessive*** numbers of such vehicles." Despite the mention of "excessive" in the staff report, no objective locational or quantitative criteria for restrictions on RVs were proposed in the actual text of the ordinance. The Ordinance Committee generally approved of the concept, but asked to see additional objective criteria for limiting RV parking.

Staff returned to the Ordinance Committee on December 9, 2008, with a revised proposal that limited the Public Works Director's authority to post no RV parking areas by prescribing that there must be an "excessive" number of RVs within 500 feet of certain sensitive land uses before no parking signs could be posted and enforced. The language allowed the Public Works Director, after "advice" from the Police Chief, to post no RV parking zones when there exists:

> "an ***excessive number*** of such vehicles and to provide for the public health and safety, provided that the streets or street block faces so designated are located ***within five hundred (500) feet*** of at least one of the following land uses:
>
> 1. any School or Educational Institution;
> 2. any Child Care Center, Family Day Care Home, or Group Home;
> 3. any park, public library, or museum open to the public;
> 4. any community center or social service center, public or private;
> 5. any City or nonprofit recreational facility;
> 6. any Community Care Facility, Skilled Nursing Facility, health care facility, or hospital;
> 7. any homeless shelter;
> 8. any church or other religious facility;
> 9. any designated safe route to schools. that would limit the locational and quantitative reach of the new ordinance."

This language was approved by the Ordinance Committee and forwarded to the full Council. Council adopted the language as SBMC 10.44.205 (Ordinance No. 5475) on December 23, 2008. Since adoption, staff has used the ordinance extensively to post no RV parking zones in response to public complaints. In some instances where traffic safety needs warranted posting, staff have considered parking of a single RV to be "excessive."

On August 4, 2011, Homes on Wheels again sued the City, this time alleging that the new (2008) ordinance reflected in SBMC 10.44.205 violated the equal protection, "travel," and disability rights of certain named plaintiffs who wished to continue residing in RVs on City streets. The Santa Barbara Superior Court ultimately sustained the City's demurrer to the Second Amended Complaint without leave to amend, thus ruling in the City's favor. The Court flatly rejected the claim that the ordinance discriminated

against the disabled; instead the Court found that the ordinance was neutral in its terms and applied equally to all RVs regardless of the disability status of the driver or occupants. The Court further rejected the notion that state or federal law created an obligation on the part of the City to create areas where disabled RV owners have an unqualified right to park. HoW did not appeal the trial court's decision.

Earlier this year, the Mayor and the City Attorney's Office were approached by representatives of Homes on Wheels (HoW). The City Attorney met with HoW representatives on numerous occasions to discuss their concerns. They have expressed concern that SBMC 10.44.205 is being applied in areas where only a single RV had been deemed "excessive" by City staff. They also expressed concern that, particularly in the waterfront "No RV" zone, RVs bearing disabled placards are being prohibited from parking in blue curb zones. The City Attorney agreed to present a definition of "excessive" parking for consideration by the Ordinance Committee. We did not, however, agree that the City must allow disabled RV parking in on-street blue curb areas where all RVs are otherwise prohibited.

<u>New Case Law on Camping in Vehicles</u>

Separate and apart from the issues raised by HoW, the City Attorney's Office is concerned about certain provisions of the SBMC relating to "temporary recreational vehicles." On June 19, 2014, the Ninth Circuit Court of Appeals struck down Los Angeles's ordinance prohibiting the use of vehicles as "living quarters." (*Desertrain v City of Los Angeles* (9th Cir. 2014) 754 F.3d 1147.) In that civil rights case, following a "Town Hall on Homelessness" meeting, the Los Angeles Police Department created a "Venice Homelessness Task Force" consisting of 19 officers tasked with citing and arresting homeless individuals who were using their cars as living quarters. The ordinance did not define the phrase "living quarters." On that basis, it was declared void for vagueness in that "men of common intelligence must necessarily guess at its meaning." For example, the Court pointed out that one could not determine whether keeping even a sleeping bag in a car might convert the vehicle into living quarters. The Court also ruled that the ordinance promoted arbitrary enforcement that targets the homeless because it gave no limits on the discretion an officer might use to determine whether a car was being used as living quarters.

Santa Barbara has an ordinance with language that might be problematic in view of the *Desertrain* case. SBMC 15.16.060 E. broadly defines "temporary recreational vehicle as "any motor vehicle altered and equipped for sleeping or human habitation." Next, SBMC 15.16.080 provides that:

> "It is unlawful for any person to use any recreational vehicle or temporary recreational vehicle for sleeping, human habitation or camping purposes in any of the following areas except as otherwise provided for:
> A. Any public park;
> B. Any public street;
> C. Any public parking lot or public area, improved or unimproved;
> D. Any public beach."

Quite literally, a sedan carrying a sleeping bag could be a temporary recreational vehicle because it might be construed by an officer as a "motor vehicle altered and equipped for sleeping or human habitation." This expansive and relatively standardless definition appears susceptible to the same sort of vagueness challenge that Los Angeles faced in the *Desertrain* case.

PROPOSED AMENDMENTS:

With respect to the no RV parking ordinance, we propose amending the term "excessive" to SBMC 10.44.205 as follows:

> <u>"The term "excessive" shall mean three or more vehicles."</u>

The full text of the proposal is on Attachment 1. The Ordinance Committee may wish to use a higher or lower threshold for the definition of "excessive," and may do so lawfully.

We also advise amending the language in SBMC 15.16.060 defining "temporary recreational vehicle" as well as the reference to such vehicles in SBMC 15.16.080. The full text of the proposal is on Attachment 2. We believe this will protect the City from a constitutional challenge to the ordinance.

CONCLUSION:

We recommend that the Ordinance Committee consider proposed amendments to Municipal Code sections 10.44.205, 15.16.060 and 15.16.080 pertaining to recreational vehicle parking and the definition of "temporary recreational vehicles," and forward the ordinance amendments to the City Council for introduction and adoption.

ATTACHMENTS:
1. Ordinance Amending SBMC section 10.44.205
2. Ordinance Amending SBMC sections 15.16.060 and 15.16.080

PREPARED BY: Ariel Calonne, City Attorney

SUBMITTED BY: Ariel Calonne, City Attorney

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO AMEND SECTION 10.44.205 OF THE SANTA BARBARA MUNICIPAL CODE PERTAINING TO THE PARKING OF RECREATIONAL VEHICLES AND THE DEFINTION OF "EXCESSIVE" NUMBERS OF SUCH VEHICLES

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 10.44.205 of Chapter 10.44 of Title 10 of the Santa Barbara Municipal Code is amended to read as follows:

10.44.205 Public Works Director Authority to Regulate Parking of Recreational Vehicles.

A. RECREATIONAL VEHICLES. For the purposes of this section, the term "Recreational Vehicle" shall be as defined in Section 18010 of the state Health and Safety Code, as it is presently enacted or hereafter amended. 248 rev. 6/30/09

B. AUTHORITY OF PUBLIC WORKS DIRECTOR – PARKING OF RECREATIONAL VEHICLES. In accordance with the authority provided by state Vehicle Code Section 22507, the Public Works Director, upon the advice of the Chief of Police, may designate those streets or portions of streets (including specific block faces) within the City where it is necessary to prohibit or restrict the stopping, standing, or parking of Recreational Vehicles in order to decrease parking by an excessive number of such vehicles and to provide for the public health and safety, provided that the streets or street block faces so designated are located within five hundred (500) feet of at least one of the following land uses:

1. any School or Educational Institution;

2. any Child Care Center, Family Day Care Home, or Group Home;

3. any park, public library, or museum open to the public;

4. any community center or social service center, public or private;

5. any City or nonprofit recreational facility;

6. any Community Care Facility, Skilled Nursing Facility, health care facility, or hospital;

7. any homeless shelter;

8. any church or other religious facility;

9. any designated safe route to schools.

C. NOTICE OF RESTRICTIONS. When signed or marked in accordance with state Vehicle Code requirements, no person shall stop, stand, or park a Recreational Vehicle in or on any street, portion of street or block face so designated generally (where designated) or in violation of any hourly restrictions so signed or marked.

D. MEASUREMENT OF DISTANCE. For the purposes of this Section, distance shall be measured in a straight line, without regard to intervening structures or objects, and shall be based on property lines or street right-of-way lines.

E. DEFINITIONS. Capitalized terms used herein shall be construed and applied as defined by Title 28 of the Santa Barbara Municipal Code. <u>The term "excessive" shall mean three or more vehicles.</u>

ATTACHMENT 2
STAFF DRAFT 11/18/14
SHOWING CHANGES FROM CURRENT CODE

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO AMEND SECTIONS 15.16.060 AND 15.16.080 OF THE SANTA BARBARA MUNICIPAL CODE TO DELETE TEMPORARY RECREATIONAL VEHICLES FROM THE PROHIBITION ON SLEEPING, HUMAN HABITATION OR CAMPING IN RECREATIONAL VEHICLES IN CERTAIN AREAS

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 15.16.060 of Chapter 15.16 of Title 15 of the Santa Barbara Municipal Code is amended to read as follows:

15.16.060. Recreational Vehicles and Camping in Public Areas - Definitions.

For the purpose of Section 15.16.060 through 15.16.100 inclusive, the following words and terms are defined as follows:

A. BOAT TRAILER. A vehicle used to convey a boat;

B. CAMP. The use of camping facilities such as tents, tarpaulins or temporary shelters, the use of non-City designated cooking facilities and similar equipment or the use of cots, beds or hammocks. "Camping" shall not include merely sleeping outside or the use of a sleeping bag, bedroll, or mat, and no more personal possessions than can reasonably be carried by an individual.

C. PUBLIC STREET. Includes streets, roads, highways, alleys, sidewalks, parkways, bridges, culverts, drains and all other facilities and areas necessary for the construction, improvement and maintenance of streets and roads.

D. RECREATIONAL VEHICLE. Shall have the definition set forth in Section 28.04.555 of this Code.

~~E. "Temporary recreational vehicle" means any motor vehicle altered and equipped for sleeping or human habitation.~~

SECTION 2. Section 15.16.080 of Chapter 15.16 of Title 15 of the Santa Barbara Municipal Code is amended to read as follows:

15.16.080. Recreational Vehicles - Unlawful Areas to Use.

It is unlawful for any person to use any recreational vehicle ~~or temporary recreational vehicle~~ for sleeping, human habitation or camping purposes in any of the following areas except as otherwise provided for:

A. Any public park.

B. Any public street.

C. Any public parking lot or public area, improved or unimproved.

D. Any public beach.

Agenda Item No. 1

File Code No. 410.06

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Amendment To The Position And Salary Control Resolution For Drought Related Water Supply Positions

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 14-046, the Position and Salary Control Resolution for Fiscal Year 2015, Affecting the Public Works Department, Effective November 18, 2014.

DISCUSSION:

Santa Barbara is currently in the fourth year of a critical drought period with record low rainfall. On February 11, 2014, Council declared a Stage One Drought Condition; and on May 20, 2014, Council declared a Stage Two Drought Condition, which requires the community to reduce water usage by 20 percent. The Stage Two Drought declaration includes regulations for mandatory water use restrictions. In addition, Council has adopted drought-based water rates to further incentivize extraordinary water conservation.

Staff has increased the water conservation outreach program through an enhanced drought media campaign that includes additional targeted outreach, increased weekly social media messaging, online news outlets, and industry contacts. Staff outreach also includes making significantly more presentations to community and industry groups, offering printed materials with drought-targeted utility bill messaging, providing drought-signage at City facilities, and sponsoring many additional drought-related community trainings and workshops.

Workload for the Water Conservation Program has increased dramatically as a result of the drought. Below is a summary of staff responses to certain items, comparing the January through August period last year to the same period in the current year.

Item	Jan 2013 – Aug 2013	Jan 2014 – Aug 2014	Percent Increase
Water Checkups	347	784	125%
Smart Landscape Rebate Pre-Inspections	58	243	319%
Response to Water Waste Complaints	~30	455	1400%

As a result of the increased workload, the Water Conservation Program has hired several hourly staff who currently work full-time to support drought-response efforts. Staff has prepared an amendment to the Salary and Control Resolution that reflects three limited-term Water Resources Specialist positions. This will allow the City to retain currently trained hourly staff to support drought response efforts for a limited term, ending in June 2015. The contract term will be reevaluated depending on assessment of the drought conditions in spring 2015.

BUDGET/FINANCIAL INFORMATION:

On September 16, 2014, Council authorized staff to appropriate $225,000 from Water Fund reserves to the Fiscal Year 2015 Drought Fund budget to meet staffing needs and continue drought response efforts through June 2015, in preparation for continued drought conditions. The staffing budget for Fiscal Year 2016 will be assessed at a later time.

PREPARED BY: Joshua Haggmark, Acting Water Resources Manager/KD/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

RESOLUTION NO._____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO. 14-046, THE POSITION AND SALARY CONTROL RESOLUTION FOR FISCAL YEAR 2015, AFFECTING THE PUBLIC WORKS DEPARTMENT EFFECTIVE NOVEMBER 18, 2014.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT Resolution No. 14-046, the Position and Salary Control Resolution for Fiscal Year 2015, is hereby amended as follows:

	Full-Time Positions Authorized		Part-Time Positions Authorized
PUBLIC WORKS DEPARTMENT			
WATER RESOURCES / WATER SUPPLY			
Water Resources Specialist (delete by 6/30/2015)		**3**	
Division Total	~~5~~	**8**	1
Department Total	~~287~~	**290**	5.2
City Wide Total	~~995~~	**998**	21.70

Classification Title	FLSA	Service Status	Unit	Range	Biweekly Salary
Water Resources Specialist	**E**	**U**	**G**	**367**	**$2593.97 - $3152.98**

Agenda Item No. 2

File Code No. 570.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Administration, Library Department

SUBJECT: Grant From The Institute Of Museum And Library Services For Family Literacy

RECOMMENDATION: That Council:

A. Authorize the Library Director to accept a $249,914 grant from the Institute of Museum and Library Services for the Read Together Program; and
B. Increase appropriations and estimated revenue in the General Fund, Library Department's Public Services Program by $62,333.25 in Fiscal Year 2015.

DISCUSSION:

The Library Department has been awarded a $249,914 National Leadership grant from the Institute of Museum and Library Services (IMLS), which will continue the Read Together Program, a family literacy program, for another three years. The Library originally received a $50,000 grant from IMLS in November 2012, which allowed the Library to create a tremendously successful pilot program that targeted school aged children in low-income families. The pilot funded a position in the Library that developed the Reading Ambassadors Program, and a bilingual publicity campaign which helped increase participation in the Summer Reading Program by over 50% in each of the last two years. The grant will continue to pay for the salary of a part-time Youth Services Project Coordinator, hourly support, and other costs to administer the Read Together Program. The grant also funds almost weekly field trips to the Library, and developed the Animals + Reading = Fun, or ARF Program.

PREPARED BY: Scott Love, Library Services Manager

SUBMITTED BY: Irene Macias, Library Director

APPROVED BY: City Administrator's Office

Agenda Item No. 3

File Code No. 560.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Business & Property Division, Airport Department

SUBJECT: Adoption Of Revised Minimum Standard Requirements For Airport Aeronautical Activities

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Revised Minimum Standard Requirements for Airport Aeronautical Activities at the Santa Barbara Airport and Repealing Resolution No. 06-078.

DISCUSSION:

Background

Airports that receive Federal Aviation Administration (FAA) grant funding are obligated to operate the airport for the use and benefit of the public and to make the airport available for all types, kinds, and classes of aeronautical activity without granting an exclusive right to any entity conducting aeronautical activities. Aeronautical activity includes general and corporate aviation, air taxi and charter operations, air carrier operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and services, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, and other activities related to the operation of aircraft.

Minimum standards aid an airport in ensuring that safe, efficient, and adequate levels of operations and services are provided to the public. In exchange for the opportunity to engage in a commercial aeronautical activity, an aeronautical service provider agrees to meet the minimum standards established by the airport.

In 1998, the Airport prepared, and City Council adopted, the first comprehensive Minimum Standard Requirements for Airport Aeronautical Services (Minimum Standards) document (Resolution No. 98-098). Minimum standards are periodically reviewed and updated to incorporate changes in the aviation industry and at the Airport. The Minimum Standards were last updated in 2006 (Resolution No. 06-078).

Revised Minimum Standards

A Minimum Standards committee composed of representatives from the Fixed Base Operators (FBOs), flight schools, maintenance providers, fuel providers, charter services, and three Airport Commissioners began meeting in July to review, discuss, and revise each section of the Minimum Standards.

ARTICLE 1- INTRODUCTION
The introduction was revised to include the benefits of establishing minimum standards; to clarify the applicability of the minimum standards; to require that service providers must also meet all applicable federal, state, and city laws, ordinances, codes, rules, and regulations and that the Minimum Standards are intended to be consistent with all applicable laws, ordinances, codes, rules, and regulations; and to include a severability clause.

ARTICLE 2- DEFINITIONS
New definitions for Aeronautical Activity, Air Carrier, California Fire Code, and Code of Federal Regulations were created. The definitions for Commercial Operator and Fixed Base Operator were modified. Definitions not referenced elsewhere in the document were deleted.

ARTICLE 3- GENERAL REQUIREMENTS FOR COMMERCIAL AERONAUTICAL SERVICES
All commercial operators are required to comply with security and environmental laws and regulations, to provide management control and supervision for services being offered, to conduct business in a safe and professional manner, to meet the insurance requirements set forth in its lease, permit, or agreement, and are prohibited from interfering with radios, utilities, and navigational aids. Grounds for disapproving an application to provide service were also established for all operators.

ARTICLE 5- FIXED BASE OPERATORS
FBOs are required to provide helicopter parking and certain specific aviation line services, such as ground power and starting equipment. An FBO may not subcontract fuel and oil sales or aircraft storage, but may subcontract maintenance and specific aviation line services.

ARTICLE 6- AIRCRAFT FUELS OPERATOR
Specific references to the California Fire Code and fire permits were added to the section on fueling operators and provisions redundant with the California Fire Code were eliminated. Fixed fuel storage facilities are required for FBOs and self-service operators, and limits were placed on the size of the facilities for self-service and self-fueling operators.

ARTICLE 7- SPECIALIZED AVIATION SERVICE OPERATOR AND ARTICLE 8- INDEPENDENT OPERATORS

The term Mobile Service Provider was replaced by Independent Operator, which is the term used by the FAA. Maintenance providers were eliminated from the list of eligible Independent Operators. However, Specialized Aviation Service Operators (SASOs) are authorized to use a third party operator to provide specific services, e.g. for original equipment manufacturer maintenance. The SASO is fully responsible for the third party operator's compliance with Airport rules and regulations.

Summary

On September 30, 2014 the Minimum Standards Committee voted to recommend approval of the revised Minimum Standards to the Airport Commission.

Airport Commission recommended approval of the revised Minimum Standards for Airport Aeronautical Activities at the Santa Barbara Airport at their October 15, 2014 meeting.

ATTACHMENT: Revised Minimum Standard Requirements, Final

PREPARED BY: Tom Bullers, Administrative Analyst

SUBMITTED BY: Hazel Johns, Airport Director

APPROVED BY: City Administrator's Office

ATTACHMENT

DRAFT

MINIMUM STANDARD REQUIREMENTS

FOR AIRPORT AERONAUTICAL ACTIVITIES

AT THE

SANTA BARBARA MUNICIPAL AIRPORT

(Revised September 30, 2014)

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SANTA BARBARA MUNICIPAL AIRPORT
MINIMUM STANDAND REQUIREMENTS

Article 1. Introduction

The City of Santa Barbara ("City") is the owner and operator of the Santa Barbara Municipal Airport. The Airport Department is responsible for the management and administration of the Airport which includes operation, maintenance, and capital improvement of aviation buildings and facilities.

The Federal Aviation Administration (FAA) places the responsibility with the Airport operator to ensure that adequate aeronautical services and facilities are available on a fair and reasonable basis to all aviation users.

To encourage the safe and orderly development of the Airport and its operation, the FAA recommends that *Minimum Standards for Commercial Aeronautical Activity* be developed. Airport minimum standards establish the minimum requirements to be met by an entity as a condition for the privilege to conduct an aeronautical activity or provide a commercial aeronautical service at the Airport.

The benefits of establishing minimum standards include:

- Promoting safety in all Airport activities;
- Maintaining and enhancing the availability of adequate services for all Airport users;
- Protecting Airport users from unlicensed and unauthorized products and services;
- And, promoting the orderly development of Airport property.

The requirements in this policy are minimums. All entities are encouraged to exceed the minimum.

Section 1-1. Applicability

Pursuant to the City of Santa Barbara Municipal Code, no person shall conduct any commercial activity or otherwise transact business on the Airport without first obtaining the authorization required under Title 18 of the Municipal Code.

These Minimum Standards shall apply to all aeronautical activity providers, with the exceptions noted below. These Minimum Standards do not apply to:

- The Airport itself;
- Certificated air carriers providing scheduled passenger and/or cargo service operating under a separate lease and/or agreement with the Airport;

- Non-aeronautical commercial service providers such as restaurants, rental cars, concessions, taxis, Airport shuttles, etc., located on or otherwise serving the Airport;
- Non-commercial Airport tenants, including private aircraft owners and operators operating under 14 CFR Part 91, except as noted below;
- Aircraft operators and service providers that are not based at the Airport but that use the Airport on a transient or itinerant basis and comply with all applicable rules, regulations, and procedures.

These Minimum Standards are not intended to be all-inclusive; aeronautical service providers are also subject to all applicable federal, state, and city laws, codes, ordinances, rules, and regulations, including the rules and regulations promulgated by the Airport, as may be amended from time to time.

The provisions of the Minimum Standards herein contained do not supersede any federal, state, or local law, code, ordinance, or regulation; Airport operating rules and regulations; lease, permit, or agreement entered into with the Airport or the City. It is intended that the Minimum Standards be consistent with all applicable laws, ordinances, codes, rules, and regulations. In the event of any difference between the Minimum Standards and other applicable laws, ordinances, rules, regulations, agreements, etc., the Airport reserves the right to amend the Minimum Standards as necessary to ensure consistency.

These Minimum Standards are subordinate and subject to the provisions of any agreement between the City and the United States Government relative to the operation and maintenance of the Airport, the execution of which has been, or may in the future be, required as a condition precedent to the transfer of federal funds or property to the City for Airport purposes, or the expenditure of federal funds for the development of the Airport in accordance with the provision of the Federal Aviation Act of 1958, as amended.

The invalidity or unenforceability of any provision of these Minimum Standards shall not affect the validity or unenforceability of any other provision of these Minimum Standards, and the remainder shall be construed and enforced as if the invalid or unenforceable provision were not included in the Minimum Standards.

The following minimum standards have been developed in accordance with FAA Advisory Circular #150/5190-7, *Minimum Standards for Commercial Aeronautical Activities (8/28/06)* and FAA Advisory Circular #150/5190-6 *Exclusive Rights at Federally-Obligated Airports (1/4/07).*

Article 2. Definitions

Aeronautical Activity - Any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to, the following: general and corporate aviation, air taxi and charter operations, scheduled and nonscheduled air carrier operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and services, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, and any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities.

Air Carrier –Any air transportation company performing scheduled commercial air transportation services over specified routes to and from the Airport (including diversions), pursuant to published schedules. Such Air Carriers may provide passenger and/or all-cargo services to the Airport.

Airport - the Santa Barbara Airport and all of the property, buildings, facilities and improvements within the exterior boundaries of such Airport as it now exists on the Airport Layout Plan or as it may hereinafter be extended, enlarged or modified.

Airport Director - the Director of the Santa Barbara Airport or the Director's authorized designee.

Airport Operations Area (AOA) - the area of the Airport used or intended to be used for landing, take off or surface maneuvering of aircraft including the associated hangars and navigational and communications facilities.

CFC - California Fire Code

CFR - Code of Federal Regulations

City - the City of Santa Barbara.

Commercial Aeronautical Service - a service which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, the purpose of such activity being to secure earnings, income, compensation, or profit, whether or not such objective(s) are accomplished.

Commercial Operator ("Operator") - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity based at

the Airport and duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical activities at the Airport, under strict compliance with such agreement and pursuant to these Minimum Standards, the purpose of such activity being to secure earnings, income, compensation, or profit, whether or not such objective(s) are accomplished.

Entity - an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity.

FAA - Federal Aviation Administration.

FAR - Federal Aviation Regulation.

Fixed Base Operator (FBO) - any person, firm, partnership, corporation, association, or limited partnership, or any other legal entity duly licensed and authorized by written agreement with the Airport sponsor to provide specific aeronautical services at the Airport as described in Article 5, under strict compliance with such agreement and pursuant to these regulations and standards.

Fixed Place of Business – a designated business facility~~,~~ located on the Airport and occupied by virtue of a lease agreement, license agreement or permit with the City of Santa Barbara.

Flying Club - a non-profit entity or organization established to promote flying for pleasure, and develop skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques.

Fuel - FAA authorized aviation fuel.

Fueling Operations - the dispensing of aviation fuel into aircraft.

Fueling Operator - an entity which dispenses aviation fuel at Santa Barbara Airport. A Fueling Operator shall be of three types:

(1) FBO Fueling Operator - an entity engaged in the retail sale and dispensing of aviation fuel, and other line services to aircraft other than that owned or leased by such entity.

(2) a Self-Service Fueling Operator - an entity engaged in the self-service retail sale of aviation fuel to aircraft other than that owned or leased by such entity.

(3) a Self-Fueling Operator - an entity who dispenses aviation fuel solely for its own use, to aircraft owned or leased for its exclusive use.

Independent Operator - an individual or entity that provides commercial aeronautical services but does not operate out of owned or leased property on the Airport.

Interchange Agreement –an arrangement whereby a person leases his airplane to another person in exchange for equal time, when needed, on the other person's airplane, and no charge, assessment, or fee is made, except that a charge may be made not to exceed the difference between the cost of owning, operating and maintaining the two airplanes

Joint Ownership Agreement –an arrangement whereby one of the registered joint owners of an airplane employs and furnishes the flight crew for that airplane and each of the registered joint owners pays a share of the charge specified in the agreement

Lease of Aircraft - (pertaining to the lease of aircraft by an aeronautical activity) means a term written agreement established on a minimum basis of six (6) months wherein the Lessee shall have full control over the scheduling and use of aircraft and the aircraft is insured as required by these Minimum Standards for the use of the aircraft by Lessee. (Also referred to as aircraft "lease-back.")

Lease Agreement - a written document executed by the City of Santa Barbara and the Commercial Operator which sets forth the premises, use, fees, standards of operation, and other contractual terms for conducting business on the Airport.

Tenant/Licensee/Permittee/Operator - refers to an entity providing specific commercial aeronautical services, by virtue of an agreement with the City of Santa Barbara.

Minimum Standards - the standards which are established by the Airport sponsor as the minimum requirements to be met as a condition for the right to conduct an aeronautical activity on the Airport.

NFPA - the National Fire Protection Association.

Proprietary Aeronautical Activity, as prescribed by FAA Advisory Circular 150/5190-6 (Exclusive Rights at Federally-Obligated Airports) – means the public agency that owns and operates the Airport may engage in any proprietary aeronautical activity and deny the same right to others without violating federal grant assurances. This means that a public agency may provide aeronautical services on an exclusive basis, but only in principal, using its own employees and resources. It is recognized that aeronautical service may be provided more efficiently by private enterprise.

Security Identification Display Area ("SIDA") – That portion of the Airport, specified in the Airport Security Program, in which security measures in 49 CFR Part 1540 are carried out. This area includes the secured area and may include other areas of the Airport.

Sponsor - City of Santa Barbara, a Municipal Corporation, which owns the Airport in title.

Time Sharing Agreement - an arrangement whereby a person leases his airplane with flight crew to another person, and no charge is made for the flights conducted under that arrangement other than those specified under FAR Part 91.501(d)

Article 3. General Requirements for Commercial Aeronautical Services

The following standards apply to all Commercial Operators at the Airport. Additional standards specific to each type of Operator can be found in Articles Four through Nine,

Section 3-1. Prior Agreement/Approval

An Operator is based at the Airport and conducts or provides one or more commercial aeronautical services at the Airport in accordance with a written agreement with the City.

If an Operator has an existing agreement with the City at the time the Minimum Standards are adopted or amended, and if compliance with the Minimum Standards would create a conflict with the agreement, the agreement shall prevail until such time that it is amended, updated, renegotiated, or a new agreement is negotiated, at which time Operator will fully comply with the Minimum Standards.

In addition, the Operator must meet the regulatory qualifications, standards and requirements of these Minimum Standards, pay any required fees or charges, and receive approval from the City prior to commencing operations.

Section 3-2. Non-Discrimination.

All services shall be provided on a fair and reasonable basis at fees that are competitive with similar providers in the region.

Section 3-3. Application

Any person or entity that desires to conduct a commercial aeronautical service on the Airport covered by these Minimum Standards shall submit a written application to the Airport Director prior to conducting such activities. Applications shall be made on forms provided by the Airport Director. Prior to submitting a written application, applicants are encouraged to discuss all aspects of the application and proposed operation with the Airport Director.

The applicant shall submit the following required information or documentation:

a. An operations plan which addresses the primary operation(s), including the DOT, State and/or FAA authority under which the applicant will operate, as well as support operations such as ground handling, maintenance, fueling, safety and staffing. The plan should include a detailed description of the scope of the intended operations, including all services to be offered.

b. The amount of land, office space, and/or aircraft storage areas required for the operation. The number and type of aircraft to be parked, serviced, or provided (as applicable). The size of an Operator's leasehold and/or facility will be dictated by its needs and ability to provide products and services to the public and available space at the Airport. If applicant proposes to enter a sublease agreement for land, office space, and or/aircraft storage areas from another Operator, applicant shall provide a letter of endorsement from the sublessor.

c. A list of material assets, goods, and equipment necessary to perform the proposed services that are owned, leased, or under purchase contract by applicant.

d. A detailed description of any improvements or modifications to be constructed or made to Airport property, including cost estimates and a construction timetable.

e. A detailed management plan, marketing plan, and the proposed hours of operation. The Operator shall have its premises open and services available as established and set forth in the lease agreement. The Operator shall ensure that personnel be in attendance on the premises at all times during designated business hours.

Financial Responsibility/References

Applicant must provide documentation of the applicant's financial capabilities to construct any improvements and to conduct any proposed activities. The Operator shall submit all of the following; however, depending on the organization's corporate structure, some items listed below may not be required. The submitted business plan and proposed lease will be evaluated in terms of its reasonableness, economic viability, and overall ability to support same.

a. A pro forma of projected income and expenses for the proposed operation during the lease term and verifiable sources of capital, cash, and credit for the proposed operation and facility construction at the Airport.

b. Financial statements for the most recent twelve month period and preceding two (2) calendar years which include balance sheets, and related statements of income and cash flow in accordance with generally accepted accounting principles. Subject documentation shall be, preferably audited, or compiled by a Certified Public Accountant.

c. Other financial and legal information including, but not limited to, copies of the three most recent federal and state income tax returns, and a statement of credit, payment and legal history.

d. A list of landlords, creditors, vendors, suppliers and other trade references including current contact information.

e. Current banking references and a letter setting forth the Operator's financial integrity and its account status from a bank or equivalent financial institution.

f. The Operator shall give its advance permission to the City to verify the Operator's financial and legal responsibilities, and for the use of a qualified credit rating firm.

Technical Qualifications/Certification

A detailed description and/or evidence of the applicant's technical abilities and experience in conducting the proposed activities, including references and FAA certificates, if applicable. Operator shall have "demonstrated experience" in the aeronautical service to be provided. It will be satisfactory if the Operator has in its employ, in a reasonable supervisory position, a person with such minimum experience requirements. A statement of qualification shall accompany the Operator's application to the Santa Barbara Airport.

Term

The commencement date for the applicant's activities and the term of the lease, license, permit or agreement sought, including all option periods, shall be for a term to be mutually agreed upon between the City and the Operator commensurate with the Operator's financial investment in the facility.

Identification/Ownership

The identity and ownership of the proposed Operator and it's principals, to include the following information, as applicable:

a. Name, address and telephone number

b. Type of organization and the State under the laws of which it is organized.

c. The designated agent for service process in the State of California.

d. The names and addresses of all officers, directors and key management personnel of the applicant, briefly describing the certifications, expertise and responsibilities of each.

e. The name, address, citizenship and principal business of each person holding 5 percent or more of applicant's total voting stock, together with the amount and percentages held, and the name, address, citizenship and principal business of any person whose account, if other than the holder, such interest is held; if any of these people are related by blood or marriage, include the relationship.

f. All subsidiaries of the applicant, briefly describing the relationship to the applicant and principal business.

1. If the applicant is a corporation, a copy of the Article of Incorporation as filed with the Corporation Commission;

2. If the applicant is a limited liability company, a copy of the Articles of Organization filed with the Corporation Commission;

3. If the applicant is a limited partnership, a copy of the Certificate of Limited Partnership filed with the Secretary of State;

4. If the applicant is a general partnership, a copy of the written partnership agreement, if any.

g. The Airport Director may require the applicant to provide additional information as necessary to ensure compliance with these Minimum Standards.

Processing/Approval

The Airport Director shall be responsible for processing and approving or disapproving an application for a lease, license, permit or agreement to conduct activities at the Airport.

Grounds for Disapproval of an Application

Grounds for disapproval of an application may include the following:

a. The applicant does not, for any reason, fully meet the qualifications, standards, and requirements established in the Minimum Standards.

b. The applicant's proposed operation or construction would create a safety hazard on the Airport.

c. The granting of the application will require the Airport to expend funds, or supply labor or materials, in connection with the proposed activity or operation that the Airport is unwilling to spend or supply, or the proposed activity or operation will result in a financial loss to the Airport.

d. No appropriate, adequate, or available land, space, or building exists at the Airport to accommodate the entire operation of the applicant at the time of application, and none is contemplated to be available within a reasonable time thereafter.

e. The proposed operation, development, or construction does not comply with the Airport Master Plan or Airport Layout Plan.

f. The proposed operation, development, or construction will result in congestion of aircraft or buildings, or will result in undue interference with the operations of any present Operator at the Airport, or with adequate access to a present Operator's leased premises.

g. The applicant has misrepresented or omitted any material fact in the application or supporting documents, or has failed to make full disclosure in the application or supporting documents.

h. The applicant, or any officer, director, key employee, or person having a controlling interest in the applicant, has a record of:

1. Violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited to, civil air regulations and FAA regulations;
2. Or, having defaulted in the performance of a lease, license, permit, or similar agreement at the Airport or any other airport;

i. The applicant, in the opinion of the Director, has not provided verified evidence of adequate financial responsibility or does not exhibit the experience to undertake the proposed operation or activity based on the information provided with the application.

j. The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount

required by the Airport for the proposed operation, activity, or construction.

Appeals

Appeals shall be made according to Chapter 18.44 of the Municipal Code of the City of Santa Barbara.

Section 3-4. Indemnification/Insurance

Indemnification
Operator shall, to the extent permitted by law, investigate, defend, indemnify and hold harmless the City, its officers, agents and employees from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, and expenses (including reasonable attorney's fees) and causes of action of whatsoever character which City may incur, sustain, or be subjected to on account of loss or damage to property or loss of use thereof, or for bodily injury to or death of any persons (including but not limited to property, employees, subcontractors, agents, and invitees of each party hereto) arising out of or in any way connected with operator's use or possession of the Premises.

Required Insurance Coverage.

An Operator or Tenant shall carry and maintain at its sole cost and expense throughout the term of its lease, permit, or agreement with the City the required types of insurance policies that meets (or exceeds) the specifications contained in the lease, permit, or agreement.

Section 3-5. Fixed Place of Business

No entity, with the exception of flying clubs and independent operators, shall use the Airport as an Operator until such entity has executed a lease agreement, license agreement, or permit, approved by the City, which establishes a fixed place of business on the Airport, and provides adequate space for the proposed operations. As appropriate, the City will accept requests to combine space from individual Operators who conduct more than one commercial aeronautical activity.

Section 3-6. Conduct of Business Operations

The Operator shall conduct all business operations in a safe and professional manner consistent with the degree of care and skill exercised by experienced Operators providing comparable products, services, and activities at similar Airports in like markets. The Airport expects the Operator to strive to consistently meet (or exceed) its customer's expectations by providing excellent service, in a positive and timely manner, and in full view of the public.

Section 3-7. Management Control and Supervision

The Operator shall be responsible for ensuring that it has provided adequate management control and supervision for each service and operation provided on the Airport, during all times when such services are being offered. Managers shall also be available after normal business hours in the event of an emergency.

Section 3-8. Airport Security

Each Operator, its employees, agents, and contractors, shall:

- Fully comply with the Airport's Security Program, approved by the FAA and/or Transportation Security Administration (TSA), and agrees to institute and carry out all security measures in the Security Program, as may be amended from time to time;
- Successfully complete the security training required by the Airport and TSA prior to gaining access to restricted areas of the Airport;
- Successfully complete a background check and security threat assessment as required by the Airport and/or TSA, and provide all necessary documentation to the Director prior to allowing access of such personnel to secured areas of the Airport;
- Fully comply with all appropriate Airport, TSA, and FAA regulations, including but not limited to 14 CFR Part 139 and 49 CFR Parts 1540 and 1542.

If Operator premises are located in a restricted area accessible only to those persons displaying a security identification badge issued by Airport (including but not limited to the AOA and SIDA), each person working on the premises must wear the badge at all times while on the Airport. The cost to obtain badge, including its replacement, will be paid for by Operator.

Operator shall control their Premises so as to prevent unauthorized access to the AOA and/or SIDA.

Operator shall submit a construction security plan for all major construction activity occurring inside the AOA, or affecting Airport security. The plan must be submitted in writing and approved by the Airport and TSA before beginning construction activity.

Section 3-9. Environmental Requirements

Each Operator shall strictly comply with all applicable environmental laws, rules, regulations, policies, and procedures adopted by the Airport, as well as those promulgated by federal, state, and municipal authorities, including the Airport's Stormwater Pollution Prevention Plan (SWPP) and Stormwater Management Plan.

In addition, each Operator shall comply with generally accepted environmental best management practices and standards.

Section 3-10. Interference with Utilities, Radio, or Navigational Aids

Each Operator shall strictly ensure that it will not interfere with, interrupt, or disrupt any utilities, radio, or navigation aids that are located on or otherwise serve the Airport. Any and all activities or operations that may potentially interfere with, interrupt, or disrupt any utilities, radios, or navigation aids shall be approved by the Airport prior to such activities or operations being conducted by the Operator, its employees, or agents.

Article 4. Multiple Service Providers

A multiple services Operator provides any two or more of the aeronautical services for which minimum standards have been herein provided in Article 7.

Section 4-1. Aircraft

The Operator shall comply with the aircraft requirements, including the equipment thereon for each aeronautical service to be performed except that multiple uses can be made of all aircraft owned or under lease by Operator except aircraft used for crop dusting, aerial application, or other commercial use of chemicals.

Section 4-2. Facilities

The Operator shall provide the facilities, equipment and services required to meet the minimum standards as herein provided for each aeronautical service the Operator is performing. However, only one office will be required of each Operator.

Section 4-3. Insurance

An Operator or Tenant shall carry and maintain at its sole cost and expense throughout the term of its lease, permit, or agreement with the City the required types of insurance policies that meets (or exceeds) the specifications contained in the lease, permit, or agreement.

Section 4-4. Personnel

The Operator shall have in his employ, and on duty during designated business hours, trained personnel in such numbers as are required to meet the minimum standards for each aeronautical service the Operator is performing as herein provided. Multiple responsibilities may be assigned to meet the personnel requirements for each aeronautical service being performed by the Operator.

Article 5. Fixed Base Operators (FBOs)

A Fixed Base Operator (FBO) makes available, at minimum, retail aviation fuel and oil sales, aircraft maintenance and repair, aviation line services, and aircraft storage (as more fully described below). An FBO may also be authorized by the City to offer additional aviation and related services.

The FBO shall not subcontract retail aviation fuel and oil sales or aircraft storage.

An FBO must have sufficient land area for development of a fixed base operation including but not limited to office space, general aviation terminal facilities, a fuel farm, aircraft storage hangars, tie-down facilities, paved apron and auto parking areas.

Section 5-1. General Aviation Terminal Facilities

An FBO must provide a General Aviation Terminal encompassing no less than 5,000 square feet, which includes:

a. A flight planning area, separate from other public areas, with appropriate seating, work areas, communication facilities, directories and all items necessary for complete flight planning

b. A pilot lounge

c. A conference room

d. Restrooms

e. A customer waiting area for transition of passengers to ground transportation and vice versa.

f. Designated office, counter, and/or other space from which to conduct business.

Section 5-2. Aircraft Airframe, Engine and Accessory Maintenance and Repair Services

An FBO shall provide space sufficient to house any aircraft upon which such service is being performed, with paved apron area adjacent to the hangar, suitable for storage of aircraft awaiting services and associated offices and required storage areas in accordance with the requirements of Section7-2 of the Minimum Requirements. The FBO may subcontract in order to provide the major aircraft maintenance and repair services and maintenance hangar space

required of it, provided that such subcontractor(s) are approved by the City and meet the requirements of these Minimum Standards.

Section 5-3. Aircraft Storage

An FBO must also provide facilities for safe aircraft storage and towing, hangaring and/or tie-downs of based and transient aircraft, including, at minimum:

a. Cumulative Common Hangar space totaling no less than 40,000 square feet for corporate or multiple general aviation aircraft. Restroom required.

b. T-hangar and/or box hangar space totaling no less than 10,000 square feet, which shall accommodate both single and twin-engine piston aircraft.

c. Tie-down space of 20,000 square feet or for no less than 20 tie-down and transient fixed-wing aircraft.

d. Tie-down space of no less than 10,000 square feet for tie-down and transient helicopters.

e. Operator shall also provide restroom(s) for use by its aircraft storage tenants. Restrooms must be located within a reasonable walking distance and in a number adequate to serve the needs of tie-down and hangar tenants. Location and number of restrooms shall be subject to approval by the Airport Director.

Section 5-4. Fuel Facilities and Services

An FBO must provide facilities and equipment for the safe storage and delivery of aircraft fuel, in quantities adequate to meet the demands of its customers, in accordance with all applicable local, state and federal standards and Article 6 of these Minimum Standards. In this regard, at minimum, an FBO must:

a. Provide a fixed fuel storage facility (fuel farm) with a capacity of no less than 40,000 gallons, installed by Operator in a location approved by the Director.

b. Provide a full range of approved retail fuel services, including jet fuel and avgas available 7 days a week, 24 hours a day, by trained and competent employees. The fuel vendor's facility must be open for business during designated hours with on-call availability during non-business hours. FBO may also dispense automotive fuel as necessary for equipment associated with aviation line services.

c. Provide a sufficient number of mobile dispensing trucks to accommodate the measurable demands of its customers.

d. Provide an adequate inventory of generally accepted grades of aviation fuel and engine oil.

e. Provide transient aircraft with a parking area having access to the Airport runway/taxiway systems.

f. Provide aircraft parking to transient aircraft, including the availability of minor aircraft maintenance and repair services, which may be provided by other Airport tenants.

Section 5-5. Specific Aviation Line Services

An FBO must provide adequate ground equipment, including ground power and starting equipment, fire extinguishers, oxygen carts, portable compressed air, disabled recovery equipment, aircraft towing equipment, and such other equipment, supplies, and spare parts as may be reasonably required to service all general aviation aircraft. An FBO may also provide catering, window cleaning, lavatory, and baggage handling services. The FBO may subcontract in order to provide the specific aviation line services required of it, provided that such subcontractor(s) are approved by the City and meet the requirements of these Minimum Standards.

Article 6. Aircraft Fuels Operator

An aircraft fuels Operator provides aviation fuels, lubricants and other services supporting the itinerant and based aircraft operations on the Airport. Aviation fuel sales are vitally important to supporting aircraft Operators, these services are considered essential to aircraft operation and the operation of the Airport.

Section 6-1. Applicability

These regulations are applicable to any person who sells or otherwise dispenses aircraft fuel at Santa Barbara Airport.

Section 6-2. Compliance with Applicable Laws and Standards

Operator shall construct and maintain its facilities and shall conduct fueling operations in compliance with all applicable City, state, and federal laws and regulations, whether presently in effect or enacted hereafter. Operator shall also obtain a permit from the Santa Barbara City Fire Department under California Fire Code (CFC) 105.6 and comply with CFC Chapter 20, all current applicable standards of National Fire Protection Association (NFPA) 407, “Standard for Aircraft Fuel Servicing” and Air Transport Association Specification 103, “Standard for Jet Fuel Quality Control at Airports”.

Section 6-3. Inspections

a. Operator shall not begin fueling operations until the Director has inspected the fueling facilities and equipment and has determined that they comply with the requirements of these regulations.

b. Operator shall allow the Director and/or appropriate State and City fire and safety officials to enter and inspect its premises at all reasonable hours to ensure compliance with the requirements of these regulations.

Section 6-4. Training

Operator shall not conduct fueling operations, nor shall Operator allow any other person to conduct such operations on its premises until the Operator has submitted to the Director evidence of the training and safety procedures required as follows:

a. At least one supervisor from the fueling Operator must complete an aviation fuel training course in fire safety which is acceptable to the Administrator of the FAA.

b. All other employees who fuel aircraft, accept fuel shipments, or otherwise handle fuel shall receive at least on the job training in fire safety from the supervisor trained in accordance with Paragraph 1. of this section.

c. Each fuel vendor shall provide certification once a year to the Airport Director that the training described in Paragraphs 1. and 2. has been accomplished.

Section 6-5. Fueling Facilities, Equipment, and Operations

a. **All Fueling Operators.** The following requirements regarding fueling facilities and equipment are applicable to all Fueling Operators:

1. For each type of fuel dispensed, Operator shall have separate, filter-equipped dispensing pumps and meters and monitoring equipment for leak detection.

2. If Operator uses mobile dispensing trucks, the Operator shall have at least one tank on the truck or trucks for the exclusive storage of each type of fuel available. Non-operational and out-of-service mobile fuel dispensers shall be promptly removed from the Airport. Self-fueling Operators are prohibited from using trucks for dispensing of fuel without prior written approval of the Director.

3. Operator shall obtain the written approval of the Director prior to construction or installation of any improvement on Operator's leased premises.

4. Operator shall maintain all fueling facilities in a safe and clean condition, equal in appearance and character to other similar Airport improvements.

5. Operator shall promptly repair any damage caused by Operator, Operator's employees, agents, patrons and guests.

6. Upon written notice Operator shall perform any reasonable facility maintenance the Director determines is necessary. If Operator fails to undertake such maintenance within ten (10) days of receipt of written notice, the Director may perform the maintenance and/or revoke or suspend the fueling operations. If maintenance is performed by the Santa Barbara Airport, the Operator shall reimburse the Airport through the Director, for the cost of the maintenance performed.

7. **Public Protection.** No person may dispense Class I flammable liquid fuel directly into the supply tanks on motor vehicles or aircraft unless the dispensing site is inaccessible to the general public.

8. **Fire Safety in Fuel Farm Storage Areas.** The Operator of premises where a bulk fuel storage plant for flammable or combustible liquids is located shall:

    1. Prohibit the handling, drawing, or dispensing of flammable or combustible liquids within 100 feet of an ignition source.

    2. Prohibit smoking within 100 feet of areas where flammable or combustible liquids are used.

b. **Self-Service Fueling Operators.** The following additional requirements regarding fueling facilities and equipment are applicable solely to Self-Service Fueling Operators:

1. Provide a fixed fuel storage facility (fuel farm) with a capacity no greater than 10,000 gallons, installed by Operator in a location approved by the Director.

2. The Self-Service Fueling Operator shall provide approved retail fuel, available 7 days a week, 24 hours a day.

3. The Self-Service Fueling Operator may provide transient aircraft with an ingress/egress area having access to the Airport runway/taxiway systems for the explicit purpose of refueling at the self-service fueling facility.

4. The Self-Service Fueling Operator may provide generally accepted grades of engine oil and lubricants.

c. **Self-Fueling Operators.** The following additional requirements regarding fueling facilities and equipment are applicable solely to Self-Fueling Operators:

1. Provide a fuel storage facility or equipment with a capacity no greater than 10,000 gallons, located or stored by Operator in a location approved by the Director.

2. A Self-Fueling Operator shall have adequate aircraft storage with service and parking area having access to the Airport

runway/taxiway system to satisfy the number of aircraft owned by Operator or leased for Operator's exclusive use.

3. Self-Fueling Operators shall not dispense aircraft fuel to another Airport user. Dispensing aircraft fuel under the authority of this permit is limited to Operator's own use in aircraft owned by Operator or leased for Operator's exclusive use.

4. A Self-Fueling Operator may conduct fueling operations only on those premises leased to the Operator by the Santa Barbara Airport or by a Tenant of the Santa Barbara Airport in the area designated in the Fueling Agreement.

5. A Self-Fueling Operator shall submit to the Director a report of fuel dispensed by aircraft registration number. An application for Self-Fueling Operator shall include the registration numbers of all owned or leased aircraft to be fueled.

Section 6-6. Records and Monthly Reports

a. Operator shall keep and maintain on the Premises full, complete and appropriate books, records and accounts relating to the Premises, the delivery of fuel to the Premises, all fuel dispensed, and the proper calculation of rent and fees due the City hereunder.

b. Operator shall maintain and keep all books, records and accounts relating, in City's reasonable judgment, to Operator's compliance with the terms, provisions, covenants and conditions of the Lease in accordance with generally accepted accounting principles consistently applied. If, at any time during the term hereof, said books, records and accounts are deemed inadequate or incomplete in the reasonable judgment of the City, Operator shall, upon the request of the City, revise, adjust, complete, procure and maintain such books, records and accounts so that thereafter they shall be of a character and form adequate for said purposes in City's reasonable judgment.

c. Operator shall make available upon reasonable written notice from City, at all times during normal business hours, for inspection by City, its auditors or other authorized representatives all such books, records and accounts. Upon reasonable written notice, copies of all sales, other excise tax reports and Internal Revenue tax reports or any other reports that Operator may be required to furnish any governmental agency shall at all reasonable times be open for inspection by City at the place that the books, records and accounts of Operator are kept. Operator shall preserve all such business

records for a period of five (5) years from the date of the preparation of such records and the submission of each annual statement.

d. Operator shall, each month, submit to the Director a complete report of all fuel delivered and dispensed, in a form approved by the City.

Section 6-7. Audits

Operator shall allow its records of fueling operations to be audited at any time, either by a field accountant of the City of Santa Barbara Finance Department or by an independent certified public accountant selected by the City.

Section 6-8. Assignment and Transfer Prohibited

A fueling operations agreement is not assignable or transferable.

Section 6-9. Revocation or Suspension of Operations

The Director may revoke or suspend fueling operations if it is determined that:

a. The Operator has violated any provision of these regulations and has not made needed corrections in a timely manner as directed by the Director***;***

b. The Operator has given false or misleading information to the Director during the application process;

c. The Operator has intentionally or knowingly impeded a lawful inspection by the Director or other person authorized to inspect the fueling operations of the Operator; or

d. The Operator has, within a twelve (12) month period, committed two or more violations of these regulations and has failed to make needed corrections in a timely manner as directed by the Director***.***

The Director shall send to the Operator by certified mail, return receipt requested, a written statement setting forth the reasons for the revocation or suspension.

In case of an emergency, the Director may order the Operator to correct the violation immediately, discontinue use of the product or equipment, or to cease fueling operations to the extent the Director, at its sole discretion, determines is necessary to abate the threat unless the violation is corrected. For purposes of this Section, an emergency shall be deemed to exist if the Director determines that a violation or situation has occurred which constitutes an imminent and serious threat to the public health and safety, or to the environment.

Section 6-10. Fuel Spill Procedures

Fuel operators shall make the following provisions to prevent or minimize the risk of fire hazard, property damage and/or environmental contamination due to the spillage of a hazardous liquid (jet fuel, avgas, oils, solvents, etc.) during aircraft servicing operations. Fuel operators shall follow the procedures set forth in CFC Section 2006.11, Fuel Spill Prevention and Procedures. The specific fire safety and hazardous spill cleanup procedures outlined in NFPA 407 shall also serve as a primary guideline for fueling Operators in regard to fuel spill disposition.

a. In the event of a fuel spill the fueling Operator should contact 911 to coordinate hazardous materials and fire fighting assistance.

b. Fuel spill cleanup is the responsibility of the fueling Operator. Fueling Operators are required to develop a fuel spill cleanup plan which minimizes the possibility of ignition of spilled flammable fuel and which prevents the introduction of fuels into the stormwater or sewer systems. Fueling Operators are required to have a current fuel spill plan on file in the office of the Airport Director, at all times. Equipment and material to support the fuel spill plan must be available on-site at each fueling facility.

c. Fueling Operators are required to train fuel service employees with regard to the following:

   1. Proper procedure and fire hazards associated with fuel spill cleanup. Training should include appropriate notification, fuel spill containment environmental contamination, EPA notification requirements, Airport ARFF response and standards of post spill cleanliness.

   2. Proper procedures for preventing fuel from flowing into storm drains, sanitary sewer drains or into airfield grass areas. Fuel service employees are requested to allow at least 50 feet of ramp separation, if possible, between fueling operations and storm drains to facilitate fuel spill containment.

   3. The procedure concerning proper storage, length of storage and appropriate disposal of contaminated absorbent material.

d. Fueling Operators are required to maintain all fuel service equipment and vehicles in safe working condition.

e. HAZMAT and/or fire fighting are required to standby at the scene of the spill in the interest of fire safety until the reasonable possibility

of a fire emergency has been eliminated. In the event of a fire emergency, fuel service employees shall respond to all instructions from emergency personnel regarding safety and/or controlling the emergency.

f. Uncontrolled fuel spill situations will be handled by the Santa Barbara County Fire Department Hazardous Materials Response Team. All costs incurred by the Fire Department or other agencies will be charged to the fueling Operator responsible for the spill.

g. Whenever cleanup of a fuel spill is contracted out to a commercial spill contractor, it is the responsibility of the fueling Operator to ensure that appropriate Regional Water Quality Control and Environmental Protection Agency regulations concerning contaminated soil and/or ground-water cleanup standards have been met.

h. Fueling Operators are required to report all fuel spills in excess of 10 feet in any direction or covering an area of 50 square feet to the fire department.

i. Fueling Operators are encouraged to organize mutual assistance agreements between the fueling Operators located on Santa Barbara Airport in regard to providing spill cleanup assistance to handle large spills. Airport Department Maintenance personnel may be available to assist in controlling an unchecked or expanding spill.

j. The Fire Department and Airport Operations are responsible for gathering all pertinent information concerning the origin and facts surrounding fuel spills. Airport Operations is responsible for recording all spill incidents to monitor trends and fuel service histories of all fueling Operators. The Airport Director is responsible for maintaining the above information concerning spills at the Airport. Every fuel spill shall be investigated by the Airport Department to determine the cause and required corrective measures.

Article 7. Specialized Aviation Service Operator

The Specialized Aviation Service Operator (SASO) shall engage in one or more of those commercial aviation activities described in this Section as stated in the appropriate Commercial Operating Permit. The Specialized Aviation Service Operator cannot subcontract these activities. The SASO may use third party providers to provide services identified in Article 7, provided the third party provider operates from the SASO's premises. Additionally, SASO is fully responsible for assuring third party operator's compliance with Airport rules and regulations.

Section 7-1. Aircraft Storage

An aircraft storage Operator engages in the rental of conventional hangars, T-hangars, or paved tie down area.

Minimum Standards

a. **Inside Storage.**

1. The conventional hangar Operator shall have his facilities available for the tenants aircraft removal and storage twenty-four hours per day, seven days a week, fifty-two weeks per year.

2. The Operator shall demonstrate that it can provide sufficient personnel trained to meet all requirements for the storage of aircraft with appropriate equipment.

3. The Operator may have an office in the storage building. If no office is maintained, the Operator shall post in conspicuous places on the hangar facilities the name, address and telephone number of the Operator and of the person who shall be managing or operating the hangar facilities.

b. **Outside Storage**

The Operator must have a lease to conduct one or more additional Operator services listed in this section, and provide suitable space for paved tie-down area of sufficient size to accommodate all aircraft used by the Operator in its operations and all aircraft that will be parked or stored by the Operator.

c. **Private, Non-Commercial Hangars**

An applicant may request a leasehold upon which to build and use private non-commercial hangars.

1. The hangars shall be used only for those purposes, which are specified for aircraft storage hangars in the City of Santa Barbara Municipal Code.

2. All aircraft which are stored in the hangars shall be owned by the tenant or one of the following persons associated with the tenant, if the tenant is a non-natural person:

   (a) A person who is a general partner of a tenant, which is a partnership.

   (b) A person who is manager of a tenant which is a limited liability company, or if there is no designated manager, a member of such tenant.

   (c) The president of a tenant, which is a corporation.

   (d) The chief executive officer of any other legal entity, which is a tenant

3. The tenant shall not sublease any hangar or make any partial assignment of its leasehold interest. Any assignment of all of the tenant's leasehold interest shall be subject to the approval of the Airport Director.

4. Tenant shall carry and maintain at its sole cost and expense throughout the term of its lease, permit, or agreement with the City the required types of insurance policies that meets (or exceeds) the specifications contained in the lease, permit, or agreement.

Section 7-2. Aircraft, Airframe, Engine and Accessory Maintenance and Repair

An aircraft airframe, engine and accessory maintenance and repair Operator provides one or a combination of airframe, engine and accessory overhauls and repair services on aircraft up to and may include business jet aircraft and helicopters. This category shall also include the sale of aircraft parts and accessories.

Minimum Standards

a. **FAA Certification.** An aircraft airframe, engine and accessory maintenance and repair Operator must operate as an FAA

approved repair station (FAR Part 145) or as an FAA Licensed A & P or Inspection Authorization (FAR Part 65) and in accordance with all requirements for FAA certification.

b. **Personnel.** The Operator shall have in his employ, and on duty during the designated business hours, trained personnel in such numbers as are required to meet the minimum standards set forth in this category of services in an efficient manner, but never less than one person currently certificated by the FAA with ratings appropriate to the work being performed and who holds an airframe, power plant or an aircraft inspector rating.

c. **Other Requirements.** Except as otherwise provided in any agreement between the Operator and the City, an Operator offering aircraft engine, airframe and accessory sales, maintenance and repair facilities to the public shall provide:

1. In case of airframe and/or engine repairs, sufficient hangar space to house the type of aircraft upon which such service is being performed, except when emergency unscheduled maintenance is required.

2. Suitable storage space for aircraft awaiting repair, maintenance, or delivery.

3. Adequate enclosed shop space to house the equipment and adequate tools, jacks, lifts, and testing equipment to perform overhauls as required for FAA certification and repair of parts not needing replacement on common single engine and light multi-engine general aviation aircraft, and supporting technical documents.

4. Sufficient FAA certified mechanics with inspection authority for the work to be performed, with established business hours and on-call availability.

5. Ability to provide necessary equipment and personnel to promptly remove from the public landing area (as soon as permitted by FAA, NTSB, and other authorities) disabled aircraft.

6. Adequate provisions for the removal/disposal of solutions, cleaning agents, lubricants and other wastes in compliance with Federal, State and County regulations.

7. Any facilities utilized for washing and cleaning aircraft shall comply with the Santa Barbara Airport Stormwater Pollution Prevention Plan, as approved by the State of California Water Resources Control Board, and the terms of any other applicable laws, rules and regulations relating to storm water discharge.

8. A written plan for adhering to all safety and environmental requirements.

Section 7-3. Avionics, Instrument, Propeller and/or Accessory Repair Station

An avionics, instrument, propeller, or accessory repair station Operator engages in the business of, and provides a facility for, the repair of aircraft avionics, propellers, instruments, and accessories for general aviation aircraft. This category may include the sale of new or used aircraft avionics, propellers, instruments, and accessories. The Operator shall hold the appropriate repair shop certificates issued by FAA for the types of equipment the Operator plans to service and/or install.

Minimum Standards

a. **Personnel.** The Operator shall have in his employ and on duty during the designated business hours trained personnel in such numbers as are required to meet the minimum standards set forth in this category in an efficient manner but never less than one person who is an FAA rated radio, instrument, propeller or accessory repairman.

b. **Other Requirements.** Except as otherwise provided in any agreement between the Operator and the Airport, an Avionics, Instrument, Propeller, and/or Accessory Repair Operator offering services to the public shall:

1. Provide adequate space to be used for shop, storage and test equipment.

2. Have available during designated business hours an FAA (Part 145) appropriately certified technician in the field of aircraft electronics and/or aircraft instruments.

3. Lease sufficient space or provide satisfactory arrangements for access to and storage of aircraft on which work is being performed.

Section 7-4. Flight Training

A flight training Operator engages in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary to take a knowledge examination and flight check ride for the category or categories of pilots' certificates and ratings involved.

Minimum Standards

a. **Aircraft.** The Operator shall have available for use in flight training, either owned or under written Lease-Back to Operator, properly certificated airworthy aircraft.

b. **Personnel.** The Operator shall have on a full-time basis at least one flight instructor who has been properly certificated by the FAA to provide the type of training offered.

c. **Other Requirements.** Except as otherwise provided in any agreement between the Operator and the City, an Operator conducting flight training activities shall provide:

1. Training aircraft that:

(a) Have a minimum of two seats

(b) Are maintained in accordance with Federal Aviation Regulations

(c) Are kept in a clean and presentable manner

(d) Are available for training and rental

2. Adequate office and classroom space, separate from public areas.

3. Adequate instructional aids necessary to provide proper ground school instruction.

4. Current certificates required by the FAA for flight instruction.

5. Adequate facilities or arrangements for storing, parking, servicing, and repairing all its aircraft.

6. Auto parking for customers and employees.

Section 7-5. Aircraft Lease and Rental

An aircraft lease or rental Operator engages in the rental or lease of aircraft to the public.

Minimum Standards

a. **Aircraft.** The Operator shall have available for rental, either owned or under written lease to Operator, certified and currently airworthy aircraft.

b. **Other Requirements.** Except as otherwise provided in any agreement between the Operator and the City, an Operator conducting aircraft rental activity shall provide:

1. Suitable office space at the Airport for consummating rentals and keeping proper records in connection therewith.

2. Airworthy aircraft suitably maintained and certificated.

3. Adequate facilities for servicing the aircraft.

4. Adequate arrangements for parking the aircraft being rented.

5. An adequate supply of properly located fire extinguishers and other precautions and/or equipment required by City fire codes.

6. Auto parking for customers and employees.

Section 7-6. Aircraft Sales

New Aircraft Sales. An aircraft sales Operator engages in the sale of new aircraft through franchises or licensed dealership (if required by local, county or state authority) or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or used aircraft; and makes available such repair, services, and parts as necessary to meet any guarantee or warranty on aircraft sold.

Used Aircraft Sales and Brokerage. Many companies engage in the purchasing and selling of used aircraft. This is accomplished through various methods including matching potential purchasers with an aircraft, assisting a customer in the sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. In many cases these Operators also makes available such repair, services, and parts as necessary to support the operation of aircraft sold. Some requirements may not be appropriate to the sale of used aircraft because of each aircraft's unique operational history.

Personal Aircraft Sales. Nothing contained herein shall prohibit any person from selling such person's own aircraft.

Minimum Standards

a. **Repair and Inventory.** The Operator shall make available necessary and satisfactory arrangements for repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty period. The Operator shall provide an adequate inventory of spare parts for the type of new aircraft for which sales privileges are granted. The Operator who is engaged in the business of selling new aircraft shall have available a representative example of the product.

b. **Personnel.** The Operator shall have in his employ, and on duty during designated business hours, trained personnel in such numbers as are required to meet the minimum standards set forth in an efficient manner. The Operator shall also maintain, during designated business hours, a responsible person in charge to supervise the operations in the leased area with the authorization to represent and act for and on behalf of the Operator, and pilot in control for aircraft sold.

c. **Other Requirements.** The Operator shall provide the office required by these regulations and standards and shall lease from the Airport or applicable FBO an area of sufficient size to permit the storage and/or display of all aircraft for sale or use in the aircraft sales business. All inventory must be insured with liability coverage acceptable to the City.

Section 7-7. Aircraft Charter and Air Taxi

An unscheduled air charter or air taxi Operator engages in the business of providing air transportation (persons or property) to the general public for hire, on an unscheduled basis, under Federal Aviation Regulations.

Minimum Standards

a. **Aircraft.** The Operator shall provide, either owned or under written lease, the type, class, size and number of aircraft intended to be used by Operator, and which meet the requirements of the air taxi commercial operator certificate held by the Operator, including instrument operations.

b. **Personnel.** The Operator shall have available during designated business hours trained personnel in such numbers as are required to meet the minimum standards set forth in this category in an efficient manner but never less than one person who is an FAA certified commercial pilot and otherwise appropriately rated to permit the flight activity offered by Operator.

c. **Other Requirements.** Except as otherwise provided in any agreement between the Operator and the Authority, an Operator conducting aircraft charter and/or air taxi service shall make available:

1. Passenger lounge, rest rooms, and telephone facilities.

2. Aircraft that meet exclusive use requirements as defined in FAA Regulations.

3. At least one pilot available during on demand business hours, fully current under FAA Regulations and in compliance with all laws and procedures.

4. Auto parking for customers and employees.

Section 7-8. Aircraft Management Services

An aircraft management services operator means a person performing one of more of the following services in the management of another person's aircraft: pilot, staffing, records management, and other aircraft-related services detailed in any other sections contained herein. Aircraft management also encompasses the exercise of the privilege of FAR Part 91.501 on behalf of the owner (including fractional ownership such as time sharing, interchange agreements, and joint ownership) and brokerage of a qualified aircraft through an FAR Part 135 operator to the general public. Aircraft Management Services as defined in this Section 9-8. does not include the control of or operation of aircraft under FAR Part 135.

Part 91.501 Activities Include:

a. Ferry or Training Flights

b. Aerial work operations including photography, surveys, or pipeline patrol, excluding fire fighting

c. Demonstration flights for prospective customers at no charge other than those allowed in FAR Part 91.501(d)

d. Personal transportation for the operator and guests, at no charge

e. Carriage of company officials and guests, at no charge

f. Carriage of company officials under a time-share, interchange or joint ownership agreement

g. Carriage of property incidental to the business of the owner, when no charge is assessed other than those allowed in FAR Part 91.501(d)

h. Carriage of an athletic team, sports group, choral group, or similar group with a common purpose when no charge is assessed

i. Carriage of persons in the furtherance of business other than transportation by air, at no charge

Minimum Standards

The Aircraft Management Services operator will insure that pilots are appropriately licensed and certified for the managed aircraft.

Article 8. Independent Operators

An Independent Operator is an individual or entity that provides commercial aeronautical services but does not operate out of owned or leased property on the Airport. This category may include independent flight instructors providing instruction in the owner's aircraft and aircraft detailers or washers.

Each Independent Operator is required to obtain an annual Airport Operating Activity Permit from the City, and must provide copies of a City of Santa Barbara Business License. Each Independent Operator shall carry and maintain at its sole cost and expense throughout the term of its lease, permit, or agreement with the City the required types of insurance policies that meets (or exceeds) the specifications contained in the lease, permit, or agreement.

Minimum Standards

a. **Personnel.** The Independent Operator shall have, if applicable, the proper FAA certificates to conduct the particular service. The Independent Operator, if an entity, shall provide the Airport and keep current, the names, addresses, and contacts of all personnel responsible for the operation and management of the Independent Operator.

b. **Other Requirements**. Except as otherwise provided in any agreement between the City and the Independent Operator, the Independent Operator shall provide the City with a written statement from the Tenant that states that the Tenant is aware of the MSP activity and that, should facilities be needed, the Tenant has provided the appropriate space. Tenant is responsible for assuring Independent Operator's compliance with all Airport rules and regulations.

Article 9. Specialized Commercial Flying Services

A specialized commercial flying services Operator engages in air transportation for hire for the purpose of providing the use of aircraft for the activities listed below:

- Non-stop sightseeing flights that begin and end at the Airport
- Crop dusting, seeding, spraying, and bird chasing
- Banner towing and aerial advertising
- Fire fighting
- Any other operations not specifically addressed by FAA Regulations, and not otherwise addressed in this document

Minimum Standards

a. **Permit, License or Lease.** The Operator shall obtain from the City, or an authorized Leaseholder, a permit, license or lease to conduct the operations of it's specialized commercial flying service(s).

b. **Facilities.** The Operator must procure facilities sufficient to accommodate all activities and operations proposed by the Operator. The minimum areas in each instance shall be subject to the approval of the Director. In the case of crop dusting or aerial application, the Operator shall make suitable arrangements and have such space available for safe loading, unloading, storage and containment of chemical materials.

c. **Aircraft.** All Operators shall demonstrate that they have the availability of aircraft suitably equipped for the particular type of operation they intend to perform.

d. **Personnel.** The Operator shall have in it's employ, and make available during designated business hours, trained personnel in such numbers as may be required to meet the minimum standards herein set forth in an efficient manner.

e. **Point of Contact.** The Operator must provide, by means of an office or a telephone, a point of contact for the public desiring to utilize Operator's services.

Article 10. Non-Commercial Activities

Section 10-1. Flying Clubs

In an effort to promote flying for pleasure, develop skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques, the category of Flying Club is added to these regulations and standards.

All flying clubs desiring to base their aircraft and operate on the Airport must comply with the applicable provisions of these regulations and standards. However, they shall be exempt from regular fixed base Operator requirements upon satisfactory fulfillment of the conditions contained herein.

A flying club must be a non-profit corporation or partnership. Each member must be a bona fide owner of the aircraft or stock holder of the corporation. A flying club may utilize leased aircraft, provided that the aircraft is leased solely to the club, for the exclusive use of its partners or shareholders.

Minimum Standards

a. **Finances.** The club may not derive greater revenue from the use of its aircraft than the amount necessary for the actual cost of operation, maintenance and replacement of its aircraft. The club will keep current a complete list of the club's membership and a record of club finances and will make such available to the City upon request.

b. **No Commercial Activity.** The club's aircraft will not be used by other than bona fide members and by no one for hire, charter, air taxi, or rental operations.

c. **Failure to Comply.** In the event the club fails to comply with these conditions, the City will notify the club in writing of such violations. The club shall have fourteen days to correct such violations. If the club fails to correct the violations, the City may demand the club's removal from the Airport.

d. **Insurance.** Club shall carry and maintain at its sole cost and expense throughout the term of its lease, permit, or agreement with the City the required types of insurance policies that meets (or exceeds) the specifications contained in the lease, permit, or agreement.

e. **Maintenance.** Aircraft maintenance performed by the Club shall be limited to only that maintenance that does not require a certificated mechanic.

f. **Other Requirements.**

1. The club shall be a nonprofit entity (corporation, association or partnership) organized for the express purpose of providing its members with aircraft for their personal use and enjoyment only. The ownership of aircraft must be vested in the name of the flying club (or owned ratably by all of its members). The property rights of the aircraft shall be equal and no part of the net earnings of the club will inure to the benefit of any member in any manner. In the case of leased aircraft, the aircraft must be leased solely to the club, for the exclusive use of its partners or shareholders. The club shall not derive greater revenue from the use of its aircraft than the amount necessary for the operations, maintenance, insurance, and replacement, upgrading or expansion of its aircraft fleet.

2. The club shall not conduct charter, air taxi, or rental operations. The club shall not conduct aircraft flight instruction except for regular members, and only members of the flying club may operate the aircraft. Any qualified mechanic who is a registered member and part owner of the aircraft owned and operated by a flying club shall not be restricted from doing maintenance work on aircraft owned by the club and the club does not become obligated to pay for such maintenance work except that such mechanics and instructors may be compensated by credit against payment of dues or flight time. Maintenance shall be subject to the provisions of these regulations and standards.

3. All flying clubs and their members are prohibited from leasing or selling any goods or services whatsoever to any person or firm other than a member of such club at the Airport except that said flying club may sell or exchange its capital equipment.

4. The flying club, with its initial application, and annually thereafter, shall furnish the City a copy of its charter and by-laws, articles of association, partnership agreement or other documentation supporting its existence; a roster, or list of members, including names of officers and directors, evidence of insurance; number and type of aircraft; evidence that ownership, or leasehold interest, is vested in the club; and operating rules of the club. The books and other records of the club shall be

available for review at any reasonable time by the City and Airport Director.

5. A flying club shall comply with all Federal, State and local laws, ordinances, regulations and these regulations and these Minimum Standard.

6. If a flying club violates any of the foregoing, or permits one or more members to do so, and the violation is not corrected within a reasonable time, as determined by the Airport Director, the club will be required to terminate all operations and vacate the Airport.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE REVISED MINIMUM STANDARD REQUIREMENTS FOR AIRPORT AERONAUTICAL ACTIVITIES AT THE SANTA BARBARA AIRPORT AND REPEALING RESOLUTION NO. 06-078

WHEREAS, the City of Santa Barbara is the owner and operator of the Santa Barbara Municipal Airport and the Airport Department is responsible for the management and administration of the Airport, which includes operation, maintenance, and capital improvement of aviation buildings and facilities;

WHEREAS, the Federal Aviation Administration (FAA) places the responsibility with the Airport operator to ensure that adequate aeronautical services and facilities are available on a fair and reasonable basis to all aviation users;

WHEREAS, to encourage the safe and orderly development of the Airport and its operation, the FAA recommends that Minimum Standard Requirements for Airport Aeronautical Activities be developed;

WHEREAS, Airport Minimum Standards establish the minimum requirements to be met by an entity as a condition for the privilege to conduct an aeronautical activity or provide a commercial aeronautical service at the Airport; and

WHEREAS, a revision of the Airport Minimum Standards, adopted September 12, 2006, is needed to accommodate changes in the aviation industry in the way in which services are provided.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

SECTION 1. The attached revised Minimum Standard Requirements For Airport Aeronautical Activities at the Santa Barbara Municipal Airport, dated September 30, 2014 are hereby approved.

SECTION 2. Resolution No. 06-078 is repealed.

Agenda Item No. 4

File Code No. 550.08

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Purchase Order For Skidata, Inc., Parking Revenue Control Equipment At Stearns Wharf

RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070(L), and authorize the General Services Manager to issue a purchase order to Sentry Control Systems for Skidata parking revenue control equipment for Stearns Wharf in an amount not to exceed $84,500.

DISCUSSION:

The Waterfront Department operates eight parking lots with a total of approximately 2,580 parking stalls. Three of the parking lots - Stearns Wharf, Leadbetter, and Harbor Main - are staffed and use revenue control/point of sale systems that operate with ticket dispensers, and entry and exit gate arms. The Harbor Main parking lot is staffed twenty-four hours a day and 365 days a year. Stearns Wharf and Leadbetter are staffed year-round.

The current parking equipment on Stearns Wharf was installed in 1995. The equipment has reached its useful life and the technology is now obsolete. The manufacturer of this system no longer makes or services the necessary replacement parts. Consequently, when the system malfunctions, parking staff must use retired equipment or cannibalize used equipment.

On January 28, 2014, City Council found it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070(L), and authorize the General Services Manager to issue a purchase order to Sentry Control Systems for Skidata parking revenue control equipment for the Harbor Main parking lot. That equipment has since been installed and is fully operational. Phase II of this same project is the installation of the Sentry Control System for Skidata parking revenue control equipment at Stearns Wharf.

Staff recommends waiving the formal bid procedure because Sentry Control Systems meets the unique parking needs of the Waterfront Department (visitors, slip permittees, boats, and boat trailers) as well as their proven record of reliability and service with Downtown Parking. Sentry Control Systems is the certified distributor and installer of Skidata and are located in the San Fernando Valley. Because Sentry is located in Southern California, they are able to provide consistent, ongoing equipment maintenance and repair, and are also able to respond to urgent calls within 24 hours. In addition, having Downtown Parking and the Waterfront Department on the same parking revenue control systems, Skidata will allow for maintenance agreement cost-sharing as well as the exchange of information, training, and best use practices.

The system cost of $84,500 includes everything to appropriately run the new system including: car lane and booth equipment, revenue control software, server/network equipment, as well as complete installation and set up services. The cost also includes a 10% contingency to cover extra services that may arise due to the unique nature of installation on Stearns Wharf.

Funding for the first purchase of the Skidata equipment is included in the Fiscal Year 2015 Waterfront Department Capital Budget. Installation of the Skidata equipment is tentatively scheduled to take place in early February.

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office

Agenda Item No. 5

File Code No. 120.09

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Cancellation Of Certain Council Meetings In 2015

RECOMMENDATION:

That Council cancel the regular Council Meetings on the following dates: January 6, January 20, February 17, March 31, May 26, July 7, August 18, August 25, September 8, November 3, December 1, December 22, and December 29, 2015.

DISCUSSION:

Each year we review the calendar for the regular City Council Meeting dates.

The Council meeting schedule has been established based on cancelling the Council meetings on the Tuesdays following a holiday, election day, and providing for a summer break. Council canceled these same Council meetings in 2014.

We are now proposing the cancellation of meetings for the next year.

Using this criteria, the following meetings would be cancelled:

- Tuesday, January 6, 2015 (Tuesday after New Year's Day)
- Tuesday, January 20, 2015 (Tuesday after Martin Luther King, Jr. Holiday);
- Tuesday, February 17, 2015 (Tuesday after Presidents Day Holiday);
- Tuesday, March 31, 2015 (Cesar Chavez Day Holiday);
- Tuesday, May 26, 2015 (Tuesday after Memorial Day Holiday);
- Tuesday, July 7, 2015 (Tuesday after 4th of July Holiday);
- Tuesday, August 18, 2015 (Summer Break);
- Tuesday, August 25, 2015 (Summer Break);
- Tuesday, September 8, 2015 (Tuesday after Labor Day Holiday);
- Tuesday, November 3, 2015 (Election Day)
- Tuesday, December 1, 2015 (Tuesday after Thanksgiving Holiday);
- Tuesday, December 22, 2015 (Winter Break); and
- Tuesday, December 29, 2015 (Christmas Day Holiday)

PREPARED BY: Jennifer Jennings, Administrator’s Office Supervisor

SUBMITTED BY: Paul Casey, Acting City Administrator

APPROVED BY: City Administrator's Office

Agenda Item No. 6

File Code No. 540.13

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Design Of Sodium Hypochlorite Line Replacement At The El Estero Wastewater Treatment Plant

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services contract with MNS Engineers, Inc., in the amount of $51,105 for design services of the Sodium Hypochlorite Line Replacement Project at the El Estero Wastewater Treatment Plant, and authorize the Public Works Director to approve expenditures of up to $5,110 for extra services of MNS Engineers, Inc., that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

The El Estero Wastewater Treatment Plant (El Estero) treats an average of approximately seven million gallons of wastewater each day. It is an activated sludge plant that uses microorganisms to biologically remove organic matter from wastewater.

A certain type of microorganism, Filamentous Bacteria (Filament), is beneficial to the biological treatment process in small amounts. However, in large quantities, it poses problems with treatment in the secondary clarifiers. At El Estero, there are certain times of the year when Filaments are present in large quantities, and they are controlled using sodium hypochlorite.

The existing sodium hypochlorite line is reaching the end of its useful life and now needs to be replaced. Through coordination with the Tertiary Filtration Replacement Project (Tertiary Project), a portion of this line was designed and will be constructed. This was done as a cost savings measure because new sodium hypochlorite lines were needed at the Tertiary Facility and, therefore, construction costs to add another line were minimal.

PROJECT DESCRIPTION

The Project includes replacement of the remaining portion of the sodium hypochlorite line, and the connection of the new line to existing chemical feed pumps at the chemical storage location and at the point of application. The work also includes utility potholing and bid phase support.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with MNS Engineers, Inc. (MNS), in the amount of $51,105 for design, and $5,110 for potential extra services, for a total amount of $56,215. MNS prepared the design for the portion of this line replacement associated with the Tertiary Project and is experienced in this type of work.

FUNDING

The following summarizes all estimated total Project costs:

ESTIMATED TOTAL PROJECT COST

Design (by Contract)	$56,215
Other Design Costs - City staff (if contract), Environmental (Assessments, etc.)	$15,185
Subtotal	**$71,400**
Estimated Construction Contract w/Change Order Allowance	$200,000
Estimated Construction Management/Inspection (by Contract or City)	$40,000
Estimated Other Construction Costs (testing, etc.)	$2,500
Subtotal	**$242,500**
TOTAL PROJECT COST	**$313,900**

There are sufficient appropriated funds in the Wastewater Capital Fund to cover these costs.

PREPARED BY: Linda Sumansky, Principal Civil Engineer/LA/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 7

File Code No. 540.13

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Management For El Estero Digester Cleaning And Equipment Rehabilitation Project

RECOMMENDATION:

That Council authorize the Public Works Director to execute a contract with MNS Engineering, Inc., in the amount of $54,600 for construction support services, and approve expenditures of up to $5,460 for extra services of MNS Engineers, Inc., that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

On June 10, 2014, Council awarded a contract for construction to Synagro-WWT for the El Estero Wastewater Treatment Plant Digester Cleaning and Equipment Rehabilitation Project (Project). The work included cleaning both digesters and replacing isolation valves and gas piping associated with the digesters. This Project is funded largely by a Clean Water State Revolving Fund (SRF) loan.

PROJECT DESCRIPTION

A Notice to Proceed for the Project was issued on September 22, 2014. Mechanical repairs and replacements required before the digesters can be taken off line are proceeding. Once that work is complete, the first of two digesters will be taken down and cleaned. The work for the Project is scheduled to last through August, 2015.

At the time of award, staff intended to complete the construction management of the project in house. With changes in staffing and competing priorities, staff recommends that construction management and SRF loan processing be taken over by MNS Engineers, Inc. (MNS). MNS is currently providing construction management for the Tertiary Filtration Replacement Project, for which they were selected through a request for proposal process, and has staff available to manage this Project. Staff

recommends that Council authorize the Public Works Director to execute a contract with MNS in the amount of $54,600 for construction management services, and approve expenditures of up to $5,460 for extra services that may result from necessary changes in the scope of work.

FUNDING

This project is primarily funded by an SRF loan ($836,331), with the remaining costs ($131,314) funded by the Wastewater Fund. There are sufficient funds in the Wastewater Fund to cover the cost of this Project.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
MNS	$54,600	$5,460	$60,060
TOTAL RECOMMENDED AUTHORIZATION			**$60,060**

The following summarizes all Project design costs, construction contract funding, and other Project costs:

ESTIMATED TOTAL PROJECT COST

Cents have been rounded to the nearest dollar in this table.

Construction Contract	$791,725
Construction Change Order Allowance	$79,170
Subtotal	**$870,895**
Construction Management/Inspection (by Contract)	$60,500
Construction Management/Inspection (by City Staff)	$36,250
Subtotal	**$96,750**
TOTAL PROJECT COST	**$967,645**

PREPARED BY: Lisa Arroyo, Supervising Civil Engineer/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 8

File Code No. 540.13

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Water Resources, Public Works Department

SUBJECT: Introduction Of Ordinance To Amend Municipal Code Title 16, Liquid And Industrial Waste Disposal

RECOMMENDATION: That Council:

A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code by Repealing Title 16 in its Entirety and Adding Title 16 Pertaining to Liquid and Industrial Waste Disposal; and

B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Updated Pretreatment Program Enforcement Response Plan.

DISCUSSION:

The City's wastewater system operates under a National Pollution Discharge Elimination System (NPDES) Permit, issued by the California Regional Water Quality Control Board (RWQCB). The NPDES Permit contains federal requirements under the Clean Water Act requirements and Title 40 of the Code of Federal Regulations (40 CFR), Part 403, administered by the United States Environmental Protection Agency (EPA). One requirement of the Clean Water Act, 40 CFR, Part 403, and the NPDES Permit is that the City implement an Industrial Liquid Waste Pretreatment Program, governing the quality and quantity of wastewater discharged to the City's wastewater collection system.

The purpose of the Pretreatment Program is to prevent the discharge of wastes that could interfere with the wastewater treatment process at the El Estero Wastewater Treatment Plant (El Estero). The program ensures that the City complies with its NPDES Permit requirements at El Estero, which includes the following parameters:

- Specific effluent limitations;
- Water quality-based toxic pollutant limitations;
- Criteria for sludge use or disposal;

- Removal efficiency requirements; and
- Overall requirements regarding facility operations and maintenance.

Santa Barbara Municipal Code Title 16 provides the standards and the legal authority to enforce the Pretreatment Program and thus ensure that El Estero's operation is successful.

Since the last revision to Title 16, the EPA has made changes to the requirements for the Pretreatment Program which must be incorporated into the City's Municipal Code. EPA/RWQCB inspections of local municipalities are conducted periodically in accordance with EPA protocols to ensure that Pretreatment Programs are administered according to federal requirements. Inspections of the City's Pretreatment Program have been conducted several times in recent years. This has resulted in a list of requirements and changes needed for the City's Pretreatment Program to comply with current federal regulations.

Since 2010, the City has contracted with Larry Walker Associates (LWA) to assist in revising Title 16 as required by the EPA. Title 16 has been redrafted in its entirety to comport with the updated EPA regulatory requirements. Changes have been made throughout the document to reflect current federal regulations, to add strength and clarity to the City's legal authority, and to update the Pretreatment Program's administrative structure to allow for a more streamlined implementation of City activities involved with its regulated industrial community. Some of the noted changes include:

- Adopting the general structure of the EPA's 2006 Model Sewer Use Ordinance
- Implementing Pretreatment Streamlining Rule requirements
- Implementing requirements from EPA/RWQCB Pretreatment Compliance Inspections and Audits
- Updating and adding definitions
- Defining three tiers of wastewater discharge permits and types of discharges
- Strengthening enforcement authority and tying enforcement procedures to the Enforcement Response Plan and formally incorporating this Plan into the new Title 16 by reference.

The Enforcement Response Plan, attached as Exhibit A to the Resolution, outlines procedures followed by City Pretreatment Program staff to identify, document, and respond to pretreatment violations. Incorporated in this Plan are specific criteria by which staff can determine the enforcement action most appropriate to the nature of an Industrial Waste violation. This Plan also describes the duties of Pretreatment Program staff, methods used to determine compliance with applicable regulations, and procedures to review compliance data. The Plan includes written guidelines for routine types of noncompliance and the range of enforcement actions typically taken for these violations. These routine enforcement actions include Verbal Warnings, Warning Notices, Notices of Violation, Administrative Citations, and Compliance Meetings. Any

proposed enforcement action is reviewed and approved by the Public Works Director prior to being given to the Industrial User.

The proposed Title 16 Ordinance implements non-substantive changes (40 CFR Part 403.18), which requires notification to the RWQCB at least forty-five (45) days prior to implementation. The Board of Water Commissioners was informed of this Title 16 Ordinance revision at its meeting held on November 10, 2014. The Ordinance Committee recommended approval of this matter at its meeting held November 11, 2014.

BUDGET/FINANCIAL INFORMATION:

There is no budgetary impact to the Wastewater Fund required by this Title 16 Ordinance update process.

ENVIRONMENTAL INFORMATION:

These Title 16 modifications are exempt under the California Environmental Quality Act pursuant to Section 15308 (Actions by Regulatory Agencies for the Protection of the Environment), as the changes proposed make the project consistent with federal and state regulations designed to protect the environment.

PREPARED BY: Christopher Toth, Wastewater System Manager/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE MUNICIPAL CODE BY REPEALING TITLE 16 IN ITS ENTIRETY AND ADDING TITLE 16 PERTAINING TO LIQUID AND INDUSTRIAL WASTE DISPOSAL.

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 16 of the Santa Barbara Municipal Code is amended by repealing Title 16 in its entirety and adding Title 16 which reads as follows:

Chapter 16.02 General Provisions.

16.02.010. Purpose.

The purpose of this Title is to protect the Waters of the State; provide against pollution of streams, creeks and storm drains; control and regulate Discharges to storm drains; and to control and regulate all Discharges of Waste or Wastewater into, either directly or indirectly, the sewerage system and Publicly Owned Treatment Works (POTW) of the City of Santa Barbara.

16.02.020. Scope; Conflict with Other Provisions of Code.

A. GENERAL APPLICABILITY. This Title establishes rules, regulations, and standards for the elimination of Pollutants, and governs the quality and quantity of discharged Wastes, the degree of waste pretreatment required, the issuance of Wastewater Discharge Permits, the assessment of fees and charges and the imposition of penalties for violation of this Title. Subject to the exception of subsection B hereof, the provisions of this Title shall apply to all Discharges, directly or indirectly into the

ocean, creeks, lagoons, storm drains and other Waters of the State, and to all Discharges of Wastes and Wastewater directly or indirectly into any Community Sewer or POTW of the City. To the extent that the provisions of this Title are in conflict with any other provisions of this Code, this Title shall prevail. It is not intended, however, that this Title shall operate to repeal any other provisions of this Code or to relieve any responsibility or liability imposed by or incurred under any other provision of this Code.

B. AIRPORT DISCHARGE REGULATIONS. The provisions of this Title that control Discharges into the Community Sewer or POTW of the City shall not apply to Discharges of Wastes and Wastewater into a wastewater treatment system for those areas of the City that are provided sewer service by the Goleta Sanitary District (primarily the City Airport). Rules, regulations and standards governing the quality and quantity of discharged Wastes, the degree of required pretreatment, the issuance of Wastewater Discharge Permits, the assessment of fees and charges for discharge into the Goleta Sanitary District treatment or wastewater system, and the enforcement of applicable ordinances, rules and regulations for the Goleta Sanitary District shall be determined by the Goleta Sanitary District and as described in Ordinances of the Goleta Sanitary District as presently enacted or hereinafter amended.

16.02.030. Policy.

A. PROTECTION OF HEALTH, WELFARE AND SAFETY. The City of Santa Barbara protects the health, welfare and safety of its residents by constructing, operating and maintaining a system of local Sewers, pump stations, trunk sewers and interceptors, and liquid waste treatment and disposal facilities that serve homes,

industries, commercial establishments, and institutional facilities throughout the City and surrounding area and in accordance with the requirements of State and Federal law. The following policies apply to all Sewage and liquid and industrial Waste discharged directly or indirectly into the POTW:

1. Sewage and liquid and industrial Waste will be accepted into the City sewer system, provided their acceptance will not: (a) threaten or endanger public health, (b) result in Pass Through, (c) create nuisances such as odors, insects, etc., (d) damage structures, (e) impose excessive or unnecessary collection, treatment or disposal costs on the City, (f) significantly interfere with Wastewater collection or treatment processes, (g) interfere with Wastewater and biosolids reclamation processes, (h) exceed quality limits and quantity requirements set forth in this Title or other Applicable Regulations, or (i) cause the City to violate its NPDES Permit.

2. The highest and best use of the sewerage system is the collection, treatment and reclamation or disposal of Commercial, Domestic and Industrial Wastewater.

3. Industrial Users are encouraged to meet the limitations on discharges of industrial Waste and Wastewater through the development and use of recovery and reuse procedures rather than procedures designed solely to meet Discharge limitations.

4. The City is committed to a policy of Wastewater renovation and reuse designed to provide an additional source of water supply and to reduce overall costs of Wastewater treatment and disposal.

5. Optimum use of City facilities may require scheduling discharge of

Wastewater during periods of low flow in the sewerage system as established by the Public Works Director.

6. Provisions are made in this Title to regulate industrial and other waste Discharges, to comply with applicable State and Federal government requirements and policies regarding industrial Discharges of Wastes and Wastewaters to Sewers and POTW, and to meet increasingly higher standards for treatment plant effluent quality and related environmental considerations. This Title establishes quantity and quality limitations on Sewage, liquid waste and industrial waste Discharges where such Discharges may adversely affect the sewerage system or the effluent quality. Methods of cost recovery are also established where industrial waste Discharges impose on the City additional, unnecessary or unreasonable collection, treatment, monitoring or disposal costs. Fees and charges for issuance of permits and fines for violations of the provisions of this Title shall be established by resolution of the City Council.

16.02.040. Definitions.

Unless otherwise defined herein, terms shall be as adopted in the most recent edition of *Standard Methods for the Examination of Water and Wastewater*, published by the American Public Health Association, the American Water Works Association, and the Water Environment Federation. Waste constituents and characteristics shall be measured in accordance with the procedures established by the Administrator under Section 304(h) of the Federal Act, and as set forth in detail in methods promulgated or approved pursuant to 40 CFR Part 136, Test Procedures for the Analysis of Pollutants.

Methods for sampling and analysis of wastewater may deviate from these regulations only when 40 CFR Part 136 fails to address sampling or analytical techniques for a particular Pollutant or when alternative methods of analysis have been approved by the Administrator as equivalent procedures. Unless the context requires a different meaning, the following words shall have the meaning indicated:

A. ADMINISTRATOR. The EPA Administrator or his or her designee.

B. APPLICABLE REGULATION(S). All City, State, and Federal regulations, rules, laws, ordinances, and codes as they apply to Discharges by Users to, on, or in the POTW and/or any Community Sewer.

C. AUTHORIZED OR DULY AUTHORIZED REPRESENTATIVE OF THE USER.

1. If the User is a corporation:

a. The president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or

b. The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for Wastewater Discharge Permit requirements; and where authority to sign documents has

been assigned or delegated to the manager in accordance with corporate procedures.

2. If the User is a partnership or sole proprietorship:

a. A general partner or proprietor, respectively.

3. If the User is a Federal, State, or local government facility:

a. A director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee.

4. The individuals described in subdivisions 1 through 3 above, may designate a duly authorized representative, if the authorization is in writing. The authorization specifies the individual or position responsible for the overall operation of the facility from which the Discharge originates or having overall responsibility for environmental matters for the facility. This authorization must be made in writing by the principal executive officer or ranking elected official, and submitted to the City prior to or together with any document being submitted.

D. BATCH DUMP or BATCH DISCHARGE. The Discharge of concentrated, Non-Compatible Pollutants of a quality or in a manner or method which does not comply with this Title or other applicable State or Federal laws and regulations.

E. BEST MANAGEMENT PRACTICES or BMPs. The schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in 40 CFR Part 403.5(a)(1) and (b). BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

F. BUILDING SEWER. A Sewer conveying Wastewater from the Premises of a User to a Community Sewer.

G. BENEFICIAL USES. Any and all use of the Waters of the State that are protected against quality degradation, including but not limited to domestic, municipal, and agricultural use, use for industrial supply, power generation, recreation, aesthetic enjoyment, or navigation, use for the preservation and enhancement of fish, wildlife and other aquatic resources or reserves, and other beneficial uses, tangible and intangible, as specified by Federal or State law or other Applicable Regulations.

H. BIOCHEMICAL OXYGEN DEMAND or BOD. The quantity of oxygen required for the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at twenty (20) degrees centigrade, usually expressed as a concentration (e.g., mg/L).

I. BYPASS. The intentional diversion of waste streams from any portion of a User's treatment facility.

J. CALIFORNIA CODE OF REGULATIONS or CCR. The publication of the State of California government containing finalized State regulations.

K. CATEGORICAL INDUSTRIAL USER. Any User subject to a Categorical Pretreatment Standard or Categorical Standard.

L. CATEGORICAL PRETREATMENT STANDARD or CATEGORICAL STANDARDS. Any regulation containing Pollutant Discharge limits promulgated by EPA in accordance with Sections 307(b) and (c) of the Federal Act (33 U.S.C. 1317) that apply to specific category of Users and that appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.

M. CODE OF FEDERAL REGULATIONS or CFR. The publication of the United States government that contains finalized Federal regulations.

N. CITY. City of Santa Barbara.

O. COMMERCIAL USER. Any source of Wastewater Discharge originating from a commercial business.

P. COMMERCIAL WASTEWATER. Liquid wastes originating from a commercial business, excluding Domestic Wastewater and Industrial Wastewater.

Q. COMMUNITY SEWER or SEWER. A sewer owned and operated by the City or other public agency and tributary to the POTW operated by the City.

R. COMPATIBLE POLLUTANT. Pollutants that include Biochemical Oxygen Demand, suspended solids, pH and fecal coliform bacteria. Compatible Pollutants are non-compatible when discharged in quantities that have an adverse effect on the City's collection system, treatment plant or NPDES Permit.

S. CONTAMINATION. An impairment of the quality of the Waters of the State by Waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease, aquatic life, or beneficial uses. Contamination shall include any equivalent effect resulting from the disposal of Wastewater, whether or not Waters of the State are affected.

T. DISCHARGE (including Discharged, Discharging, Discharges). Any spilling, leaking, pumping, pouring, emitting, emptying, injecting, escaping, leaching, dumping, disposing or releasing of any Waste or Wastewater to, on or in the POTW or any Community Sewer.

U. DOMESTIC WASTEWATER. Liquid Wastes (a) from the non-commercial

preparation, cooking, and handling of food; or (b) containing human excrement and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities and institutions and as are distinct from Industrial Wastewater.

V. ENVIRONMENTAL PROTECTION AGENCY or EPA. The United States Environmental Protection Agency or, where appropriate, the Regional Water Management Division Director, the Regional Administrator, or other duly authorized official of said agency.

W. EXISTING SOURCE. Any source of Discharge that is not a "New Source".

X. FEDERAL ACT. The Federal Water Pollution Control Act, PL 92-500, also known as the Clean Water Act, codified as amended at 33 USC Section 1251 et seq., and any amendments thereto; as well as any guidelines, limitations and standards promulgated by EPA pursuant to the Federal Act.

Y. FOOD ESTABLISHMENT. Any restaurant, kitchen or other similar facility, whether or not operated commercially or for profit, which is required by the County of Santa Barbara to have a permit for the preparation or provision of food for human consumption.

Z. GRAB SAMPLE. A sample that is taken from the wastestream without regard to the flow in the wastestream and over a period of time not to exceed fifteen (15) minutes.

AA. HOLDING TANK WASTE. Any waste discharged from a holding tank, including but not limited to vessels, chemical toilets, recreational vehicles, septic tanks, and vacuum pump tank trucks.

BB. INCOMPATIBLE POLLUTANT or NON-COMPATIBLE POLLUTANT. Any Pollutant which is not a Compatible Pollutant as defined in Section 16.02.040 of this Title. Incompatible Pollutants shall be regulated by applicable Pretreatment Standards, as set forth in this Title.

CC. INDUSTRIAL USER. Any source of Industrial Wastewater Discharge.

DD. INDUSTRIAL WASTEWATER. All water-carried Wastes, excluding Domestic Wastewater and Commercial Wastewater, resulting from the processing or manufacture of goods or products.

EE. INTERFERENCE. A Discharge that, alone or in conjunction with a Discharge or Discharges from other sources, inhibits or disrupts the POTW's treatment processes or operations or the processing, use or disposal of sludge by the POTW; or which causes a violation of the City's NPDES Permit or prevents lawful sludge disposal or use in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent State or local regulations: Section 405 of the Federal Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any State regulations contained in any State sludge management plan prepared to Subtitle D of the Solid Waste Disposal Act; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.

FF. LOCAL LIMIT. Specific Discharge limits developed and enforced by the City upon a permitted User to implement general and specific Discharge prohibitions listed in 40 CFR Part 403.5(a)(1) and (b).

GG. LOWER EXPLOSIVE LIMIT or LEL. The minimum concentration of a

combustible gas or vapor (usually expressed in percent by volume at sea level) which will ignite if an ignition source (sufficient ignition energy) is present. These concentrations can be found in the National Institute of Occupational Safety and Health Pocket Guide to Chemical Hazards.

HH. MASS EMISSION RATE. The weight of material discharged to the Community Sewer during a given time interval. Unless otherwise specified, the Mass Emission Rate shall mean pounds per day of a particular constituent or combination of constituents.

II. MEDICAL WASTE. Isolation wastes, infectious agents, human blood and blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.

JJ. NATIONAL PRETREATMENT STANDARD, PRETREATMENT STANDARD or STANDARD. Any regulation containing Pollutant Discharge limits promulgated by the EPA in accordance with Sections 307 (b) and (c) of the Federal Act, which applies to Industrial Users. This term includes prohibitive Discharge limits.

KK. NEW SOURCE.

1. Any building, structure, facility or installation from which there is (or may be) a Discharge of Pollutants, the construction of which commenced after the publication of proposed Pretreatment Standards under Section 307(c) of the Federal Act that will be applicable to such source if such Standards are thereafter promulgated in accordance with that section, *provided that:*

a. The building, structure, facility, or installation is constructed at a site at which no other source is located; or

b. The building, structure, facility, or installation totally replaces the process or production equipment that causes the Discharge of Pollutants at an Existing Source; or

c. The production or Wastewater generating processes of the building, structure, facility, or installation are substantially independent of an Existing Source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the Existing Source should be considered.

2. Construction on a site at which an Existing Source is located results in a modification rather than a New Source if the construction does not create a new building, structure, facility, or installation meeting the criteria of paragraphs 16.02.040(KK)(1)(b) or (c) of this Title, but otherwise alters, replaces, or adds to existing process or production equipment.

3. Construction of a New Source as defined under this paragraph has commenced if the owner or operator has:

a. Begun, or caused to begin as part of a continuous onsite construction program:

(1) Any placement, assembly, or installation of facilities or equipment; or

(2) Significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of New Source facilities or equipment; or

b. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contract under this paragraph.

LL. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT or **NPDES PERMIT.** The permit issued to control Discharges from the POTW to Waters of the United States.

MM. NUISANCE. Anything which is injurious to health or is indecent or offensive to the senses or an obstruction to the free use of property so as to interfere with the comfort or enjoyment of life or property or which affects at the same time an entire community or neighborhood or any considerable number of Persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal.

NN. PASS THROUGH. A Discharge which exits the POTW into waters of the United States in quantities or concentrations, which alone or in conjunction with a Discharge or Discharges from other sources, is a cause of a violation of any requirement of the City's NPDES Permit, including an increase in the magnitude or duration of a Discharge.

OO. PATTERN OF NON-COMPLIANCE.

1. Six or more Discharges during a twelve- (12-) month period, at least thirty-three percent (33%) of which contain the same Non-Compatible Pollutant in a concentration which exceeds the amount allowed by any applicable regulation; or

2. the failure of a User on three (3) or more occasions within a twelve-

(12-) month period to file timely any report or other document required to be filed by the User pursuant to any applicable regulation.

PP. PERSON. Any individual, partnership, co-partnership, firm, company, association, corporation, joint stock company, trust, estate, government entity, or any other legal entity, or their legal representatives, agents, or assigns. This definition includes all Federal, State, and local government entities.

QQ. POLLUTANT. Dredged spoil, solid waste, incinerator residue, filter backwash, sanitary sewage, garbage, sewage sludge, munitions, Medical Waste, chemical waste, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, municipal, agricultural, and industrial waste, and certain characteristics of Wastewater (e.g., pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, or odor).

RR. POLLUTION. An alteration of the quality of the Waters of the State by waste to a degree which unreasonably affects or impairs such waters for Beneficial Use or facilities which serve such Beneficial Uses. Pollution may include Contamination.

SS. PREMISES. Any land, including any improvements or structures thereon, which is owned, used, occupied, leased or operated by a User and from or on which Discharges occur or Wastewater is created.

TT. PRETREATMENT. The reduction of the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of pollutant properties in Wastewater prior to, or in lieu of, introducing such Pollutants into the POTW. This reduction or alteration can be obtained by physical, chemical, or biological processes; by process changes; or by other means, except by diluting the concentration of the

Pollutants unless allowed by an Applicable Pretreatment Standard.

UU. PRETREATMENT FACILITY. Any wastewater treatment system consisting of one or more treatment devices designed to remove sufficient Pollutants from waste streams to allow a User to comply with effluent limits.

VV. PRETREATMENT REQUIREMENTS. Any substantive or procedural requirement related to Pretreatment, other than a National Pretreatment Standard, imposed on a User.

WW. PRETREATMENT STANDARD or STANDARDS. Prohibited Discharge Standards, Categorical Pretreatment Standards, and Local Limits.

XX. PROCESS WASTEWATER. Any water, which during manufacturing or processing, comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, by-product, or waste product from any industrial, commercial, institutional, or agricultural source.

YY. PROHIBITED DISCHARGE STANDARDS. Absolute prohibitions against Discharge of certain substances, as specified in this Title.

ZZ. PUBLICLY OWNED TREATMENT WORKS or POTW. A treatment works, as defined by Section 212 of the Federal Act (33 USC Section 1292), which is owned by the City. This definition includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of Sewage or Industrial Wastewater and any conveyances, which convey Wastewater to a treatment plant.

AAA. PUBLIC WORKS DIRECTOR. The Director of Public Works for the City of Santa Barbara or his or her designated representative.

BBB. SEWAGE. Human excrement and gray water (household showers,

dishwashing operations, etc.).

CCC. STANDARD INDUSTRIAL CLASSIFICATION or SIC. The system of classifying industries as identified in the SIC Manual, 1972, Office of Management and Budget and as may be amended.

DDD. SIGNIFICANT INDUSTRIAL USER or SIU.

1. Any User who has Waste Discharge subject to Categorical Pretreatment Standards under 40 CFR Part 403.6 and 40 CFR chapter I, subchapter N; or

2. Any User who:

a. Discharges an average of 10,000 gallons per day or more of Process Wastewater to the POTW, excluding sanitary, non-contact cooling, and boiler blowdown wastewater; or

b. Contributes a process waste stream that makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of the POTW; or

c. Is designated by the City on the basis that the User:

(1) Has a reasonable potential, either individually or in combination with other contributing industries, for adversely affecting the POTW operation or the quality of effluent from the POTW; or

(2) May cause or threaten to cause the City to violate its NPDES Permit; or

(3) Has a reasonable potential to violate any Pretreatment Standard; or

(4) Has in its Waste Discharge, an Incompatible Pollutant.

3. The City may determine that an Industrial User subject to categorical Pretreatment Standards is a Non-Significant Categorical Industrial User rather than a Significant Industrial User on a finding that the Industrial User never discharges more than 100 gallons per day (gpd) of total categorical Wastewater, excluding sanitary, non-contact cooling and boiler blowdown Wastewater, unless specifically included in the Pretreatment Standard, and the following conditions are met:

a. The Industrial User, prior to the City's finding, has consistently complied with all applicable categorical Pretreatment Standards and Requirements;

b. The Industrial User annually submits the certification statement required in this Title, together with any additional information necessary to support the certification statement; and

c. The Industrial User never discharges untreated concentrated Wastewater.

EEE. SIGNIFICANT NONCOMPLIANCE or SNC. Any action or conduct by a User which constitutes a violation of any applicable regulation and which consists of one or more of the following:

1. Chronic violations of Wastewater Discharge limits, defined here as

those in which 66 percent (66%) or more of all of the measurements taken for the same Pollutant parameter during a 6-month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including instantaneous limits, as defined by 40 CFR Part 403.3(l);

2. Technical Review Criteria (TRC) violations, defined here as those in which 33 percent (33%) or more of all of the measurements taken for the same Pollutant parameter during a 6-month period equal or exceed the product of the numeric Pretreatment Standard or Requirement including instantaneous limits, as defined by 40 CFR Part 403.3(l) multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oil, and grease, and 1.2 for all other Pollutants except pH);

3. Any other violation of a Pretreatment Standard or Requirement as defined by 40 CFR Part 403.3(l) (daily maximum, long-term average, instantaneous limit, or narrative Standard) that the City determines has caused, alone or in combination with other Discharges, Interference, or Pass Through (including endangering the health and safety of City personnel or the general public);

4. Any Discharge of a Pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the City's exercise of its emergency authority to halt or prevent such a Discharge;

5. Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

6. Failure to provide, within 45 days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self

monitoring reports, and reports on compliance with compliance schedules;

7. Failure to accurately report noncompliance; or

8. Any other violation or group of violations, which may include a violation of BMPs, which the City determines will adversely affect the operation or implementation of its Pretreatment Program.

FFF. SLUG LOAD or SLUG DISCHARGE. Any Discharge at a flow rate or concentration, which could cause a violation of the Prohibited Discharge Standards in Chapter 16.04 of this Title. A Slug Discharge is any Discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary Batch Discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the City's regulations, Local Limits or Wastewater Discharge Permit conditions.

GGG. STATE. The State of California, including any department or agency thereof.

HHH. STORM WATER. Any flow occurring during or following any form of natural precipitation, and resulting from such precipitation, including snowmelt.

III. TOTAL TOXIC ORGANICS. The sum of all quantifiable values greater than 0.01 mg/L for the toxic organics listed below:

Acenaphthene	4-Chlorophenyl phenyl ether	Benzo(ghi) perylene
Acrolein	4-Bromophenyl phenyl ether	Fluorene
Acrylonitrile	Bis(2-chloroisopropyl) ether	Phenanthrene
Benzene	Bis(2-chloroethoxy) ether	Dibenzo(a,h) anthracene
Benzidine	Methylene chloride	Indeno(1,2,3-cd) pyrene
Carbon tetrachloride	Methyl chloride	Pyrene
Chlorobenzene	Methyl bromide	Tetrachloroethylene
1,2,4-Trichlorobenzene	Bromoform	Toluene

Hexachlorobenzene	Dichlorobromomethane	Trichloroethylene
1,2-Dichloroethane	Chlorodibromomethane	Vinyl chloride
1,1,1-Trichloroethane	Hexachlorobutadiene	Aldrin
Hexachloroethane	Hexachlorocyclopentadiene	Dieldrin
1,1-Dichloroethane	Isophorone	4,4'-DDT
1,1,2-Trichloroethane	Naphthalene	4,4'-DDE
1,1,2,2-Tetrachloroethane	Nitrobenzene	4,4'-DDD
Chloroethane	2-Nitrophenol	alpha-Endosulfan
Bis(2-chloroethyl) ether	4-Nitrophenol	beta-Endosulfan
2-Chloroethyl vinyl ether	2,4-Dinitrophenol	Endosulfan sulfate
2-Chloronaphthalene	4,6-Dinitro-o-cresol	Endrin
p-Chloro-m-cresol	N-nitrosodimethylamine	Endrin aldehyde
Chloroform	N-nitrosodiphenylamine	Heptachlor
2-Chlorophenol	N-nitrosodi-n-propylamine	Heptachlor epoxide
1,2-Dichlorobenzene	Pentachlorophenol	alpha-BHC
1,3-Dichlorobenzene	Phenol	beta-BHC
1,4-Dichlorobenzene	Bis(2-ethylhexyl) phthalate	gamma-BHC
3,3'-Dichlorobenzidine	Butyl benzyl phthalate	delta-BHC
1,1-Dichloroethylene	Di-n-butyl phthalate	Arochlor 1242
1,2-trans-Dichloroethylene	Di-n-octyl phthalate	Arochlor 1254
2,4-Dichlorophenol	Diethyl phthalate	Arochlor 1221
1,2-Dichloropropane	Dimethyl phthalate	Arochlor 1232
1,3-Dichloropropylene	Benzo(a)anthracene	Arochlor 1248
2,4-Dimethylphenol	Benzo(a)pyrene	Arochlor 1260
2,4-Dinitrotoluene	Benzo(b)fluoranthene	Arochlor 1016
2,6-Dinitrotoluene	Benzo(k)fluoranthene	Toxaphene
1,2-Diphenylhydrazine	Chrysene	Fluoranthene
Ethylbenzene	Acenaphthylene	Anthracene
Chlordane (tech and metabolites)		

JJJ. TOTAL SUSPENDED SOLIDS or SUSPENDED SOLIDS. The total suspended matter that floats on the surface of, or is suspended in, water, Wastewater, or other liquid, and that is removable by laboratory filtering.

KKK. UNPOLLUTED WATER. Water to which no constituent has been added, either intentionally or accidentally, which would render such water unacceptable to the City having jurisdiction thereof for disposal to storm or natural drainages or directly to surface waters.

LLL. USER. Any Person who discharges from any Premises used, in whole or in part, and whether intermittently or continuously, for any commercial, industrial, manufacturing, or institutional purpose.

MMM. WASTE. Sewage and any and all other waste substances, liquid, solid, gaseous or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing or processing operation of whatever nature, including such Waste placed within containers of whatever nature prior to, and for purposes of, disposal.

NNN. WASTEWATER. Liquid and water-carried industrial Wastes and Sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which contribute to the POTW.

OOO. WASTEWATER CONSTITUENTS AND CHARACTERISTICS. The individual chemical, physical, bacteriological and radiological parameters, including volume and flow rate and such other parameters, that serve to define, classify or measure the contents, quality, quantity and strength of Wastewater.

PPP. WASTEWATER DISCHARGE PERMIT. A permit issued to a User that allows it to discharge Wastewater to the Community Sewer and POTW.

QQQ. WATERS OF THE STATE. Any water, surface or underground, including saline waters within the boundaries of the State as defined in 40 CFR Part 230.3(s).

Chapter 16.04 Regulations.

16.04.010. General Prohibitions on Discharges.

No Person shall introduce or cause to be introduced into a Community Sewer or

the POTW any Waste or Wastewater which causes Pass Through or Interference. Additionally, no User shall introduce or cause to be introduced into the POTW the following Pollutants, substances, or Wastewater:

A. That create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flashpoint of less than 140 degrees Fahrenheit (60 degrees centigrade) using the test methods specified in 40 CFR Part 261.21. Closed-cup flashpoint values may be found in the National Institute of Occupational Safety and Health (NIOSH) *Pocket Guide to Chemical Hazards*;

B. That have a pH lower than 6.0 or greater than 10.0, or otherwise causing corrosive structural damage to the POTW or equipment;

C. That contain solids or viscous substances in amounts which will cause obstruction of flow in the POTW resulting in Interference or damage;

D. That include oxygen-demanding substances (BOD, etc.) which are released at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause Interference with the POTW;

E. That cause the temperature at the POTW to be greater than 104 degrees Fahrenheit (40 degrees centrigrade), impairment or inhibition of biological treatment processes or temperatures of greater than 140 degrees Fahrenheit (60 degrees centigrade) at the point of Discharge;

F. That include petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin, in amounts that will cause Interference or Pass Through;

G. That result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems;

H. From any trucked or hauled Pollutants, except at Discharge points designated by the City;

I. That are noxious or malodorous liquids, gases, solids, or other Wastewater which, either singly or by interaction with other Wastes, are sufficient to create a public nuisance or a hazard to life, or to prevent entry into the Community Sewer for maintenance and repair;

J. That causes the City's effluent or any other product of the treatment process, residues, sludges, or scums, to be unsuitable for reclamation and reuse or to interfere with the reclamation process;

K. That causes a detrimental environmental impact or a nuisance in the Waters of the State or a condition unacceptable to any public agency having regulatory jurisdiction over the City;

L. That create conditions at or near the City's POTW which violate any statute or any rule, regulation, or ordinance of any public agency or State or Federal regulatory body, or which cause the City to violate its NPDES Permit;

M. Quantities or rates of flow which overload the City's collection or treatment facilities, cause excessive City collection or treatment costs, or use a disproportionate share of the City facilities;

N. That causes an LEL reading of greater than ten percent (10%) as hexane at any point within the POTW. LEL values may be found in the NIOSH *Pocket Guide to Chemical Hazards*;

O. That causes obstruction or increased treatment costs due to the presence of any sand, grit, straw, metal, glass, rags, feathers, tar, plastic, wood, manure, dead

animals, offal or any other solid viscous substance which in any way interferes with the proper operation of the POTW; or

P. That causes toxicity at the treatment plant or in the collection system due to the presence of toxic or poisonous substances in sufficient quantities to constitute a hazard to humans or animals or to create a hazard at the treatment plant or to injure or interfere with any sewage treatment processes.

Q. Medical Wastes, except as specifically authorized by Public Works Director in a Wastewater Discharge Permit.

R. Hazardous Waste, which meets the definition under CCR Title 22, Article 11, except as specifically authorized by the Public Works Director in a Wastewater Discharge Permit.

S. Radioactive waste

T. Containing gasoline, naphtha, petroleum oils or any volatile, flammable or explosive gas, liquid or solid in sufficient quantities or combinations to constitute a hazard to humans or animals, to create a hazard in the POTW or to injure or interfere with any sewage treatment process.

Pollutants, substances, or Wastewater prohibited by this Section shall not be processed or stored in such a manner that it could be discharged to the POTW.

16.04.040. Prohibition on Unpolluted Water.

A. PROHIBITED DISCHARGE INTO COMMUNITY SEWER. No Person shall discharge or cause to be discharged any Storm Water, surface water, ground water, subsurface drainage, or any uncontaminated, unseptic, or non-septic cooling

water, boiler exhaust, blow-off water, non-septic wash-rack drainage, or uncontaminated and non-septic industrial process water, directly or indirectly, to, on or into a Community Sewer unless a permit has previously been issued thereof by the City. The City may approve the Discharge of such water only when no reasonable alternative method of disposal is available.

If a permit is granted for the Discharge of such water into a Community Sewer, the Person shall pay the applicable user charges and fees and meet such other conditions as required by the City.

16.04.050. Slug Discharges.

No User shall discharge or cause to be discharged any Slug Load of materials, chemicals, products, or Waste into the POTW.

16.04.070. Limitations on the Use of Commercial Garbage Grinders.

Waste from commercial garbage grinders shall not be discharged into a Community Sewer.

16.04.080. Requirement for Interceptors.

A. Sand and Oil Interceptors.

Sand and oil, interceptors shall be provided when, in the opinion of the Public Works Director, they are necessary for the removal of sand or oil. All interceptors units shall be of a type and capacity approved by the Public Works Director shall be located to be easily accessible for cleaning and inspection. Such interceptors shall be installed,

utilized and properly maintained in continuous and efficient operation at all times and at the expense of the User.

B. Food Establishments.

Grease and oil interceptors shall be provided at all Food Establishments, or when the Health Officer of the County or the Public Works Director determines that they are necessary for the proper handling of liquid waste containing excessive amounts of grease or oil. No such interceptor shall be required for private dwellings. Grease and oil interceptors shall be installed, utilized and properly maintained in continuous and efficient operation at all times and at the expense of the User. All interceptors shall be of a type, capacity and construction approved in writing by the Public Works Director. Interceptors shall be located so as to be readily and easily accessible for cleaning and inspection and shall be accessible at all times to personnel from the City and the Health Officer of the County for inspection and sampling. Food Establishments which do not have a dishwashing machine or garbage grinder and which show that the Discharge does not contribute grease or oil in excess of the limitations of this Title may apply for a variance from the requirement to install an interceptor.

16.04.090. Requirement for Installation of Sampling Box.

When directed by the Public Works Director, Food Establishments shall install a sampling box of a size and type to be specified by the Public Works Director.

16.04.100. Limitations on Point of Discharge.

No Person shall discharge any substances directly into a manhole or other

opening in a Community Sewer other than through a City-approved Building Sewer. The User must submit a written application and payment of the applicable User charges and fees to the City.

16.04.110. Holding Tank Waste.

A User proposing to discharge Holding Tank Waste into a Community Sewer must obtain a City permit. Unless allowed by the City under the terms and conditions of the permit, a separate permit must be obtained for each separate Discharge. This permit will state the specific location of Discharge, the time of day the Discharge is to occur, the volume of the Discharge and the Wastewater Constituents and Characteristics. If a permit is granted for Discharge of such waste into a Community Sewer, the User shall pay the applicable User charges and fees and shall meet such other conditions as required by the City.

16.04.120. Local Limitations on Wastewater Strength.

A. LIMITS ON WASTEWATER STRENGTH. No Person shall discharge Wastewater containing an excess of (as a daily maximum):

0.27 milligrams per liter (mg/L) arsenic
0.09 mg/L cadmium
1.1 mg/L copper
0.97 mg/L cyanide
2.0 mg/L lead
0.032 mg/L mercury
1.86 mg/L nickel
0.59 mg/L silver
2.64 mg/L total chromium
7.11 mg/L zinc
9.37 mg/L selenium
0.189 mg/L chlorinated phenolics

42.47 mg/L phenolics
100 mg/L oil or grease of animal or vegetable origin
100 mg/L oil or grease of mineral or petroleum origin
1.3 micrograms per liter (µg/L) endosulfan
0.6 µg/L endrin
0.7 µg/L HCH, or
0.222 mg/L PCBs.

The above limits apply at the point where the Wastewater is discharged to the Community Sewer. All concentrations for metallic substances are for total metal, unless indicated otherwise. The City may impose mass limitation in addition to the concentration-based limitations above.

B. DILUTION PROHIBITED.

No User shall ever increase the use of process waste, or in any way attempt to dilute a Discharge, as a partial or complete substitute for adequate treatment to achieve compliance with a Discharge limitation unless expressly authorized by an applicable Pretreatment Standard or Requirement. The City may impose mass limitations on Users who are using dilution to meet applicable Pretreatment Standards or Requirements, or in cases when the imposition of mass limitation is appropriate.

C. NATIONAL CATEGORICAL PRETREATMENT STANDARDS.

Users must comply with the categorical Pretreatment Standards found in 40 CFR Chapter I, Subchapter N, Parts 405-471.

D. BMPS. The Public Works Director may develop BMPs, by ordinance or in Wastewater Discharge Permits to implement Local Limits and the requirements of Chapter 16.04.

16.04.140. Fire Precautions.

Smoking, open fires, the striking of matches, open flame lamps or lanterns, and electrical equipment and appliances that will generate or produce sparks or fire shall not be permitted in any tunnel, storm drain, Sewer or portion thereof where there is or may be an accumulation of flammable gas in explosive quantities.

16.04.150. Right to Revision.

The City reserves the right to establish, by ordinance or in Wastewater Discharge Permits, more stringent Standards or Requirements on Discharges to the POTW consistent with the purpose of this Title.

Chapter 16.08 Administration.

16.08.010. Baseline Monitoring Report.

A. REQUIRED REPORTING. Within 180 days after the effective date of a Categorical Pretreatment Standard or 180 days after the final administrative decision made upon a category determination submission under 40 CFR Part 403.6(a)(4), whichever is later, Existing Sources subject to such Categorical Pretreatment Standards and currently discharging to or scheduled to discharge to the POTW shall be required to submit to the City a report which contains the information listed in Sections 16.08.010 (B)(1)-(8) of this Title. At least ninety (90) days prior to commencement of Discharge, New Sources, and sources that become Categorical Industrial Users subsequent to the promulgation of an applicable Categorical Standard, shall be required to submit to the City a report which contains the information listed in Sections 16.08.010(B)(1)-(5) of this

Title. New Sources shall report the method of pretreatment they intend to use to meet applicable Categorical Standards. New Sources shall give estimates of the information requested in Sections 16.08.010(B)(4) and (5) of this Title:

B. REQUIRED REPORTING INFORMATION. Users, including Existing Users and New Sources, shall submit to the City within the time limits set forth above, the information provided below:

1. Identifying information. The User shall submit the name and address of the facility including the name of the operator and owners;

2. Permits. The User shall submit a list of any environmental control permits held by or for the facility;

3. Description of operation. The User shall submit a brief description of the nature, average rate of production, and Standard Industrial Classification of the operation(s) carried out by such Industrial User. This description should include a schematic process diagram which indicates points of Discharge to the POTW from the regulated processes.

4. Flow measurement. The User shall submit information showing the measured average daily and maximum daily flow, in gallons per day, to the City from each of the following:

a. Regulated process streams; and

b. Other streams as necessary to allow use of the combined waste stream formula of 40 CFR Part 403.6(e). (See paragraph (B)(5)(f) of this section.)

5. Measurement of Pollutants.

a. The User shall identify the Categorical Pretreatment

Standards applicable to each regulated process and any new categorically-regulated processes for Existing Sources;

b. The User shall submit the results of sampling and analysis identifying the nature and concentration (or mass, where required by the City) of regulated Pollutants in the Discharge from each regulated process.

c. Instantaneous, daily maximum, and long-term average concentrations (or mass, where required) shall be reported.

d. The sample shall be representative of daily operations. In cases where the Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the City or the applicable Standards to determine compliance with the Standard;

e. The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph.

f. Samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated Wastewater prior to pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula of 40 CFR Part 403.6(e) in order to evaluate compliance with the Pretreatment Standards. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR Part 403.6(e) this adjusted limit along with supporting data shall be submitted to the City;

g. Sampling and analysis shall be performed in accordance

with the techniques prescribed in 40 CFR Part 136 and amendments thereto. Where 40 CFR Part 136 does not contain sampling or analytical techniques for the Pollutant in question, or where the Administrator determines that the 40 CFR Part 136 sampling and analytical techniques are inappropriate for the Pollutant in question, sampling and analysis shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures approved by the Administrator, including procedures suggested by the City or other parties;

h. The City may allow the submission of a baseline report which utilizes only historical data as long as the data provides information sufficient to determine the need for industrial Pretreatment measures;

i. The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected Pollutant Discharges to the POTW.

6. Compliance Certification. A statement, reviewed by an Authorized Representative of the User and certified to by a qualified professional, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional pretreatment is required for the User to meet the Pretreatment Standards and Requirements;

7. Compliance Schedule. If additional pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the User will provide such additional pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard.

8. Signature and Report Certification. All baseline monitoring reports must be certified in accordance with Section 16.08.060 of this Title and signed by an Authorized Representative of the User.

16.08.020. Compliance Schedule Progress Report.

The following conditions shall apply to the schedule required by Section 16.08.010(B)(7) of this Title:

A. The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional Pretreatment required for the User to meet the applicable Pretreatment Standards (e.g., hiring an engineer, completing preliminary plans, completing final plans, executing contract for major components, commencing construction, completing construction, etc.);

B. No increment referred to the above shall exceed nine (9) months;

C. The User shall submit a progress report to the City no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for delay, and if appropriate, the steps being taken by the User to return to the established schedule; and

D. In no event shall more than nine (9) months elapse between such progress reports to the City.

16.08.030. Reports on Compliance with Categorical Pretreatment Standard Deadline.

Within ninety (90) days following the date for final compliance with applicable Categorical Pretreatment Standards or in the case of a New Source following commencement of the introduction of Wastewater into the POTW, any User subject to Pretreatment Standards and Requirements shall submit to the City a report containing the information described in Section 16.08.010(B)(4) and (5) of this Title. For Users subject to equivalent mass or concentration limits established by the City in accordance with the procedures in 40 CFR Part 403.6(c), this report shall contain a reasonable measure of the User's long term production rate. For all other Users subject to Categorical Pretreatment Standards expressed in terms of allowable Pollutant Discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section 16.08.060 of this Title.

16.08.040. Compliance Reports.

A. INDUSTRIAL USER REPORTS. All Significant Industrial Users (Tier I Users in Section 16.08.120(B)(1)) shall submit reports to the City in accordance with 40 CFR Part 403.12(e) and (h). These reports shall be submitted twice each year for the periods July 1 through December 31; and January 1 through June 30; and shall be due on January 30 and July 30 of each year, respectively. If a User monitors any regulated Pollutant at the appropriate sampling location more frequently than required, using the

procedures specified in Section 16.08.130 of this Title, the results of this monitoring shall be included in these reports.

B. PERMITTED USER REPORTS. All other permitted Users (Tier II and Tier III as defined in Section 16.08.120(B)(2) and (3)) shall submit reports to the City in accordance with its Wastewater Discharge Permit requirements.

C. REQUIRED CERTIFICATION OF REPORTS. All periodic compliance reports must be signed and certified in accordance with Section 16.08.060 of this Title.

16.08.050. Hauled Waste Reporting/Requirements.

Industrial waste haulers must provide a waste-tracking form for every load. This form shall include, at a minimum, the name and address of the industrial waste hauler, permit number, truck identification, names and address of sources of waste, and volume and characteristics of waste. The form shall identify the type of industry, known or suspected waste constituents, and whether any wastes are RCRA hazardous wastes.

16.08.060. Certification Requirement.

A. Certification of Permit Applications and User Reports. All reports shall include the following certification: "I certify under penalty of perjury that this document and all attachments to it were prepared under my direction or supervision and in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the Person or Persons who manage the system or those Persons directly responsible for gathering the information, the information submitted is to the best of my knowledge and belief true,

accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations." Reports shall be signed by a responsible corporate officer, general partner, or a duly authorized individual as defined in 40 CFR Part 403.12(l).

B. Annual Certification for Non-Significant Categorical Industrial Users. A facility determined to be a Non-Significant Categorical Industrial User by the City pursuant to Sections 16.02.040.DDD and 16.08.120.D.9 of this Title must annually submit the following certification statement signed in accordance with the signatory requirements in Section 16.02.040 C. This certification must accompany an alternative report required by the City:

"Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR ___, I certify that, to the best of my knowledge and belief that during the period from _____ to _____ [month, days, year):

(1) The facility described as _____ [facility name] met the definition of a Non-Significant Categorical Industrial User as described in Section 16.02.040 DDD of this Title;

(2) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and

(3) The facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based on the following information."

16.08.070. Notification of Changed Discharge.

All Users shall promptly notify the City in advance of any substantial change in the volume or character of Pollutants in their Discharge, or of any planned significant changes to the User's operations or system which might alter the nature, quality or volume of the Discharge. The City may require the User to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a Wastewater Discharge Permit application under Sections 16.08.120 of this Title, if necessary.

16.08.090. Notification of Violation.

If sampling performed by a User indicates a violation, the User must notify the City within twenty-four (24) hours of becoming aware of the violation. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the City within thirty (30) days after becoming aware of the violation. Resampling by the User is not required if the City performs sampling at the User’s facility at least once a month, or if the City performs sampling at the User’s facility between the time when the initial sampling was conducted and the time when the User or the City receives the results of this sampling, or if City has performed the sampling and analysis in lieu of the User.

If the City performed the sampling and analysis in lieu of the User, the City will perform the repeat sampling and analysis unless it notifies the User of the violation and requires the User to perform the repeat sampling and analysis.

16.08.100. Notification of Potential Problems.

A. REQUIRED NOTICE OF DISCHARGE. In case of any Discharge, including, but not limited to, accidental Discharges, Discharges of a non-routine, episodic nature, a noncustomary Batch Discharge, a Slug Discharge or Slug Load, that might cause potential problems for the POTW, the User shall immediately telephone and notify the Public Works Director of the incident. This notification shall include the location of the Discharge, type of waste, concentration, and volume, if known, and corrective actions taken by the User.

B. REPORT ON DISCHARGE. Within five (5) days following such Discharge, the User shall, unless waived by the Public Works Director, submit a detailed written report describing the cause(s) of the Discharge and measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability that might be incurred as the result of damage to the POTW, natural resources, or any other damage to Person or property; nor shall such notification relieve the User of any fines, penalties, or other liability which may be imposed pursuant of this Title.

C. NOTIFICATION PROTOCOL. A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees who to call in the event of a Discharge described in Section 16.08.100(A). Employers shall ensure that all employees, who cause such a Discharge to occur, are advised of the emergency notification procedure.

D. NOTICE OF SLUG DISCHARGE. Users are required to notify the

Public Works Director immediately of any changes at its facility affecting the potential for a Slug Discharge.

16.08.120. Wastewater Discharge Permits.

A. PERMIT ADMINISTRATION. All permits under this Title shall be administered by Public Works Director or designee.

B. MANDATORY PERMITS. Users proposing to connect or to discharge into a Community Sewer must obtain a Wastewater Discharge Permit prior to discharge:

1. Tier I Significant Industrial User - Any User who meets any of the following conditions:

a. Has a Waste Discharge subject to Categorical Pretreatment Standards;

b. Has an average Discharge flow of 10,000 gallons per day or more of Process Wastewater to the POTW, excluding sanitary, non-contact cooling water, and boiler blowdown wastewater;

c. Contributes a process waste stream that makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of the POTW; or

d. Is designated by the City on the basis that the User:

(1) Has a reasonable potential, either individually or in combination with other contributing industries, for adversely affecting the POTW operation or upon the quality of effluent from the POTW;

(2) May cause or threaten to cause the City to violate its

NPDES permit;

(3) Has reasonable potential to violate any Pretreatment Standard; or

(4) Has in its Waste Discharge, a toxic Pollutant.

2. Tier II Non-Significant Industrial User - Any User who meets any of the following criteria:

a. Is not required to obtain a Tier I Permit;

b. Is a Non-Significant Categorical Industrial User;

c. Has Discharge characteristics greater than typical Domestic Wastewater;

d. Discharges industrial or commercial wastewater which may have potential effects on the City's POTW; or

e. Has a reasonable potential to violate any Local Limit, Pretreatment Standard, or Pretreatment Requirement.

3. Tier III Groundwater Dischargers - Any User who discharges groundwater to the POTW.

C. OPTIONAL PERMITS. The Public Works Director may issue a Wastewater Discharge Permit, upon application and in accordance with the terms of this Title, for any of the following kinds of Users:

1. A User who has elected that user charges and fees be based on an estimation of Wastewater flow;

2. A User who has installed or been required to install equipment

designed or intended to reduce Wastewater strength; or

3. A User for whom the Public Works Director has determined that monitoring is required to ensure that Discharges comply with all Applicable Regulations.

D. PERMIT APPLICATION. Prospective or existing Users seeking a Wastewater Discharge Permit shall complete and file with the City an application in the form prescribed by the Public Works Director, accompanied by the applicable fees. The applicant shall be required to submit, in units and terms appropriate for evaluation, the following information:

1. Identifying Information.

a. The name and address of the facility, including the name of the operator and owner.

b. Contact information, description of activities, facilities, and plant production processes on the Premises.

2. Environmental Permits.

A list of any environmental control permits held by or for the facility.

3. Description of Operations, including all of the information listed below.

a. A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production), and SIC number(s) of the operation(s) carried out by such User. This description should include a schematic process diagram, which indicates the points of Discharge to the POTW from regulated processes.

b. Types of wastes generated, and a list of all raw materials

and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the POTW.

c. Number and type of employees, hours of operation, and proposed or actual hours of operation.

d. Type and amount of raw materials processed (average and maximum per day).

e. Site plans, floor plans, mechanical and plumbing plans, and details to show all Sewers, floor drains, and appurtenances by size, location, and elevation, and all points of Discharge.

4. Time and duration of Discharges.

5. The location of monitoring all Wastes covered by the Wastewater Discharge Permit.

6. Flow Measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula (40 CFR Part 403.6(e)). Flow rates should also include the 30-minute peak wastewater flow rate and monthly and seasonal variations if they exist.

7. Measurement of Pollutants.

a. The User shall identify the Categorical Pretreatment Standards applicable to each regulated process and any new categorically-regulated processes for Existing Sources.

b. The User shall submit the results of sampling and analysis identifying the nature and concentration (or mass, where required by the City) of

regulated Pollutants in the Discharge from each regulated process.

c. Instantaneous, daily maximum, and long-term average concentrations (or mass, where required) shall be reported.

d. The sample shall be representative of daily operations. In cases where the Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the City or the applicable Standards to determine compliance with the Standard.

8. Any other information deemed by the Public Works Director to be necessary to evaluate the permit application.

9. Application Signatories and Certifications. All Wastewater Discharge Permit applications must be certified in accordance with Section 16.08.060 of this Title and signed by an Authorized Representative of the User.

A facility determined to be a Non-Significant Categorical Industrial User by the Public Works Director pursuant to 16.02.040.DDD must annually submit the signed certification statement in Section 16.08.060.B.

E. PUBLIC WORKS DIRECTOR PERMIT REVIEW AND DETERMINATION.

The Public Works Director will evaluate the data furnished by the User. After evaluation and acceptance of the data furnished, the Public Works Director may issue a Wastewater Discharge Permit subject to terms and conditions provided herein. The Public Works Director may deny issuance of a permit where the Discharge alone, or in combination with other Discharges, has the potential to cause:

1. Interference;

2. Pass Through;

3. Insufficient capacity; or

4. Risk to health and safety.

F. PERMIT CONDITIONS.

Wastewater Discharge Permits shall be subject to all Applicable Regulations, User charges and fees established by the City. The conditions of Wastewater Discharge Permits shall be enforced by the Public Works Director in accordance with all Applicable Regulations.

Wastewater Discharge Permits must contain the following:

1. A statement that indicates the Wastewater Discharge Permit issuance date, expiration date, and effective date.

2. A statement that the Wastewater Discharge Permit is nontransferable.

3. Effluent limits, including BMPs, based on applicable Pretreatment Standards.

4. Self-monitoring, sampling, reporting, notification, and recordkeeping requirements. These requirements shall include an identification of Pollutants (or BMPs) to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law.

5. A statement of applicable civil and criminal penalties for violation of Pretreatment Standards and Requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law.

6. Requirements to control Slug Discharge, if determined by the

Public Works Director to be necessary.

7. Compliance with the Wastewater Discharge Permit does not relieve the User of responsibility for compliance with all applicable Federal and State Pretreatment Standards, including those which become effective during the term of the Wastewater Discharge Permit.

8. Wastewater Discharge Permits may include any of the following:

a. Limits on rate and time of discharge and/or requirements for flow regulations and equalization;

b. Requirements for the installation of Pretreatment technology, pollution control, or construction of appropriate containment devices designed to reduce, eliminate, or prevent the introduction of Pollutants into the POTW;

c. Requirements for the development and implementation of spill control plans or other special conditions including BMPs necessary to adequately prevent accidental, unanticipated, or non-routine Discharges;

d. Development and implementation of waste minimization plans to reduce the amount of Pollutants discharged to the POTW;

e. Requirements for installation and maintenance of inspection and sampling facilities and equipment, including flow measurement devices;

f. Statements of applicable administrative, civil, and criminal penalties for violation of Pretreatment Standards and Requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that requirement by applicable Federal, State, or local law; and

g. Other conditions as deemed appropriate by the Public Works

Director to ensure compliance with this Title, and State and Federal laws, rules, and regulations.

G. DURATION OF PERMITS. Permits shall be issued for a specified time period, not to exceed five (5) consecutive years from the effective date of the permit. If the User wants to continue discharge after the expiration of the Wastewater Discharge Permit, a Wastewater Discharge Permit application must be submitted a minimum of forty-five (45) days prior to the expiration date of the Wastewater Discharge Permit. If the User submits a completed Wastewater Discharge Permit application and through no fault of the User, a new Wastewater Discharge Permit is not issued prior to the expiration of the existing Wastewater Discharge Permit, the existing Wastewater Discharge Permit will remain in effect until the City reissues, or denies, as the case may be, a new Wastewater Discharge Permit.

All Wastewater Discharge Permits issued to a User are void upon issuance of a new Wastewater Discharge Permit to that User.

H. PERMIT FEES. Wastewater Discharge Permit fees shall be set by a resolution of the City Council and shall reflect all costs associated with administering the permit.

I. PERMIT MODIFICATIONS. The terms and conditions of the Wastewater Discharge Permit are subject to modification and change by the Public Works Director prior to the expiration of the permit. The Public Works Director shall attempt to inform the User of modifications to a Wastewater Discharge Permit at least thirty (30) days prior to the modification effective date. Unless the circumstances require otherwise as determined by the Public Works Director, modifications or new conditions to a

Wastewater Discharge Permit shall be issued in writing and shall include a reasonable time schedule for compliance. A Wastewater Discharge Permit may be modified for any of the following reasons:

1. To incorporate any new or revised Federal, State, or local Pretreatment Standards or Requirements.

2. To address significant alterations or additions to the User's operations, processes, or wastewater volume or character since the time of permit issuance.

3. A change in the POTW that requires either a temporary or permanent reduction or elimination of an authorized Discharge.

4. Information indicating that the permitted User poses a threat to the City's POTW, personnel, or receiving waters.

5. Violation of any terms or conditions of the permit.

6. Misrepresentation or failure to fully disclose all relevant facts in the permit application or in any required reporting.

7. Revision of, or a grant of variance from, any Categorical Pretreatment Standard.

8. To correct typographical or other errors in the permit.

J. NO PERMIT TRANSFER. Wastewater Discharge Permits are issued to a specific User for a specific operation. A Wastewater Discharge Permit shall not be reassigned, transferred or sold to a new or different owner, User, or Premises, or to a new or changed operation at or on any permitted or previously permitted Premises. Wastewater Discharge Permits shall be void upon cessation of operations or transfer to

a different User.

K. PERMIT REVOCATION. Any User who violates any of the following conditions of the Wastewater Discharge Permit or of this Title, or applicable State and Federal regulations, is subject to having its permit revoked:

1. Failure to provide prior notification to the Public Works Director of changed conditions pursuant of Section 16.08.070 of this Title;

2. Misrepresentation or failure to fully disclose all relevant facts in the Wastewater Discharge Permit application;

3. Falsifying self-monitoring reports and certification statements;

4. Tampering with monitoring equipment;

5. Refusing to allow the Public Works Director timely access to the facility Premises and/or records;

6. Failure to meet effluent limitations;

7. Failure to pay fines;

8. Failure to pay sewer charges;

9. Failure to meet compliance schedules;

10. Information indicating that the permitted User poses a threat to the City's POTW, personnel, or receiving waters; or

11. Violation of any Pretreatment Standard or Requirement, or any terms of the Wastewater Discharge Permit or this Title.

16.08.130. Monitoring Facilities and Sampling Procedures.

A. INSTALLATION OF MONITORING FACILITIES. The Public Works

Director shall require the User to construct, at its own expense, monitoring facilities adequate to allow inspection and sampling of the Sewer or internal drainage systems at, upon, or in the User's Premises. The Public Works Director may also require the construction of flow measurement facilities and sampling or metering equipment, and may specify which facilities and equipment shall be provided, installed, and operated at the User's expense. The monitoring facility should normally be situated on the User's Premises, but the Public Works Director may, when such a location would be impractical or would cause undue hardship on the User, allow the facility to be constructed in the public street or sidewalk area and located so that it will not be obstructed by landscaping or parked vehicles; provided, however, that the User shall be required to comply with all applicable encroachment and other land use requirements.

B. ACCESS TO MONITORING FACILITIES. If the monitoring facility is inside or on the User's Premises, User shall allow ready access for City personnel. Any change to the accessibility of the User's Premises, such as a new lock or combination, must be provided to the Public Works Director within twenty-four (24) hours following the change.

C. OBSTRUCTION TO ACCESS. Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the User at the request of the Public Works Director and shall not be replaced. The costs of clearing such access shall be paid by the User. All costs of removing temporary or permanent obstructions shall be paid by the User.

D. CONSTRUCTION OF MONITORING FACILITIES. Whether constructed on public or private property, the sampling and monitoring facilities shall be

provided in accordance with the City's requirements and all applicable construction standards and specifications. Construction shall be completed within ninety (90) days following written notification by the City; unless a time extension is otherwise granted by the City.

E. SAMPLING PROCEDURES.

1. Except as provided in Subsection 16.08.130(E)(2) and (3) of this Chapter, the User must collect Wastewater samples using 24-hour flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the Public Works Director. Where time-proportional composite sampling or grab sampling is authorized by the Public Works Director, the samples must be representative of the Discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple Grab Samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease, the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the City, as appropriate. In addition, Grab Samples may be required to show compliance with instantaneous limits.

2. Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques. Actual sample type requirements shall be included in the Wastewater Discharge Permit.

3. For sampling required in support of the reports required in Sections 16.08.010 and 16.08.030 of this Chapter, a minimum of four (4) Grab Samples must be used for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the Public Works Director may authorize a fewer grab samples.

4. For reports required by Section 16.08.040 of this Title, the User is required to collect the number of Grab Samples necessary to assess and assure compliance with applicable Pretreatment Standards and Requirements.

16.08.140. Recordkeeping.

Users subject to the reporting requirements of this Title shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this Title, any additional records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements, and documentation associated with BMPs established under Section 16.04.120(E) of this Title. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the User or the City, or where the User has been specifically notified of a longer retention period by the Public Works Director.

16.08.150. Inspection and Sampling.

The Public Works Director shall have the right to enter the Premises of any User to determine whether the User is complying with all requirements of this Title and any Wastewater Discharge Permit or order issued hereunder. Users shall allow the Public Works Director access to all parts of the Premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.

A. USER SECURITY. Where a User has security measures in force which require proper identification and clearance before entry into its Premises, the User shall make necessary arrangements with its security guards so that, upon presentation of suitable identification, the Public Works Director shall be permitted to enter without delay for the purposes of performing specific responsibilities.

B. INSPECTION INSTALLATIONS. The Public Works Director shall have the right to install devices on the User's property, or require installation of devices, as are necessary to conduct sampling and/or metering of the User's operation.

C. DELAY IN ACCESS. Unreasonable delays in allowing the Public Works Director access to the User's Premises shall be a violation of this Title.

D. PUBLIC WORKS DIRECTOR SEARCH WARRANT. If the Public Works Director has been refused access to a building, structure, or property, or any part thereof, and holds a reasonable suspicion that there may be a violation of this Title, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program of the City designed to verify compliance with this Title or any permit

or order issued hereunder, or to protect overall public health, safety, and welfare of the City, the Public Works Director may seek issuance of a search warrant from the City Attorney.

16.08.160. Pretreatment.

Users shall meet limitations established herein before Discharging to any Community Sewer. Any facilities required to pretreat Wastewater shall be provided, and maintained and continuously operated at the User's expense. Prior to construction of any facility subject to regulation under the provisions of this Title, detailed plans showing pretreatment facilities and operating procedures shall be submitted to the Public Works Director for review, and shall be approved by the City before construction of the facility. The review of such plans and operating procedures will in no way relieve the User of responsibility for modifying the facility as necessary to produce a wastewater that meets the provisions of this Title. Any subsequent changes in the pretreatment facilities or operation thereof shall be reported to and approved by the Public Works Director prior to implementation.

16.08.170. Protection from Accidental Discharge.

A. ACCIDENTIAL DISCHARGE. Each User shall provide facilities to prevent the accidental Discharge of prohibited materials or other Wastes regulated by this Title. Such facilities shall be provided and maintained at the User's expense. Detailed plans showing facilities and operating procedures to provide this protection shall be submitted to the City for review, and shall be approved by the City before

construction of the facility.

B. USER RESPONSIBILITY. The review of such plans and operating procedures shall in no way relieve the User from the responsibility of modifying the facility as needed to provide the protection necessary to meet the requirements of this Title.

16.08.180. Confidential Information.

Information and data regarding a User obtained from reports, surveys, Wastewater Discharge Permit applications, Wastewater Discharge Permits, monitoring programs, and from the Public Works Director's inspection and sampling activities, shall be made available to the public without restriction unless the User specifically requests in writing, and is able to demonstrate to the satisfaction of the Public Works Director, that the release of such information would divulge information, processes, or methods of production entitled to protection as trade secrets under applicable State law. Any such request must be made at the time of submission of the information or data. When sufficiently demonstrated by the User furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or Pretreatment program, and in enforcement proceedings involving the person furnishing the report. Notwithstanding the above, Wastewater Constituents and Characteristics and other effluent data as defined in 40 CFR Part 2.302 shall not be recognized as confidential information and shall be made available to the public without

restriction.

16.08.190. Users Outside City.

The provisions of the Title shall apply to all Users who discharge Wastewater to, on or into any Community Sewer or the POTW from Premises located inside or outside the City limits.

16.08.200. Special Agreements.

Special agreements and arrangements between the City and any Person may be established when, in the opinion of the Public Works Director, unusual or extraordinary circumstances compel special terms and conditions. However, in no instance, shall special agreements relieve a Person from compliance with Categorical Pretreatment Limits or the National Pretreatment Regulations found in 40 CFR Part 403.

Chapter 16.10 DETERMINATIONS AND CHARGES

16.10.010. Determination of Components.

In order to ensure compliance with the local limitations on Wastewater strength in Section 16.04.120 of this Title, a determination of components contained in Sewage, liquid waste, and industrial waste Discharges will be conducted by the Public Works Director. Monitoring will be performed by means of a sampling device approved by the Public Works Director. Sampling, resampling, and laboratory work performed by the City for monitoring will be performed at the expense of the User.

16.10.020. Tests, Etc., of Sewage Waste Characteristics.

All analyses shall be performed in accordance with procedures established by the Administrator pursuant to Section 304(h) of the Federal Act and contained in 40 CFR Part 136 and amendments thereto or with any other test procedures approved by the Administrator. (See 40 CFR Parts 136.4 and 136.5.) Sampling shall be performed in accordance with the techniques approved by the Administrator. Where 40 CFR Part 136 does not include sampling or analytical techniques for the Pollutants in question, or where the Administrator determines that the 40 CFR Part 136 sampling and analytical techniques are inappropriate for the Pollutant in question, sampling and analyses shall be performed using validated analytical methods or any other sampling procedures approved by the Administrator, including procedures suggested by the City or other parties.

Chapter 16.12 Enforcement.

16.12.010. Enforcement Response Plan.

The Public Works Director shall investigate instances of noncompliance with any provision of this Title, or with any Pretreatment Standards and Requirements, as indicated in the reports and notices required under 40 CFR Part 403.12, or indicated by analysis, inspection, and surveillance activities performed by the Public Works Director. The City shall conduct enforcement proceedings in accordance with its Enforcement Response Plan. The Enforcement Response Plan, adopted by resolution by the City Council, is incorporated herein by reference and may be amended from time to time to ensure consistent application of the provisions of this Title and Federal and State

regulations.

16.12.020. Non-Complying Discharges.

A. NOTIFICATION OF DISCHARGE. Any User who causes or permits a Discharge which violates any applicable law, regulation, or the Wastewater Discharge Permit, shall immediately notify the Public Works Director. Notification by the User as required in this Section, shall not, however, relieve the User of liability for any expense, loss or damage to any Community Sewer or the POTW which occurs, directly or indirectly, as a result of the Discharge. Nor shall notification by the User relieve the User of liability for any expense, fee or fine incurred by the City as a result of the Discharge. No later than fourteen (14) days after the Discharge, the User shall deliver to the Public Works Director a detailed written statement describing the cause(s) of the Discharge and the measures taken and/or to be taken to prevent similar Discharges.

B. NOTICES TO EMPLOYEES. Each User shall make available to its employees, if any, current copies of this Title and all other information or notices sent to the User by the City that describe or discuss effective water pollution control.

C. PREVENTIVE MEASURES. Each User shall eliminate any direct or indirect connection or entry point in the plumbing and/or drainage system on the User's Premises if the connection or entry point can or does allow any Incompatible Pollutant to enter a Community Sewer. Where it would be impracticable or unreasonable to eliminate this kind of connection or entry point, the User shall label these connections and entry points in a manner designed to prevent Persons from causing Incompatible Pollutants to enter the Community Sewer.

16.12.030. Notice of Violation.

When the Public Works Director finds that any User has violated, or continues to violate, a provision of this Title, a Wastewater Discharge Permit, an order issued hereunder, a Pretreatment Standard or Requirement or any applicable local, State or Federal law, the Public Works Director may serve upon such User a written Notice of Violation. Within fourteen (14) calendar days of the date of the Notice of Violation, User shall submit to the City a written explanation of the violation and a plan for the satisfactory correction and prevention thereof, which shall include specific required actions to be taken. Submission of this plan in no way relieves the User of liability for any violations occurring before or after the date of the notice of violation. Nothing in this Section limits the authority of the City to take emergency action, or any other enforcement action, without issuing a Notice of Violation.

16.12.040. Cease and Desist Orders.

When the Public Works Director finds that a User has violated, or continues to violate, any provision of this Title, a Wastewater Discharge Permit or order issued hereunder, or any other Pretreatment Standards or Requirement, or that the User's past violations are likely to reoccur, the City may issue an order to the User directing it to cease and desist all violations and directing the User to immediately comply with all requirements of this Title and applicable local, State and Federal law. Nothing in this Section limits the authority of the City to take emergency action, or any other enforcement action, without issuing a Cease and Desist Order.

16.12.050. Submission of Time Schedule.

When the Public Works Director finds that a Discharge of Wastewater has been taking place, in violation of prohibitions or limitations prescribed in this Title, Wastewater source control requirements, effluent limitations or pretreatment standards, or the provisions of a Wastewater Discharge Permit, the City may require the User to submit for approval, with such modifications as it deems necessary, a detailed time schedule of specific actions which the User shall take in order to prevent or correct a violation of any of these requirements.

If the Public Works Director determines that a Discharge has occurred or is occurring and that the Discharge violates any applicable regulation or Wastewater Discharge Permit, the Public Works Director may require the Person who caused or permitted the Discharge to submit to the City a detailed time schedule of specific actions which the Person shall take in order to prevent or correct any violation of any applicable regulation or Wastewater Discharge Permit.

16.12.060. Appeals.

A. REQUEST FOR RECONSIDERATION. Any User, permit applicant, permit holder, or Person affected by any decision, action or determination, including the assessment of fines and civil penalties, Cease and Desist Orders, revocation of a permit, and other administrative remedies, made by the Public Works Director, interpreting or implementing the provisions of this Title or in any permit issued herein, may file with the Public Works Director a written request for reconsideration within

fifteen (15) calendar days of such decision, action, or determination, setting forth in detail the facts supporting the User's or Person's request for reconsideration.

B. PUBLIC WORKS DIRECTOR DECISION REMAINS IN EFFECT PENDING APPEAL. The decision, action or determination of the Public Works Director shall remain in effect during such period of reconsideration and during the period of any appeal or judicial review under the provisions of this Code.

C. APPEAL TO CITY COUNCIL. A decision, action or determination of the Public Works Director, after reconsideration is granted or denied, may be appealed to the City Council under the provisions of Chapter 1.30 of this Code, except that, as to decisions to assess a administrative penalties in accordance with Sections 16.12 herein, the time limit for judicial review that is to be found in California Code of Regulations Section 54740.6, as may be amended from time to time, shall control, to the extent allowed by law.

16.12.070. Affirmative Defenses to Discharge Violations.

A. UPSET.

1. For the purposes of this Section, "upset" means an exceptional incident in which there is unintentional and temporary non-compliance with applicable Pretreatment Standards because of factors beyond the reasonable control of the User. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

2. An upset shall constitute an affirmative defense to an action

brought for noncompliance with applicable Pretreatment Standards if the requirements of Section 16.12.070(A)(3) of this Title are met.

3. A User who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

a. An upset occurred and the User can identify the cause(s) of the upset;

b. The facility was at the time being operated in a prudent and workman-like manner and in compliance with applicable operation and maintenance procedures; and

c. The User has submitted the following information to the City within twenty-four (24) hours of becoming aware of the upset (if this information is provided orally, a written submission must be provided within five (5) days):

(1) A description of the indirect Discharge and cause of noncompliance;

(2) The period of noncompliance, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue; and

(3) Steps being taken and/or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

4. In any enforcement proceeding, the User seeking to establish the occurrence of an upset shall have the burden of proof.

5. Users may seek a judicial determination of a claim of upset only in

an enforcement action brought for noncompliance with applicable Pretreatment Standards.

6. Users shall control production of all Discharges to the extent necessary to maintain compliance with applicable Pretreatment Standards upon reduction, loss, or failure of their treatment facility until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

B. PROHIBITED DISCHARGE STANDARDS.

1. A User shall have an affirmative defense to an enforcement action brought against it for noncompliance with the general and specific prohibitions in Chapter 16.04 of this Title if it can prove that it did not know, or have reason to know, that its Discharge, alone or in conjunction with Discharges from other sources, would cause Pass Through or Interference and that either:

a. A Local Limit exists for each Pollutant discharged and the User was in compliance with each limit directly prior to, and during the Pass Through or Interference; or

b. No Local Limit exists, but the Discharge did not change substantially in nature or constituents from the User's prior Discharge when the City was regularly in compliance with its NPDES permit, and in the case of Interference, was in compliance with applicable sludge use or disposal requirements.

C. BYPASS.

1. A User may allow a Bypass to occur which does not cause

Pretreatment Standards or Requirements to be violated, but only if it also is essential for maintenance to assure efficient operation. A Bypass meeting this limitation is not subject to the provisions of Sections 16.12.070(C)(2) or (3) of this Title.

2. Bypass Notifications

a. If a User knows in advance of the need for a Bypass, it shall submit prior notice to the Public Works Director, at least ten (10) days before the date of the Bypass, if possible.

b. A User shall submit oral notice to the Public Works Director of an unanticipated Bypass that exceeds applicable Pretreatment Standards within twenty-four (24) hours from the time it becomes aware of the Bypass. A written submission shall also be provided within five (5) calendar days of the time that the User becomes aware of the Bypass. The written submission shall contain a description of the Bypass and its cause; the duration of the Bypass, including exact dates and times, and, if the Bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the Bypass. The Public Works Director may waive the written report on a case-by-case basis if the oral report has been received within twenty-four (24) hours.

3. Prohibited Bypass

a. Bypass is prohibited and the Public Works Director may take an enforcement action against a User for a Bypass unless all of the following are met:

(1) Bypass is unavoidable to prevent loss of life, personal injury or Severe Property Damage which means substantial physical damage to property, damage to the treatment facilities which causes them to be inoperable, or

substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a Bypass. Severe Property Damage does not mean economic loss caused by delays in production;

(2) There was no feasible alternative to the Bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a Bypass which occurred during normal periods of equipment downtime or preventative maintenance; and

(3) The User submitted notices as required by Section 16.12.070(C)(2) of this Title.

b. The Public Works Director may approve an anticipated Bypass after considering its adverse effects, if the Public Works Director determines that the Bypass will meet the three conditions listed in Section 16.12.070(C)(3)(a) of this Title.

Chapter 16.14 Abatement.

16.14.010. Public Nuisance.

Discharges of Wastewater which in any way violate this Title or any permit or order issued by the Public Works Director pursuant to this Title are a public nuisance and shall be corrected or abated as directed by the Public Works Director.

16.14.020. Injunction.

When the Public Works Director finds that a User has violated, or continues to violate, any provision of this Title, a Wastewater Discharge Permit or order issued hereunder, or any other Pretreatment Standard or Requirement, the Public Works Director may petition the Superior Court through the City Attorney for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the Wastewater Discharge Permit, order, or other requirement imposed by this order on activities of the User. The Public Works Director may also seek such other action as appropriate for legal and/or equitable relief, including a requirement for the User to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a User.

16.14.030. Damage to Facilities.

When a User causes a Discharge of Waste which obstructs, damages or impairs the POTW or a Community Sewer, the City may assess a charge against the User for the work required to clean or repair the facility and add such charge to the User's sewer service charges.

16.14.040. Published Notices of Significant Violators.

The City will publish annually, in a newspaper of general circulation that provides meaningful public notice within the jurisdiction served by the City, a list of the Users which, at any time during the previous twelve (12) months, were in Significant

Noncompliance with applicable Pretreatment Standards and Requirements. The term Significant Noncompliance, as defined in Section 16.02.040(EEE) of this Title, shall be applicable to all Tier I Users. This term also shall apply to any other Users that violate Sections 16.02.040(EEE)(3) and (4), or (8) of this Title and those Users will also be included in this list.

16.14.050. Administrative Civil Penalties.

Any provision of this Title may be enforced by the Public Works Director acting through use of administrative procedures and imposing administrative civil penalties for violations, as follows:

A. The Public Works Director may determine violations of this Title by administrative hearing and, based upon the results of that hearing, order administrative civil penalty(ies) to be assessed against the party responsible for the violation, in accord with the provisions of this Title and California Code of Regulations Section 54740.5, as may be amended from time to time.

B. In addition to general enforcement through administrative civil penalties as authorized herein, the Public Works Director is designated to be the hearing officer for administrative enforcement authorized pursuant to the California Code of Regulations Sections 54740.5 and 54740.6.

C. Hearing, waiver of hearing, orders, reconsideration, appeal to the City Council, judicial review, delinquencies, lien, and confirmation regarding administrative remedies shall be as provided in accordance with California Code of Regulations Sections 54740.5 and 54740.6, as may be amended from time to time, and as provided

in this Title.

D. In determining the amount of civil liability, the hearing officer or board may take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, any economic benefit gained through the User's violation, the length of time over which the violation occurs and corrective actions taken by the User.

E. Civil penalties may be imposed by the City as follows:

1. In an amount which shall not exceed two thousand dollars ($2,000) for each day for failing or refusing to furnish technical or monitoring reports.

2. In an amount which shall not exceed three thousand dollars ($3,000) for each day for failing or refusing to timely comply with any compliance schedule established by the City.

3. In an amount which shall not exceed five thousand dollars ($5,000) per violation for each day for Discharges in violation of any waste Discharge limitation, permit condition, or requirement issued, reissued, or adopted by the local agency.

4. In an amount which does not exceed ten dollars ($10) per gallon for Discharges in violation of any suspension, cease and desist order or other orders, or prohibition issued, reissued, or adopted by a City.

5. The amount of any civil penalties imposed under this section which have remained delinquent for a period of 60 days shall constitute a lien against the real property of the discharger from which the Discharge originated resulting in the imposition of the civil penalty. The lien provided herein shall have no force and effect until recorded with the county recorder and when recorded shall have the force and

effect and priority of a judgment lien and continue for 10 years from the time of recording unless sooner released, and shall be renewable in accordance with the provisions of law.

6. All moneys collected under this section shall be deposited in a special account of the City and shall be made available for the monitoring, treatment, and control of Discharges into the City's Community Sewer or POTW or for other mitigation measures.

7. Unless appealed, orders setting administrative civil penalties shall become effective and final upon issuance thereof, and payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the administrative complaint and upon other persons who appeared at the hearing and requested a copy.

8. The City may, at its option, elect to petition the Superior Court to confirm any order establishing civil penalties and enter judgment in conformity therewith in accordance with the provisions of law.

F. Except as provided in this Section, remedies under this Section are in addition to, and do not supersede or limit the use of, any and all other remedies, civil or criminal, available under this Title and under the statutes and regulations of the State of California and the United States of America. No penalties shall be recoverable under this Section 16.14.050 for any violation for which civil liability is recovered under Section 16.14.060 or California Code of Regulations Section 54740.

G. Administrative remedies, fines and other civil penalties imposed pursuant to the provisions of this Title may, at the sole discretion of the Public Works Director, be

added to and collected with the applicable User's sewer service charges.

H. Except as provided in this Section, issuance of an administrative penalty shall not be a bar against, or a prerequisite for, taking any other action against the User.

16.14.060. Judicial Civil Penalties.

A. CIVIL PENALTIES. Any User who violated, or continues to violate, any provision of this Title, a Wastewater Discharge Permit or order issued hereunder, or any other Pretreatment Standard or Requirement shall be liable to the City for a maximum civil penalty of $25,000 a day for each violation. In the case of an exceedance of a monthly or other long-term average Discharge limit, penalties shall accrue for each day during the period of the violation. The City Attorney, upon order of the City Council, shall petition the Superior Court to impose, assess and recover such sums.

B. ATTORNEY'S FEES. The City may recover reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by the City.

C. FACTORS RELEVANT TO LIABILITY. In determining the amount of civil liability, the Court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration of the violation, any economic benefit gained through the User's violation, corrective actions taken by the User, the compliance history of the User, and any other factor as justice requires.

D. REMEDIES NOT EXCLUSIVE. Filing a suit for civil penalties shall not be

a bar against, or a prerequisite for, taking any other action against a User; provided, however, no liability shall be recoverable under this Section for any violation for which liability is recovered under Section 16.14.050, herein, or California Code of Regulations Section 54740.

16.14.070. Criminal Penalties.

Any Person who intentionally or negligently violates any provision of this Title, a Wastewater Discharge Permit or an order issued hereunder, or any other Pretreatment Standard or Requirement, upon conviction, shall be liable for a sum not less than $1,000 per violation per day, or for imprisonment for not more than six (6) months in the County jail, or both.

16.14.080. Falsifying of Information.

It is unlawful for any Person to make or file, or cause to be made or filed, any statement, representation, record, report, plan or other document which is false and which is required to be made or filed pursuant to any applicable regulation or Wastewater Discharge Permit, or to falsify, tamper with, or knowingly render inaccurate any monitoring device, sampling or method required under this Title and shall be subject to any and all enforcement provisions provided in this Title.

16.14.090. Emergency Suspension.

The Public Works Director may immediately suspend a User's Discharge, after informal notice to the User, whenever such suspension is necessary to stop an actual or

threatened Discharge, which reasonably appears to present, or cause an imminent or substantial endangerment to the health or welfare of persons. The Public Works Director may also immediately suspend a User's Discharge after notice and opportunity to respond that threatens to interfere with the operation of the Community Sewer or POTW, or which presents, or may present, an endangerment to the environment. Nothing in this Section shall be interpreted as requiring a hearing prior to any emergency suspension under this Title.

A. NOTIFICATION OF SUSPENSION. Any User notified of a suspension of its Discharge shall immediately stop or eliminate its Discharge. In the event of a User's failure to immediately voluntarily comply with the suspension order, the Public Works Director may take such steps as deemed necessary, including immediate severance of the Sewer connection, or turning off water supply, to prevent or minimize damage to the Community Sewer or POTW, its receiving stream, danger to any individuals or to prevent continued violation of this Title or Wastewater Discharge Permit. The Public Works Director may allow the User to recommence its Discharge when the User has demonstrated to the satisfaction of the Public Works Director that the violation has passed, unless termination proceedings in accordance with Section 16.14.100 of this Title are initiated against the User.

B. USER RESPONSIBILITY. A User responsible, in whole or in part, for any Discharge presenting imminent danger shall submit a detailed written statement, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence, to the Public Works Director prior to the date of any termination hearing under Section 16.14.100 of this Title.

C. COST TO SUSPEND OR MITIGATE. The User is responsible for any costs incurred to suspend or mitigate the impact of the Discharge. Such costs may be added to the User's sewer service charges.

16.14.100. Termination of Discharge.

Any User who violates any of the following conditions is subject to Discharge termination:

A. Violation of Wastewater Discharge Permit conditions.

B. Failure to accurately report Wastewater Constituents and Characteristics of its Discharge.

C. Failure to report significant changes in operations or Wastewater Constituents, and Characteristics prior to discharge.

D. Refusal of reasonable access to the User's Premises for the purpose of inspection, monitoring, or sampling.

E. Violation of the Pretreatment Standards in Chapter 16.04 of this Title.

Such User shall be notified of the proposed termination of its Discharge and be offered an opportunity to show why the proposed action should not be taken. Termination of the User's Discharge by the Public Works Director shall not be a bar, or a prerequisite for, taking any other action against the User.

Chapter 16.15 Urban Pollution Controls Non-PointSource Discharge Restrictions.

16.15.010. Water Pollution Prohibited.

No Person, who does not possess a current and valid permit or agreement for the discharge, shall throw, discharge or otherwise deposit or place or cause or permit to be placed into the Waters of the State or into any drain, drop inlet, conduit, or natural or artificial watercourse flowing into any storm drain, creek, lagoon or other Waters of the State, any Waste, Medical Waste, Contamination or Pollution or other substance which impairs the quality of the drainage, including without limitation:

A. Any Pollution or Contamination or any substance, matter, or thing, liquid, solid or gas, which materially impairs the aesthetics or usefulness of such water, except as may be provided for in this Chapter;

B. Any commercial or industrial waste, including, without limitation, any fuel, solvent, detergent, plastic pieces or other pellets, hazardous substances, fertilizers, pesticides, slag, ash, or sludge;

C. Any measurable quantity of heavy metals including without limitation, any cadmium, lead, zinc, copper, silver, nickel, mercury or chromium, or the elements of phosphorous, arsenic, or nitrogen;

D. Any animal feces, any animal waste or animal discharge from confinement facilities for animals, kennel, coup, pen, stable, or recreational or show facilities;

E. Any human feces, diseased matter or matter containing significant concentrations of fecal coliform, fecal streptococcus, or enterococcus;

F. Any substance having a pH of less than 6 or greater than 9;

G. Any quantity of petroleum hydrocarbons, including without limitation, any crude oil or any fraction thereof, hydrocarbon fuel, solvent, lubricants, surfactants, waste

oil, coolant, or grease;

H. Any water or other solvent or substance used for commercial or industrial processing; for commercial washing of automobiles or parts of automobiles; for cleaning industrial or commercial operations or Premises; for cleaning debris, Waste or residue collectors; for cleaning carpets, pads, flooring or walkways; or for cleaning construction, pavement, concrete, paint or plaster;

I. Any residue or collection from portable toilets or water softeners;

J. Any water or other solvent or substance collected after the use of the substance to clean, cleanse, flush, rinse or otherwise treat any commercial or industrial premises, process or equipment, or food production;

K. Any water for swimming pools, spas or Jacuzzis; or

L. Any economic poison, toxic or hazardous material.

Any permit for such discharge must be approved by the Public Works Director, or a California State official or U.S. Government Official having jurisdiction over such discharge.

16.15.020. Discharges Exempt from Prohibition.

The following discharges are exempt from the prohibitions of Section 16.15.010 of this Title:

A. Uncontaminated discharges from landscape irrigation;

B. Uncontaminated discharges from water line flushing;

C. Uncontaminated discharges from potable water sources;

D. Uncontaminated discharges from foundation drains;

E. Uncontaminated discharges from footing drains;

F. Uncontaminated discharges from air conditioning condensate;

G. Uncontaminated discharges from irrigation water;

H. Uncontaminated discharges from lawn watering;

I. Uncontaminated discharges from crawl space pumps;

J. Uncontaminated discharges from individual residential automobile washing; and

K. Uncontaminated discharges from street washing, including sidewalk washing.

16.15.030. Discharge of Hazardous Substances Prohibited.

No Person shall throw, discharge or otherwise deposit or cause or permit to be placed into the Waters of the State or into any drain, drop inlet, conduit, or natural or artificial watercourse flowing into any storm drain, creek, lagoon or other Waters of the State, any quantity of hazardous substance as included or defined in CCR Section 25316, without a permit or agreement approved by the Public Works Director, a California State official or U.S. Government Official having jurisdiction over the Discharge.

Chapter 16.16 SEVERABILITY.

16.16.010. Severability.

If any provision of this Title is invalidated by any court of competent jurisdiction, the remaining provisions of this Title shall not be affected and shall continue in full force

and effect.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AN UPDATED PRETREATMENT PROGRAM ENFORCEMENT RESPONSE PLAN

WHEREAS, The City of Santa Barbara operates and maintains 257 miles of publicly-owned wastewater collection system sewer mains;

WHEREAS, the City of Santa Barbara operates and maintains the El Estero Wastewater Treatment Plant under a National Pollutant Discharge Elimination System (NPDES) Permit;

WHEREAS, The NPDES Permit contains federal requirements under the Clean Water Act requirements and Title 40 of the Code of Federal Regulations (40 CFR) Part 403, administered by the United States Environmental Protection Agency; and

WHEREAS, one requirement of the Clean Water Act, 40 CFR , Part 403, and the NPDES Permit is that the City implement an Industrial Liquid Waste Pretreatment Program, governing the quality and quantity of wastewater discharged into the City's wastewater collection system; and

WHEREAS, The City has implemented an Industrial Waste Pretreatment Program under Municipal Code Title 16 and now has updated its Enforcement Response Plan as a Part of this Program.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

A. The revised Enforcement Response Plan, attached hereto as Exhibit "A" and incorporated herein by this reference as though set forth in full, is hereby approved.

B. The Public Works Director is hereby directed and authorized to implement the Enforcement Response Plan and to make future modifications to the Enforcement Response Plan as such modifications are necessary to carry-out the Plan and are consistent with Santa Barbara Municipal Code Chapter 16.

Exhibit A

City of Santa Barbara Pretreatment Program

Enforcement Response Plan

October 2014

Santa Barbara Municipal Code Chapter 16.12.010

City of Santa Barbara Environmental Control Enforcement Response Plan

City of Santa Barbara Pretreatment Program
Enforcement Response Plan

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City of Santa Barbara Pretreatment Program
Enforcement Response Plan

PURPOSE

This Enforcement Response Plan (ERP) was adopted pursuant to the Federal Water Pollution Control Act as amended by the Clean Water Act of 1977, and subsequently amended. The Code of Federal Regulations (CFR), Title 40 Protection of The Environment, codifies general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.

These laws and rules, specifically 40 CFR Part 403, General Pretreatment Regulations for Existing and New Sources of Pollution were designed to establish responsibilities of industry and government to protect water quality by implementing National Pretreatment Standards. 40 CFR Part 403.8(f)(5) requires that Publicly-Owned Treatment Works (POTW) develop and implement an ERP to investigate and respond to instances of industrial user noncompliance. This ERP details the enforcement procedures and lists key steps necessary to assure that wastewater discharges maintain compliance with all local, state and federal limitations.

ENFORCEMENT LEGAL AUTHORITY

The City of Santa Barbara (City) is required under Federal law to have a pretreatment program. The City of Santa Barbara Municipal Code, Title 16 (Sewer System) provides the standards and the legal authority for enforcement of the pretreatment program as well as the detailed procedures for implementing 40 CFR 403.8(f)(1) and 403.8(f)(2), which create pretreatment standards. Title 16 also includes detailed administrative enforcement procedures and civil and criminal penalties for violations.

Under this ERP, the Pretreatment Program Coordinator is responsible for full implementation of inspection and documentation activities leading to the activation of penalties for noncompliance. The primary responsibilities of Pretreatment Program Coordinator, however, are to monitor, coordinate and maintain the processes necessary for regulated entities to comply fully with the City's wastewater ordinances.

This ERP includes a wide range of enforcement options available based on an assessment of the nature and severity of the violation. Along with departmental enforcement officials, the City Attorney will enforce applicable City of Santa Barbara Municipal Code requirements, including court action if required. Specific enforcement tools and their anticipated uses are detailed in the Enforcement Procedures section of this ERP. The specific legal authority for specific aspects of the pretreatment program is included within the City of Santa Barbara Municipal Code as the Sewer Use Ordinance.

INTRODUCTION

The ERP outlines the procedures followed by Pretreatment Program staff and management to identify, document, and respond to pretreatment violations. Incorporated into the ERP are specific criteria by which Pretreatment Program staff can determine the enforcement action most appropriate to the nature of the violation. In addition, this ERP describes the duties of the Pretreatment Program staff, methods used to determine compliance with applicable regulations, and procedures to review compliance data. This ERP also includes the Enforcement Response Guide (ERG), which is a table referencing the degree of noncompliance with the range of enforcement responses that can be taken.

This ERP has been prepared by following USEPA's *Guidance for Developing Control Authority Enforcement Response Plans* (ERP Guidance). The ERP is organized into the following sections:

- Definitions;
- ERP activation;
- File review and enforcement analysis;
- Enforcement procedures;
- Enforcement duties; and
- Enforcement Response Guide.

DEFINITIONS

Administrative Citations: Enforcement actions, which assess monetary penalties for noncompliance.

Administrative Orders: Enforcement documents, which direct Users to undertake or to cease, specified activities. Administrative Orders may incorporate compliance schedules, timeframes, administrative penalties, and termination of service orders. Administrative Orders include:

- **Finding of Noncompliance** – a written notice instructing the User to identify and correct causes of noncompliance.
- **Consent Order** – documents noncompliance and includes actions required to be accomplished by specific dates. Consent Orders are developed during Compliance Meetings and both parties agree to terms.
- **Show Cause Order** – directs the User to appear before the City to explain its noncompliance and show cause why more severe enforcement actions against the User should not go forward.
- **Compliance Order** – directs the User to achieve or restore compliance by a date specified in the order. A Compliance Order is often a stipulated agreement that may include a compliance schedule, the payment of monetary penalties, or cost recovery for and the imposition of fines when milestones are not met.
- **Cease and Desist Order** – directs a User to cease illegal or unauthorized discharges immediately or to terminate discharge altogether.
- **Termination of Service or Permit Revocation** – a notice delivered to a User serving notification of the intent to revoke the User's Wastewater Discharge Permit or the termination of service.

Approved Laboratory: A laboratory whose analytical procedures are approved and certified by ELAP (State of California); NELAC (National) or equivalent organization for the methods and matrix being reviewed.

Best Management Practices (BMP): The schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in 40 CFR Part 403.5(a)(1) and (b). BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

Civil Action: An order, hearing, or other action by the presiding court. Such orders may include penalties.

Commercial Users: Any source of wastewater discharge originating from a commercial business. This excludes users classified as domestic or industrial users.

Compliance Inspection: An inspection to determine compliance status and to identify practices, which may lead to noncompliance. Compliance inspections are normally not scheduled.

Compliance Meeting: A meeting with the User to discuss the causes of noncompliance, corrective actions to achieve compliance, and a schedule for implementation of corrective actions.

Compliance Schedule: A timeline for implementation of corrective actions by a User in order to achieve consistent compliance.

Consistent Compliance: No more than one parameter in violation and that value was less than twice the most stringent limit. Additionally, within thirty (30) days of the City becoming aware of an incident or having been notified of the violation, the City performs repeat sampling and analysis of the parameter, and the User has identified and corrected the cause of the violation and verified this through testing for that parameter.

Conventional Pollutant: Any pollutant listed in 40 CFR Part 401.16 "Conventional Pollutants". This section lists the five conventional pollutants as: Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), pH, fecal coliform, and oil and grease.

Criminal Action: Similar to civil action, but the charges are for criminal neglect that may include fines and or penalties.

Fines: Monetary penalties imposed by the court or by the City for violation of discharge regulations.

Inconsistent Compliance: More than one parameter in violation, or any one parameter in violation, that exceeded twice the most stringent limit and within thirty (30) days of the date the City becomes aware of the violation, the City has been re-sampled, found to be in compliance and does not fall within the significant noncompliance classification.

When any action by the User meets one or more of the criteria for SNC, the User will be designated as SNC, and reported in the Semiannual and Annual Pretreatment Program reports, and published in the newspaper annually.

Industrial User (IU): Any source of industrial wastewater discharge.

Interference: A discharge that, alone or in conjunction with a discharge or discharges from other sources, both:

- Inhibits or disrupts the Community Sewer and/or POTW, its treatment processes or operations, or its sludge processes, use or disposal; and
- Therefore is a cause of a violation of any requirement of the City's NPDES Permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following

statutory provisions and regulations or permits issued there under (or more stringent State or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act [RCRA], and including State regulations contained in any State sludge management plan prepared pursuant to subtitle D of the SWDA), the Clean Air Act, the Toxics Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

Notice of Violation (NOV): An official notice that a violation of discharge regulations has occurred. A written response to the NOV identifying causes of the violation and corrective actions taken to prevent recurring violations is required within fourteen (14) days of the mailing date.

- Violations which cause damage to the Community Sewer and/or the POTW, threaten health or safety, upset, or pass through the POTW are not addressed by this ERP. Violations of this magnitude must be dealt with immediately and individually. The nature of the violation will play a significant role in determining the appropriate actions to be taken. The Pretreatment Program Coordinator will determine the appropriate response for these types of violations. All violations of federal or local limits, other than those of the magnitude discussed above, will be addressed as outlined in this ERP.
- All NOVs are issued by the Pretreatment Program Coordinator. All NOVs are sent by mail or are hand-delivered. As a courtesy, Users may also be verbally notified of the violation. All NOVs require a response by the User. Users may respond with a compliance schedule detailing the steps which are required to achieve compliance and the schedule for completion of these steps. Alternatively, the User may determine the source of the violation, correct it, and send notice of what steps were taken to correct the condition which was causing the violation. The User has fourteen (14) days to respond to the NOV.
- A second sample must be collected, analyzed and reported within thirty (30) days upon receiving notice that an initial sample result exceeded applicable discharge limits. A resample fee is charged to the User. If second sample collected is in compliance, the normal sampling schedule will resume.
- If the second sample collected is in violation, a second NOV with a resample fee, is sent to the User with a warning that a third violation will result in a $1,000 administrative fine.

Other Users of Concern (OUs): OUs are those which discharge compatible pollutants, but which have the capability to cause problems in the Community Sewer or at the POTW. Also included in this class are industries which perform manufacturing operations regulated under the federal categorical standards but do not discharge process water from these operations. These Users are inspected on a random basis. There is no minimum frequency for inspections, but ideally these Users will be inspected every one to three years.

Sample Handling and Analysis: Samples are collected and analyzed in accordance with the requirements of 40 CFR Part 136. Samples taken for routine compliance checks are sent to an approved laboratory. Normal turnaround time for routine samples is thirty (30) days. Samples collected in response to a complaint or where a violation is suspected may require a faster turnaround time. This is available from all laboratories used for analysis. Chain-of-custody forms and procedures are used for all samples.

Significant Industrial User (SIU): An SIU includes all dischargers of wastewater or process waters into the sewer system with any one of the following characteristics:

- Has waste discharge subject to Categorical Pretreatment Standards; or
- Minimum or average flows of 10,000 gallons per day; or
- The potential to contribute process wastestream that makes up to five percent (5%) or more of the average dry weather hydraulic or organic load (TSS; TOC/COD/BOD) of the POTW; or
- Is designated by the City on the basis that the User:
    - Has reasonable potential, either individually or in combination with other contributing industries, for adversely affecting the Community Sewer and/or POTW operation or the effluent quality from the POTW; or
    - May cause or threaten to cause the City to violate its NPDES permit; or
    - Has reasonable potential to violate any Pretreatment Standard; or
    - Has in its waste discharge a toxic pollutant.

The City classifies SIUs as Tier I dischargers that are required to obtain Wastewater Discharge Permits. SIUs are sampled quarterly to determine compliance with local limits and any applicable federal categorical limits and inspected at least twice per year. Typical businesses in this tier include industrial laundries, hospitals, electroplaters, and printed circuit board manufacturers.

Significant Noncompliance (SNC): SNC, as defined in 40 CFR 403.8(f)(2)(viii), is a compliance status in which one or more of the following is found:

- Chronic violations of wastewater discharge limits, defined here as those in which 66 percent (66%) or more of all of the measurements taken for the same pollutant parameter during a 6-month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including instantaneous limits, as defined by 40 CFR Part 403.3(l);
- Technical Review Criteria (TRC) violations, defined here as those in which 33 percent (33%) or more of all of the measurements taken for the same pollutant parameter during a 6-month period equal or exceed the product of the numeric Pretreatment Standard or Requirement including instantaneous limits, as defined

by 40 CFR Part 403.3(l) multiplied by the applicable TRC (TRC=1.4 for BOD, TOC, TSS, fats, oil, and grease, and 1.2 for all other pollutants except pH);

- Any other violation of a Pretreatment Standard or Requirement as defined by 40 CFR Part 403.3(l) (daily maximum, long-term average, instantaneous limit, or narrative Standard) that has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW and Community Sewer, personnel, or the general public);
- Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the City's exercise of its emergency authority under 40 CFR Part 403.8(f)(1)(vi)(B) to halt or prevent such a discharge;
- Failure to meet, within ninety (90) days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;
- Failure to provide, within 45 days after the due date, required reports such as Baseline Monitoring Reports (BMR), 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;
- Failure to accurately report noncompliance;
- Any other violation or group of violations, which may include a violation of BMPs, which the City determines will adversely affect the operation or implementation of the Pretreatment Program.

Toxic Pollutant: Any pollutant listed in 40 CFR Part 401.15 "Toxic Pollutants". This section lists sixty-five pollutants and their compounds as toxic pollutants.

ERP ACTIVATION

Pretreatment Program staff shall perform random sampling and inspection of Users. Inspections and sampling of SIUs (as defined previously) shall be conducted, at a minimum, twice per year. For all other Users, inspection and sampling requirements will be defined in their Wastewater Discharge Permits. Additionally, the Pretreatment Program Coordinator shall review User self-monitoring reports and other required monitoring reports to ensure that Users are in compliance with all permit requirements, including BMPs and reporting deadlines, and compliance schedules and deadlines are met.

An enforcement response will be initiated when any of the following events occurs:

- Any violation of the requirements of Title 16 of the City of Santa Barbara Municipal Code (Sewer System).
- Any violation of Wastewater Discharge Permit requirements issued by the City.
- Failure of a User to meet a compliance schedule/deadline.
- Failure of a User to report a violation of its Wastewater Discharge Permit.
- Failures of a User to keep required records and conduct self-monitoring and/or reporting activities.
- Violation of any Federal, State or Local requirements pertaining to wastewater discharge that the City has the duty to enforce.

Additionally, Chapter 16.14 of the City of Santa Barbara Municipal Code sets the legal authority for the City to assess administrative fines when any User has violated or continues to violate any provision of the Municipal Code, Wastewater Discharge Permit or order issued hereunder, or any other Pretreatment Standard or Requirement. Offense(s) deemed a violation of a Wastewater Discharge Permit or Chapter 16.14 of the City of Santa Barbara Municipal Code shall include without limitation:

- Denied right-of-entry or access to applicable records or conduct inspections or sampling. (Sections 16.08.130(B), 16.08.130(C), 16.08.140, 16.08.150)
- Discharge of prohibited wastes. (Chapter 16.04)
- Discharge of drainage water or groundwater, except as approved by the Public Works Director. (Section 16.04.040)
- Unreported/unauthorized bypass of pretreatment. (Sections 16.12.070(C))
- Failure to install and maintain a sample port and/or a control manhole. (Section 16.08.130)
- Violation of Categorical Pretreatment Standards/Local Limits. (Sections 16.04.120(A), 16.04.120(D), 16.04.120(E))

- Discharging to the Community Sewer without first securing a Wastewater Discharge Permit. (Section 16.08.120)
- Failure to submit required reports or notifications (Chapter 16.08)
- Falsifying information. (Section 16.14.080)
- Failure to install or maintain a grease removal device. (Section 16.04.080)

FILE REVIEW AND ENFORCEMENT ANALYSIS

Upon discovery of any violation, the affected User's Environmental Compliance file will be immediately reviewed.

Evaluating the Degree of Noncompliance

When considering the type of enforcement action to be taken, the ERG summarizes the range of enforcement actions that may be taken for a violation. Chapter 4.1 of the ERP Guidance discusses six criteria that the City should consider when determining a proper enforcement response. Enforcement action may be escalated when considering the six criteria for evaluating the degree of noncompliance.

When an enforcement action is increased over the minimum, written documentation will detail the reasons for the increased enforcement action. The six criteria for evaluating the degree of noncompliance are:

1. **Magnitude of the Violation.** Generally, an isolated instance of noncompliance can be met with an enforcement response listed in the ERG. However, since even an isolated violation could threaten public health and the environment, damage public and private property, or threaten the integrity of the Pretreatment Program, the enforcement response to this type of violation must be escalated to: 1) mitigate the violation quickly; 2) prevent a reoccurrence of the violation(s); 3) provide an appropriate level of response; and 4) provide for cost recovery as appropriate.
2. **Duration of the Violation**. Violations (regardless of severity) which continue over prolonged periods of time should subject the User to escalated enforcement actions. The City response to these situations must prevent extended periods of noncompliance from occurring.
3. **Effect of the Violation on the Receiving Water**. One of the primary objectives of the Pretreatment Program is to prevent pollutants from "passing through" the POTW and entering the receiving waters. Consequently, any violation which results in environmental harm warrants an escalated enforcement response. Environmental harm will be presumed whenever a User discharges a pollutant into the Community Sewer which:
    a. Passes through the POTW and causes a violation of the City's NPDES permit effluent limitations.
    b. Has a toxic effect on the receiving waters and causes a violation of the City's NPDES permit. The response should ensure recovery from the User of any NPDES permit-related fines and penalties paid by the City. Termination of service may also be considered for repeat violations.
4. **Effect of the Violation on the Community Sewer and/or POTW.** Some violations may have negative impacts on the Community Sewer and/or POTW operations or personnel. These violations can result in increased treatment cost,

upsets to treatment processes, interference, or harm City personnel or equipment. The response should ensure recovery from the User of any costs incurred by the City resulting from the violation, directly or indirectly.

5. **Compliance History of the User.** When evaluating the level of enforcement action to be taken for a violation, the compliance history of the User shall be reviewed. If a pattern of recurring violations for the same parameter is noted, then an escalated enforcement action may be warranted.
6. **Good Faith of the User.** The User's "good faith" effort in correcting its noncompliance is a factor in determining which enforcement action to take. "Good faith" maybe defined as the User's honest intention to remedy its noncompliance, coupled with actions which give support to this intention. However, "good faith" does not eliminate the necessity of an enforcement action.

Violation Classification

Based on the history of violations and efforts to maintain compliance, the violation will be classified as a Random Violation, a Pattern Violation or a Major Violation.

Random Violation: any violation that exceeds a Federal, State, or City wastewater discharge limitation, reporting deadline, or compliance schedule deadline. Random violations are usually the first or second offense, and will not be severe or frequent enough to be classified as a Major Violation or a Pattern Violation.

Pattern Violation: any violation, or set or series of random violations that is not severe or frequent enough to be classified as a Major Violation, but which contributes to a pattern of noncompliance when viewed over a moving one (1) year period. Four (4) months, whether consecutive or not, of noncompliance due to Random Violations over a moving twelve (12) month period, shall automatically constitute a Pattern Violation.

Major Violation: any occurrence of SNC, as defined previously, as well as any violation, which by its impact, severity, or frequency of occurrence presents a hazard or nuisance to the POTW, the Community Sewer, general public or the receiving environment. In accordance with the public participation requirements of 40 CFR Part 25, a list of the names of all Users incurring Major Violations during the previous twelve (12) months shall be published annually in a widely circulated newspaper published in the City of Santa Barbara.

ENFORCEMENT PROCEDURES

The City uses a progressive enforcement policy designed to maintain a fair and equitable system for enforcement of environmental laws, to ensure that fines and penalties are proportionate to the violations, to provide maximum flexibility and effectiveness in enforcement actions, and to provide a system of escalating fines and penalties to encourage prompt compliance. Enforcement options follow either informal or formal enforcement procedures.

Other enforcement options may be pursued using the formal enforcement procedures below. Formal enforcement procedures are available in Title 4 of the City of Santa Barbara Municipal Code. The formal enforcement procedures allow for a large degree of enforcement flexibility and a wide range of enforcement options to most efficiently gain compliance. Therefore, as deemed necessary, an enforcement action may be upgraded or escalated depending on the circumstances of the case.

Verbal Warning: A verbal warning, typically a telephone call, is usually the first step in the enforcement procedures. The City may verbally notify the User in the event the User is late in submitting required reports or applications, fails to install or properly maintain equipment, or discharges without a Wastewater Discharge Permit. If the User fails to correct the problem, further enforcement actions will be initiated. All verbal warnings are noted in the User's Environmental Compliance file.

First Notice of Violation: The purpose of the First NOV is to inform the User of the nature of the violation and establish a "self-imposed" compliance schedule which lists the events and dates on which various steps of progress shall take place. "Self-imposed" compliance schedules shall be limited so as to achieve compliance no later than thirty (30) days from date of issuance of the First NOV. The First NOV is sent to the User, either by mail or hand-delivered, within seven (7) days of the City becoming aware of a violation.

The First NOV requires the User to file a written report with the City within fourteen (14) days. The written report shall include an explanation of the cause of the violation and a discussion of corrective actions taken to mitigate the violation and actions taken to prevent future similar violations. The Pretreatment Program Coordinator may extend the deadline up to a maximum of thirty (30) days for a total time period of sixty (60) days from the issuance date, due to extenuating circumstances or hardship.

Also, within thirty (30) days of becoming aware of a violation, the City will resample the User's discharge.

Second Notice of Violation and Resample Fee: A Second NOV will be sent to the User, either by mail or hand-delivered, for the following reasons:

(1) User did not respond within fourteen (14) days from the date the First NOV was sent.

(2) If the sample results from the resampling event is in violation of any of the parameters listed in the User's Wastewater Discharge Permit. The City will require resample fees, as set by the City's Budget Resolution, from the User.

(3) For not meeting the deadlines on a compliance schedule.

All costs related to any violation status inspection, surveillance, sampling, laboratory analysis, and administration may be assessed directly to the User. In addition this NOV may include civil penalties up to, but no greater than, twenty-five dollars per day ($25,000 per day) for each violation of Title 16 of the City of Santa Barbara Municipal Code.

Third Notice of Violation and Resample Fee: The purpose of the Third NOV is to remind the User of the violation and expected action. The Third NOV reiterates the information in the First and Second NOVs or will include a copy of the previous NOVs and demand compliance within fourteen (14) days of the date of the Third NOV. The Third NOV contains information as to the various enforcement options available to the City should compliance not be achieved within the deadline.

All City costs related to any violation status inspection, surveillance, sampling, laboratory analysis, and administration may be assessed directly to the User. In addition this NOV may include civil penalties up to, but no greater than, twenty-five thousand dollars per day ($25,000 per day) for each violation of Title 16 of the City of Santa Barbara Municipal Code.

An NOV assessing civil penalties or imposing any other monetary assessment may be appealed to the City Council in accordance with the provisions of Title 16 of the City of Santa Barbara Municipal Code. The City Council decision shall be final.

Users in Significant Noncompliance

In accordance with public participation requirements of 40 CFR Part 25 and Section 16.14.040 of the City of Santa Barbara Municipal Code, the City will publish annually a list of Users which, at any time during the previous twelve (12) months, were in SNC. Further, in the event of SNC, the Pretreatment Program Coordinator will consult with the Public Works Director or his designee to initiate a formal method of enforcement. The User may also be evaluated for legal enforcement and have the case referred to the City Attorney. Formal methods of enforcement include, but are not limited to:

- Fine;
- Cease and Desist Order;
- Revocation of Permit;
- Termination of Water and/or Sewer services; and/or
- Civil or Criminal prosecution.

ENFORCEMENT DUTIES

This section discusses the City staff that will be responsible for conducting enforcement actions for the Pretreatment Program. Responsibilities will be divided between the following persons:

- Pretreatment Program Coordinator;
- Public Works Director, or his designee; and
- City attorney.

Pretreatment Program Coordinator

The Pretreatment Program Coordinator is the primary City staff person implementing the Pretreatment Program on a day-to-day basis and conducting enforcement activities. The Pretreatment Program Coordinator conducts the following duties:

- Approves, denies, or conditions new or increased contributions of pollutants, or changes in the nature of pollutants, into the Community Sewer and POTW by Users where such contributions do not meet applicable Pretreatment Standards and Requirements or where such contributions would cause the City to violate its NPDES permit.
- Controls through a Wastewater Discharge Permit, order, or similar means, the contribution to the POTW by each User to ensure compliance with applicable Pretreatment Standards and Requirements.
- Conducts inspections and sampling of Users.
- Tracks timely receipt of User self-monitoring reports (SMRs).
- Reviews monitoring (SMR and POTW) results and identifies discharge violations.
- Reviews User compliance history reports.
- Prepares and signs off on routine enforcement actions (up to the First NOV).
- Coordinates and moderates compliance meetings and the preparation of compliance schedules.
- Tracks User's response to NOVs, Compliance Meetings, and Compliance Schedules. This includes reviewing User's response letters to NOVs to ensure the response adequately addresses compliance issues. Reviews compliance meeting schedules and ensures that deadlines are met.
- Tracks all enforcement actions in a database.
- Ensures that compliance actions are consistent and timely.
- Compiles compliance reports for the semi-annual and annual pretreatment program compliance reports.

- Provides recommendations for increased enforcement to the Public Works Director or his designee and/or the City Attorney. Prepared non-routine compliance letters, Administrative Orders and Citations.

Public Works Director

The primary duties of the Public Works Director, or his designee, with respect to the Pretreatment Program enforcement are to approve increased enforcement actions. The Public Works Director, or his designee, conducts the following duties:

- Signs off on enforcement actions beyond the First NOV.
- Communicates and coordinates with associated regulatory agencies.
- Prepares referrals with the City Attorney for legal action.

Duties of the City Attorney

The primary duties of the City Attorney with respect to the Pretreatment Program are to provide legal consultation as requested by the Pretreatment Coordinator or Public Works Director, or his designee, and process enforcement actions in a timely manner. To achieve this, the City Attorney conducts the following duties:

- Provides legal consultation as requested by the Pretreatment Program Coordinator or Public Works Director, or his designee.
- Assists with obtaining an administrative warrant to inspect or sample a facility, if consent for access was denied.
- Oversees all referrals for civil litigation and City-initiated criminal investigations.

ENFORCEMENT RESPONSE GUIDE

The ERG lists the routine types of noncompliance and the range of enforcement actions taken. These routine actions include Verbal Warnings, Warning Notices, NOVs, Administrative Citations, and Compliance Meetings. This guide is a matrix, which describes violations and indicates the range of enforcement actions that the City may take.

Prior to taking **any** enforcement action, beyond the First NOV, the Pretreatment Program Coordinator must consult with the Public Works Director, or his designee, to ensure that the type of enforcement action proposed is consistent with the ERG and appropriate for the level of violation.

If multiple violations for one or more parameters occur during a calendar day, the User will only be issued one enforcement action, and all violations will be listed. If during an inspection multiple violations are discovered, over a number of days, those violations will be grouped by day and each group of violations will be issued an enforcement action.

Type of Violation	Circumstances	Range of Response	Primary Personnel
UNAUTHORIZED DISCHARGES			
Discharges without Wastewater Discharge Permit	User unaware of permit requirement – No harm to POTW/environment	Verbal warning NOV with User Wastewater Discharge Permit form	PPC
	User unaware of permit requirement – harm to POTW/environment	SNC Administrative order Administrative fine Civil action	PWD, CA
	Failure to Submit Application continues after notification	SNC Administrative order Administrative fine Civil action Criminal investigation Termination of service	PWD, CA
Failure to submit renewal application	User is less than 30 days late	Verbal warning NOV	PPC
	User is more than 30 days late	NOV SNC	PWD
	User fails to reapply after notification	SNC Administrative order Administrative fine Civil action Criminal investigation Termination of service	PWD, CA

Type of Violation	Circumstances	Range of Response	Primary Personnel
DISCHARGE LIMIT VIOLATIONS			
Exceedance of local or Federal Standard (permit limit)	Random violation, not significant	Verbal warning NOV City resample Resample fee	PPC
	Random, major violation; no harm to POTW/ environment	City resample Resample fee SNC Administrative order Administrative fine	PWD
	Random, major violation; harm to POTW/ environment	City resample Resample fee SNC Civil action Criminal investigation Termination of service	PWD, CA
	Pattern violation; no harm to POTW/environment	City resample Resample fee SNC Administrative order Administrative fine	PWD
	Pattern, major violation; harm to POTW/ environment	City resample Resample fee SNC Administrative order Civil action Criminal investigation Termination of service	PWD, CA

Type of Violation	Circumstances	Range of Response	Primary Personnel
MONITORING AND REPORTING VIOLATIONS			
Reporting Violation (Baseline Monitoring Report, 90-day compliance reports, periodic self-monitoring reports, and progress reports for compliance schedules)	Report is improperly signed or certified	Verbal warning NOV	PPC
	Report is improperly signed or certified after notice by City	Administrative order	PWD
	Report is up to five (5) days late	Note, but no action	PPC
	Report is more than five (5) days late	Verbal warning	PPC
	Report is more than fifteen (15) days late	NOV	PPC
	Report is more than forty-five (45) days late	SNC	PPC
	Recurring late reports greater than forty-five (45) days or no reports at all	Administrative order Administrative fine Civil action Termination of service	PWD, CA
Reporting Violation (failure to report discharge limit violation, spill, upset, bypass, or change in discharge)	No harm to POTW	NOV	PPC
	Harm to POTW	SNC Administrative order Administrative fine Civil action	PWD, CA
	Repeated incidents	SNC Termination of service	PWD, CA
Reporting Violation (falsification)	Filing false reports	SNC Criminal investigation Termination of service	PWD, CA
Failure to sample correctly	User did not collect all samples required by the Wastewater Discharge Permit	NOV	PPC
	Recurring incidents	Administrative order Administrative fine Civil action	PWD, CA

Type of Violation	Circumstances	Range of Response	Primary Personnel
	Improper sampling with evidence of intent	Criminal investigation Termination of service	PWD, CA
Failure to install monitoring equipment	Delay less than thirty (30) days	Verbal warning NOV	PPC
	Delay greater than thirty (30) days	Administrative order Administrative fine Civil action Criminal investigation Termination of service	PWD, CA
	Recurring or violation of administrative order	Civil action Criminal investigation Termination of service	PWD, CA

Type of Violation	Circumstances	Range of Response	Primary Personnel
COMPLIANCE RESPONSE VIOLATION			
Failure to meet compliance schedules	Missed milestone by less than thirty (30) days or will not affect final compliance schedule	NOV Administrative order Administrative fine	PPC, PWD, CA
	Missed milestone by more than thirty (30) days or will affect final compliance schedule (good cause for delay)	SNC Administrative order Administrative fine	PWD, CA
	Missed milestone by more than thirty (30) days or will affect final compliance schedule (no good cause for delay)	SNC Civil action Termination of service	PWD, CA
	Recurring violation or violation of administrative order schedule	SNC Civil action Criminal investigation Termination of service	PWD, CA
Failure to respond to NOVs	User did not respond to 1st NOV within fourteen (14) days	2nd NOV	PWD, CA
	User did not respond to 2nd NOV within fourteen (14) days	3rd NOV	PWD, CA
	User did not respond to 2nd NOV within fourteen (14) days	Administrative order Administrative fine Civil action Criminal investigation Termination of service	PWD, CA

Type of Violation	Circumstances	Range of Response	Primary Personnel
OTHER PERMIT VIOLATION			
Failure to properly operate and maintain pretreatment equipment	Results in no harm	Verbal warning NOV	PPC
	Results in harm	Administrative order Administrative fine Civil action Termination of service	PWD, CA
Wastestream diluted in lieu of treatment	Initial violation	Administrative order Administrative fine	PWD, CA
	Recurring incidents	Termination of service	PWD, CA
Failure to mitigate noncompliance or halt production	Results in no harm	Verbal warning NOV	PPC
	Results in harm	Administrative order Administrative fine Civil action Termination of service	PWD, CA
VIOLATIONS DETECTED DURING SITE VISITS			
Entry denial	Entry denied, consent withdrawn, or copies of records denied	Obtain warrant and return to User facility	PWD, CA
Illicit discharge	No harm to POTW or environment	Administrative order Administrative fine	PWD, CA
	Harm to POTW or environment	Civil action Criminal investigation	PWD, CA
	Recurring or violation of administrative order	Termination of service	PWD, CA

Notes to Enforcement Response Guide:

PPC = Pretreatment Program Coordinator; PWD = Public Works Director; CA = City Attorney

Agenda Item No. 9

File Code No. 160.06

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Administrative Services Division, Police Department

SUBJECT: Records Destruction For Police Department

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Police Department.

DISCUSSION:

The City Council adopted Resolution No. 14-006 on February 11, 2014, approving the City of Santa Barbara Records Management Policies and Procedures Manual. The Manual contains the records retention and disposition schedules for all City departments. The schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice.

Pursuant to the Manual, the Police Chief submitted a request for records destruction to the City Clerk Services Manager to obtain written consent from the City Attorney. The City Clerk Services Manager agreed that the list of records proposed for destruction conformed to the retention and disposition schedules. The City Attorney has consented in writing to the destruction of the proposed records.

The Police Chief requests the City Council to approve the destruction of the Police Department records listed on Exhibit A of the proposed Resolution, without retaining a copy.

SUSTAINABILITY IMPACT:

Under the City's sustainability program, one of the City's goals is to increase recycling efforts and divert waste from landfills. The Citywide Records Management Program outlines that records approved for destruction be recycled, reducing paper waste.

PREPARED BY: William Marazita, Police Administrative Services Lieutenant

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RELATING TO THE DESTRUCTION OF RECORDS HELD BY THE POLICE DEPARTMENT

WHEREAS, the City Council adopted Resolution No. 14-006 on February 11, 2014, approving the City of Santa Barbara Records Management Policies and Procedures Manual;

WHEREAS, the City of Santa Barbara Records Management Policies and Procedures Manual contains the records retention and disposition schedules for all City departments. The records retention and disposition schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice;

WHEREAS, Government Code section 34090 provides that, with the approval of the City Council and the written consent of the City Attorney, the head of a City department may destroy certain city records, documents, instruments, books or papers under the Department Head's charge, without making a copy, if the records are no longer needed;

WHEREAS, the Chief of Police submitted a request for the destruction of records held by the Police Department to the City Clerk Services Manager to obtain written consent from the City Attorney. A list of the records, documents, instruments, books or papers proposed for destruction is attached hereto as Exhibit A and shall hereafter be referred to collectively as the "Records";

WHEREAS, the Records do not include any records affecting title to real property or liens upon real property, court records, records required to be kept by statute, records less than two years old, video or audio recordings that are evidence in any claim or pending litigation, or the minutes, ordinances or resolutions of the City Council or any City board or commission;

WHEREAS, the City Clerk Services Manager agrees that the proposed destruction conforms to the City's retention and disposition schedules;

WHEREAS, the City Attorney consents to the destruction of the Records; and

WHEREAS, the City Council of the City of Santa Barbara finds and determines that the Records are no longer required and may be destroyed.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA that the Chief of Police, or his designated representative, is authorized and directed to destroy the Records without retaining a copy.

EXHIBIT A

POLICE DEPARTMENT

Records Series	Date(s)
Combined Communication Center Logger Tapes	June 30, 2014 and earlier

Agenda Item No. 13

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department, City Attorney's Office

SUBJECT: Public Hearing To Adopt A Resolution Of Necessity For The Cabrillo Boulevard Bridge Replacement Project And Authorization For Agreement For Legal Services

RECOMMENDATION: That Council:

A. Hold a public hearing, and make the necessary findings to acquire the real property rights in the parcels subject to this hearing, and subsequently adopt (by a 2/3 vote), by reading of title only, A Resolution of Necessity of the Council of the City of Santa Barbara to Acquire Certain Real Property Rights over the Property Commonly Known as 13 (Otherwise Known as 15) East Cabrillo Boulevard (APN: 033-111-012), 21 Helena Avenue (APN: 033-111-004), and 6 State Street (APN: 033-111-011); and

B. Authorize the City Attorney to execute a professional services agreement with the law firm of Best Best & Krieger, LLP, in the not-to-exceed amount of $200,000 for special legal services to the City on matters related to the Cabrillo Boulevard Bridge Replacement Project.

EXECUTIVE SUMMARY:

The Cabrillo Boulevard Bridge Replacement Project (Project) involves the replacement of the structurally deficient bridge over Lower Mission Creek, located in the Santa Barbara Waterfront at the intersection of State Street and Cabrillo Boulevard, next to Stearns Wharf. The Project specifically calls for the removal of the existing bridge, and replacement with a longer bridge design that will comply with current structural capacity requirements and improve the hydraulic flow of Mission Creek in this area. The Project has been approved for grant funding through the Federal Highway Administration Bridge Program (FHWA Bridge Program), with engineering and real property oversight provided to the City through the California Department of Transportation (Caltrans).

Certain real property rights must be acquired to accomplish the demolition of existing structures and the construction of the replacement bridge and flood control channel, and

for areas for staging, etc., during the construction. As such, the purpose of this hearing is to determine the public necessity to acquire certain property rights over 13 (otherwise known as 13 East Cabrillo Boulevard (APN: 033-111-012), 21 Helena Avenue (APN: 033-111-004), and 6 State Street (APN: 033-111-011); to make the necessary findings to use the eminent domain process; and to adopt the proposed Resolution of Necessity (Resolution).

In addition, the City Attorney's Office requires the services of special counsel to represent the City in any further negotiations with the property owner and in any eminent domain proceedings, if they become necessary. The law firm of Best Best & Krieger (BBK) specializes in eminent domain proceedings. The City Attorney's Office recommends contracting with BBK in an amount not to exceed $200,000.

DISCUSSION:

Background

The property rights must be acquired by the City in accordance with applicable federal and state laws and guidelines, due to the City's eligibility for reimbursement of Project costs using funds provided by the FHWA Bridge Program.

Project construction is scheduled to begin in early November 2014, and has been planned and located in a manner that will be most compatible with the greatest public good and least private injury. The estimated timeframe for the construction of the Project is approximately twenty-four months.

There is an existing restaurant building (formerly leased by Rusty's Pizza Parlor, Inc.) at 13 East Cabrillo Boulevard that was built over a portion of the Mission Creek Channel and attached to the existing bridge. The reconstruction of the bridge and flood control channel requires the demolition of that portion of the restaurant building that is in conflict with the new bridge and channel.

To accomplish the demolition of the restaurant building and subsequent construction of the bridge and flood control channel, the City needs to acquire a temporary construction easement over the restaurant building parcel that will give the City the right to occupy, control, and use the property. The Project requires a complete evacuation of the restaurant building. Permanent easements are required for street, flood, and drainage purposes to build the replacement bridge and to rebuild the creek channel to improve its flood control capacity. Additional temporary construction easements are needed for use as staging areas, etc., during the construction.

The following table identifies the type of easement needed to be acquired over each parcel:

PARCEL NUMBER	REQUIRED (S.F.)	REAL PROPERTY INTEREST
033-111-011-01	273	Easement for street, landscape, flood control and drainage purposes
033-111-011-02	9,531	Easement for street, flood control and drainage purposes
033-111-011-03	4,596	Temporary construction easement
033-111-011-04	46	Easement for street, flood control and drainage purposes
033-111-012-01	745	Easement for street, flood control and drainage purposes
033-111-012-02	6,087	Temporary construction easement
033-111-012-03	80	Temporary construction easement
033-111-012-04	27	Easement for street, flood control and drainage purposes
033-111-004-01	10,000	Temporary construction easement

On October 15, 2013, the City made a written offer to purchase certain permanent and temporary construction easements, as identified in the table above and in Attachments 1 and 2, color-coded Parcel Map and Parcel Description Table, (hereinafter collectively referred to as Easements) over 13 East Cabrillo Boulevard (APN: 033-111-012), 6 State Street (APN: 033-111-011), and 21 Helena Avenue (APN: 033-111-004), from Virginia Castagnola Hunter, as trustee of the Virginia Castagnola Hunter Trust, Scott Hollister (also known as James Scott Hollister), George C. Hollister and Cathleen W. Hollister, Trustees of the GCH and CWH Trust, Catherine Wallenfels, Francesca Hunter, and Alexis Chernow (more recently known as Alexis Hunter), hereinafter collectively referred to as Property Owner, which are necessary for the City to construct the Project and for flood control purposes. The offer was based on the City's determination of just compensation supported by two fee appraisal reports that were prepared for the City, and dated June 4, 2013, for 6 State Street, and July 1, 2013, for 13 East Cabrillo Boulevard and 21 Helena Avenue.

On December 23, 2013, the Property Owner rejected the City's offer with a counter offer much higher than the City's offer. As negotiations continued into January 2014 without success, the City approached the Property Owner for a Right of Entry which would permit the City to occupy and possess the subject property until such time as there was a negotiated acquisition or final order of condemnation. Obtaining the Right of Entry, an agreement acceptable in the FHWA Bridge Program right of way acquisition process, was in the City's best interest to protect the Project schedule and to secure the City's programmed FHWA Bridge Program funding. In exchange for payment of a negotiated

monthly rent by the City, the Property Owner was willing to grant the City a Right of Entry providing the City with the exclusive possession and use of the real property until negotiations are reached or until a final Order of Condemnation is recorded, should negotiations fail. The Right of Entry, City Agreement Number 24,720, was accepted by the City on January 28, 2014, and allows for the construction of the Project to move forward while the parties continue negotiations. However, due to the extensive scope and time sensitive nature of the Project, both parties agreed that if a negotiated acquisition was not reached within 120 days from acceptance of the Right of Entry, the City would proceed by way of condemnation.

In an effort to avoid condemnation, the City had a new appraisal prepared in May 2014 for the 13 East Cabrillo Boulevard and 21 Helena Avenue properties, and a counter offer was presented to the Property Owner on May 12, 2014. The City received a counter “settlement” proposal on November 3, 2014; however, the two parties continue to have significant differences in what the just compensation should be.

With the uncertainty of whether there will be a negotiated acquisition, the City requires the adoption of the Resolution of Necessity in order to proceed with the acquisition and compensation for the Easements through eminent domain.

Whether the City accomplishes a negotiated acquisition or proceeds with eminent domain, the services of special legal counsel are needed. The firm of BBK is an experienced eminent domain law firm that has successfully worked on behalf of other local agencies in completing their respective public works projects, including successful litigation, when necessary. BBK was previously under contract with the City back in 2009 when it anticipated going through the eminent domain process on this same Project and with the same property owner. BBK filed a complaint in the Superior Court on behalf of the City to begin the condemnation proceedings. Shortly after the complaint was filed the City believed it was close to settling the matter with the property owner and determined that BBK’s services were no longer required. While the City has been in negotiation with the property owner since 2009, it has been unable to reach a negotiated settlement, and again requires the legal expertise offered by BBK. Staff recommends BBK for retention by the City due to their strong level of experience and that the estimated $200,000 for legal services is reasonable based on the complexity of the property acquisition and possible need for litigation.

<u>Purpose of Hearing on the Resolution of Necessity</u>

There must be a determination made by the City of the necessity for the acquisition of the Easements at the properties at 13 East Cabrillo Boulevard, 21 Helena Avenue, and 6 State Street, which is done through the adoption of a Resolution and the supported findings.

In addition to the adoption of the proposed Resolution, and in order to proceed with eminent domain, the law requires that a public hearing be held concerning each of the

required real property rights being sought by the City, and the public necessity for the acquisition of those rights. After the adoption of the Resolution, these findings will be presented in an eminent domain proceeding, should such action become necessary in the future.

The statutes which authorize the City to acquire the property by eminent domain for this Project include the Code of Civil Procedure Sections 1240.110 and 1240.120. As provided in the Code of Civil Procedure, the public hearing related to the proposed adoption of the Resolution, and any objection thereto by the property owner, should be limited to discussion of the requisite statutory findings specifically set forth in Section 1240.030 of the Code of Civil Procedure, namely:

a. The public interest and necessity require the Project.

b. The Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury.

c. The property rights sought to be acquired are necessary for the Project.

Section 1245.235 of the Code of Civil Procedure provides for the property owner to be noticed of the hearing for the proposed Resolution and to be given a reasonable opportunity to appear and be heard on the matters identified in the above paragraph. However, the Property Owner waived both the right to the notice and to the adoption of the Resolution when it executed the Right of Entry. The Property Owner also agreed not to object to the filing of an eminent domain proceeding or to challenge the City's right to take the property. The only outstanding issue is the amount of just compensation for the property, which is the matter to be considered through the eminent domain proceeding and not before the City Council.

The proposed Resolution should be adopted by Council to authorize the City Attorney to initiate Superior Court eminent domain litigation, if necessary. Pursuant to Section 1245.240 of the Code of Civil Procedure, the adoption of the proposed Resolution requires approval by two-thirds vote of the City Council (five Council members vote required).

<u>Evidentiary Findings</u>

The proposed Resolutions contains the findings required by Section 1245.230 of the California Code of Civil Procedure:

1. The public interest and necessity require the Project;

2. The Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;

3. The property interests are necessary for the Project; and

4. Prior to making the above findings and determinations, the offer required by Section 7267.2 of the Government Code was made to the owner or owners of record of the property interests to be acquired.

The basis for these findings is as follows:

FINDING 1: The Public Interest and Necessity Require the Project:

The Project is necessary to replace the existing structurally deficient bridge and improve the hydraulic flow of Mission Creek through the reconstruction of the flood control channel. The Project is an approved FHWA Bridge Program project with oversight provided through the State of California, Department of Transportation (Caltrans). The federal funding is provided through the MAP 21 Act (P.L. 112-141). The Project specifically calls for the removal of the existing bridge and replacement with a slightly longer bridge design that will comply with current structural capacity requirements and also improve the hydraulic flow of Mission Creek in this area.

There is an existing restaurant building that was built over a portion of the Mission Creek Channel and attached to the existing bridge. The restaurant building presently rests in part on an existing structurally deficient channel wall that was built by the property owners in the 1950s. The reconstruction of the bridge and the flood control channel requires the demolition of that portion of the restaurant building that is in conflict with the new channel and bridge.

FINDING 2: The Project is Planned or Located in the Manner that Will Be Most Compatible with the Greatest Public Good and the Least Private Injury:

The Project is replacing the existing structurally deficient bridge located in the Santa Barbara Waterfront at the intersection of State Street and Cabrillo Boulevard, next to Stearns Wharf. The bridge and creek are to remain in their existing locations. No realignment was proven to be necessary or warranted.

FINDING 3: The Property Interests are Necessary for the Project:

The existing roadway, bridge, and creek alignments dictate the property that must be acquired. It is necessary to acquire the Easements in order to gain legal access to the properties and to efficiently and economically complete the Project.

The Project requires the City's acquisition of certain real property rights in the form of permanent easements for street, sidewalk, flood control, and drainage purposes; temporary construction easements for bridge and creek channel construction; and partial demolition of the existing restaurant building. The justification for the need of a temporary construction easement over the restaurant building parcel is that the

demolition of the building requires a complete evacuation of the premises by the owner and any tenant. The City is to control the parcel for the stages of demolition, construction of the flood control channel and construction of the bridge.

FINDING 4: The Offers Required by Government Code Section 7267.2 Have Been Made:

City staff has made two formal written offers to the Property Owner who is subject to this Resolution of Necessity Hearing. The first written offer, made on October 15, 2013, was rejected by the property owner on December 23, 2013. City staff made a counter offer on May 12, 2014. To date, the counter offer has not been accepted, rejected, or countered. Although negotiations will continue even if Council adopts the proposed Resolution, there is no guarantee that they will result in an acquisition of the Easements.

Environmental Review

The proposed Project was evaluated in the Mitigated Negative Declaration, dated February 21, 2007, and the Notice of Determination filed with the State Clearing House on August 21, 2007, pursuant to the California Environmental Quality Act. Additionally, the Project was evaluated pursuant to the National Environmental Protection Act, and the determination was made that it is a Categorical Exclusion under 23 CFR 771.117(d); activity (d)(3). The findings, reports, permits, and adopting actions have been placed in the Mayor and Council Office's Reading File and are available for public review in the City Clerk's Office.

BUDGET/FINANCIAL INFORMATION:

The final purchase price of the Easements is 88.53 percent reimbursable through the FHWA Bridge Program. The remaining 11.47 percent is the City's responsibility and there are sufficient funds in the Project fund to cover these expenses. Staff has negotiated an acceptable fee for the anticipated services that is consistent with that typically paid by other public agencies for such services.

Typically, all staff costs, including consultant fees for services such as engineering, right of way, appraisals, relocation assistance, and legal services, are eligible for the 88.53 percent reimbursement, and the City will be receiving most, if not all, of the staff and consulting costs incurred to date. But, the right of way acquisition component of this Project has been on-going for many years, and the City has exceeded what is typically found to be reasonable staff and consulting fees for the right of way acquisition efforts. Therefore, it is uncertain at this time, how much, if any, of the continuing staff fees and new legal services fees, including any court fees, will be reimbursed. If the City is not reimbursed at the 88.53 percent of these continuing costs, it will be required to cover these costs at 100 percent out of City funds.

ATTACHMENTS: 1. Parcel Map
2. Parcel Description Table

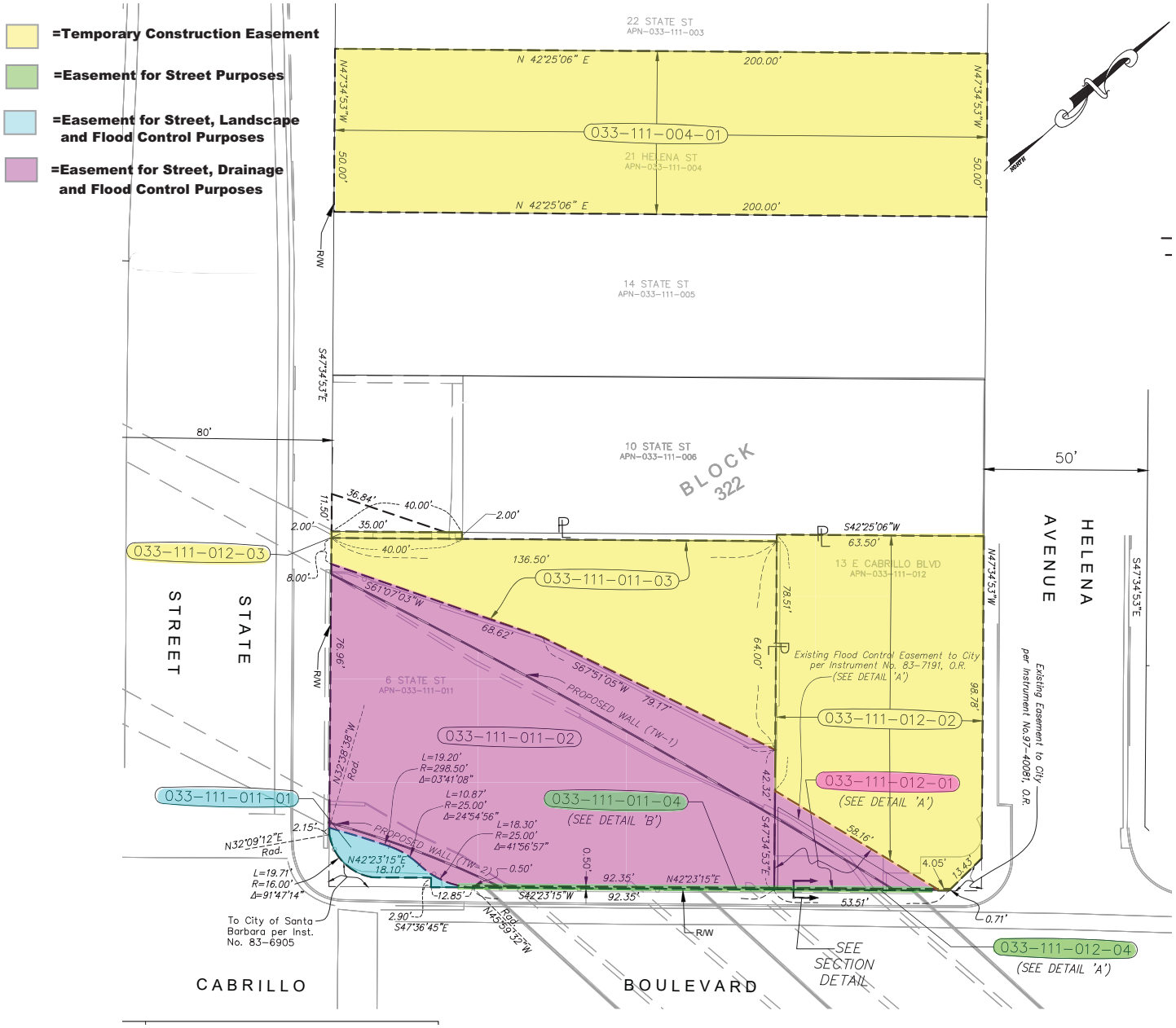
PREPARED BY: Pat Kelly, Assistant Public Works Director/City Engineer/MAW/sk

SUBMITTED BY: Rebecca Bjork, Public Works Director
Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

ATTACHMENT 1

PARCEL MAP



ATTACHMENT 2

PARCEL DESCRIPTION TABLE

PARCEL NO.	GRANTOR	AREAS		REMARKS
		REQUIRED (S.F.)	TOTAL PROPERTY (S.F.)	
033-111-011-01	CASTAGNOLA HUNTER, et al.	273	14,446	EASEMENT FOR STREET, LANDSCAPE, FLOOD CONTROL & DRAINAGE PURPOSES
033-111-011-02	"	9,531		EASEMENT FOR STREET, FLOOD CONTROL & DRAINAGE PURPOSES
033-111-011-03	"	4,596		TEMPORARY CONSTRUCTION EASEMENT
033-111-011-04	"	46		EASEMENT FOR STREET, FLOOD CONTROL & DRAINAGE PURPOSES
033-111-012-01	"	745	7,182	EASEMENT FOR STREET, FLOOD CONTROL & DRAINAGE PURPOSES
033-111-012-02	"	6,087		TEMPORARY CONSTRUCTION EASEMENT
033-111-012-03	"	80		TEMPORARY CONSTRUCTION EASEMENT
033-111-012-04	"	27		EASEMENT FOR STREET, FLOOD CONTROL & DRAINAGE PURPOSES
033-111-004-01	"	10,000	10,000	TEMPORARY CONSTRUCTION EASEMENT

RESOLUTION NO. _____

A RESOLUTION OF NECESSITY OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO ACQUIRE CERTAIN REAL PROPERTY RIGHTS OVER THE PROPERTY COMMONLY KNOWN AS 13 (OTHERWISE KNOWN AS 15) EAST CABRILLO BOULEVARD (APN: 033-111-012), 21 HELENA AVENUE (APN: 033-111-004), AND 6 STATE STREET (APN: 033-111-011).

WHEREAS, on November 18, 2014, the City Council held a hearing on the following matters:

a. That the public interest and necessity require the replacement of the Cabrillo Bridge (hereinafter referred to as the "Project");

b. That the Project (as depicted on City Plan No. C-1-4200, a copy of which is permanently on file at the Public Works Department of the City of Santa Barbara) is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;

c. That the property rights sought to be acquired and described in the resolution are necessary for the Project;

d. That the offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record;

e. That a Mitigated Negative Declaration finding was made pursuant to the California Environmental Quality Act Regulations (CEQA);

f. That the Project has been determined to be categorically excluded pursuant to the National Environmental Protection Act (NEPA);

g. Such other and further matters as may be referred to in California Code of Civil Procedure §1245.230.

WHEREAS, on January 28, 2014 the property owner executed a Right of Entry and Memorandum of Right of Entry, recorded with the Santa Barbara County Recorder as Instrument No. 2014-0008614, which grants the City temporary possession of the property until a monetary settlement can be reached or a final order of condemnation is recorded.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1.

a. The public interest and necessity require the Project;

b. The Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;

c. All the property rights described in this resolution are necessary for the Project;

d. The offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record;

e. The property owner waived the right to notice of the City's intent to adopt the resolution of necessity when it executed the Right of Entry, City Agreement Number 24,720, dated January 28, 2014, which granted the City the right to possession and use of the property. The property owner also agreed not to object to the filing of an eminent domain proceeding or to challenge the City's right to take the property; and

f. The Project was evaluated in the Mitigated Negative Declaration dated February 21, 2007, pursuant to the California Environmental Quality Act (CEQA) and the Notice of Determination was filed with the State Clearing House on August 21, 2007. Additionally, the Project was evaluated pursuant to the National Environmental Protection Act (NEPA) and the determination was made that it is a Categorical Exclusion under 23 CFR 771.117(d); activity (d)(3).

SECTION 2. The basis for these findings is as follows:

FINDING 1: <u>The Public Interest and Necessity Require the Project</u>.

The Project is necessary to replace the existing structurally deficient bridge and improve the hydraulic flow of Mission Creek through the reconstruction of the flood control channel. The Project is an approved FHWA Bridge Program project with oversight provided through the State of California, Department of Transportation (Caltrans). The federal funding is provided through the MAP 21 Act (P.L. 112-141). The Project specifically calls for the removal of the existing bridge and replacement with a slightly longer bridge design that will comply with current structural capacity requirements and also improve the hydraulic flow of Mission Creek in this area.

There is an existing restaurant building that was built over a portion of the Mission Creek Channel and attached to the existing bridge. The restaurant building presently rests in part on an existing structurally deficient channel wall that was built by the property owners in the 1950s. The reconstruction of the bridge and the flood control channel requires the demolition of that portion of the restaurant building that is in conflict with the new channel and bridge.

FINDING 2: <u>The Project is Planned or Located in the Manner that Will Be Most Compatible with the Greatest Public Good and the Least Private Injury</u>.

The Project is replacing the existing structurally deficient bridge located in the Santa Barbara Waterfront at the intersection of State Street and Cabrillo Boulevard, next to Stearns Wharf. The bridge and creek are to remain in their existing locations. No realignment was proven to be necessary or warranted.

FINDING 3: <u>The Property Interests are Necessary for the Project</u>.

The existing roadway, bridge, and creek alignments dictate the property that must be acquired. It is necessary to acquire the Easements in order to gain legal access to the properties and to efficiently and economically complete the Project.

The Project requires the City's acquisition of certain real property rights in the form of permanent easements for street, sidewalk, flood control, and drainage purposes; temporary construction easements for bridge and creek channel construction; and partial demolition of the existing restaurant building. The justification for the need of a temporary construction easement over the restaurant building parcel is that the demolition of the building requires a complete evacuation of the premises by the owner and any tenant. The City is to control the parcel for the stages of demolition, construction of the flood control channel and construction of the bridge.

FINDING 4: <u>The Offers Required by Government Code Section 7267.2 Have Been Made</u>**.**

City staff has made two formal written offers to the Property Owner who is subject to this Resolution of Necessity Hearing. The first written offer, made on October 15, 2013, was rejected by the property owner on December 23, 2013. City staff made a counter offer on May 12, 2014. To date, the counter offer has not been accepted, rejected, or countered. Although negotiations will continue even if Council adopts the proposed Resolution of Necessity, there is no guarantee that they will result in an acquisition of the Easements.

SECTION 3. That the Council of the City of Santa Barbara, as a result of said hearing, has determined that the public interest and necessity require the acquisition by the City of the real property rights required for all activities necessary for the construction of the Cabrillo Boulevard bridge and Mission Creek improvements, and for all related demolition work, and surface and subsurface foundation improvements, and ingress and egress required for the removal, replacement and reconstruction of the Cabrillo Boulevard Bridge and appurtenant facilities within Mission Creek.

SECTION 4. That the taking of the property rights described herein is authorized by Section 19 of Article I of the California Constitution, Section 37350.5 of the California Government Code, and Sections 1240.010 through 1240.125 of the California Code of Civil Procedure.

SECTION 5. That the Council of the City of Santa Barbara does hereby declare that it is the intention of said City to acquire said certain real property rights described herein in its name in accordance with the provisions of the laws of the State of California with reference to condemnation procedures.

SECTION 6. That the said certain real property rights are located in the City of Santa Barbara, County of Santa Barbara, State of California, as identified in the table as follows and as are more particularly described in Attachment "A", "Legal Descriptions and Parcel Maps":

PARCEL NUMBER	REQUIRED (S.F.)	REAL PROPERTY INTEREST
033-111-011-01	273	Easement for street, landscape, flood control and drainage purposes
033-111-011-02	9,531	Easement for street, flood control and drainage purposes
033-111-011-03	4,596	Temporary construction easement
033-111-011-04	46	easement for street, flood control and drainage purposes
033-111-012-01	745	Easement for street, flood control and drainage purposes
033-111-012-02	6,087	Temporary construction easement
033-111-012-03	80	Temporary construction easement
033-111-012-04	27	Easement for street, flood control and drainage purposes
033-111-004-01	10,000	Temporary construction easement

SECTION 7. That the City Attorney is hereby authorized and directed to:

a. File, institute and prosecute in the name of the City, and to retain a law firm as Special Counsel for such proceedings in eminent domain, if necessary, in the proper Court having jurisdiction thereof, as may be necessary for the acquisition of the rights in said certain real property;

b. Deposit the probable amount of just compensation as fixed by the Public Works Director in accordance with law, in the State Condemnation Fund;

and,

c. At the discretion of the City Attorney, to approve and execute a settlement agreement or stipulated judgment vesting title to the real property rights described herein on terms and conditions approved by the City Attorney for the best interests of the City.

SECTION 8. That the California Environmental Quality Control Act of 1970, as amended, and guidelines adopted pursuant thereto, have been complied with insofar as the above project is concerned by the evaluation of the Cabrillo Boulevard Bridge Replacement Project in the Mitigated Negative Declaration State Clearinghouse (SCH) No. 2007021124, dated February 21, 2007, and the filing of the Notice of Determination with the SCH on August 21, 2007. The National Environmental Protection Act has also been complied with by the evaluation of the project in the Categorical Exclusion dated August 31, 2009 and re-validated on March 10, 2014, both reports which are hereby accepted and directed to be filed with the City Clerk.

Permanent Easement Deeds

Parcel 033-111-011-01 – Easement for Street, Landscape, Flood Control and Drainage Purposes

Parcel 033-111-011-02 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-011-04 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-012-01 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-012-04 - Easement for Street, Flood Control and Drainage Purposes

Temporary Construction Deeds

Parcel 033-111-004-01 – TCE

Parcel 033-111-011-03 - TCE

Parcel 033-111-012-02 - TCE

Parcel 033-111-012-03 - TCE

Permanent Easement Deeds

Parcel 033-111-011-01 – Easement for Street, Landscape, Flood Control and Drainage Purposes

Parcel 033-111-011-02 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-011-04 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-012-01 - Easement for Street, Flood Control and Drainage Purposes

Parcel 033-111-012-04 - Easement for Street, Flood Control and Drainage Purposes

Exhibit A
(Parcel 033-111-011-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at the most easterly corner of said parcel; thence, along the northwesterly line of Cabrillo Boulevard, S 42°23'15" W, a distance of 92.35 feet to the True Point of Beginning, said point being the beginning of a non-tangent curve, concaved northerly, having a central angle of 41°56'57", a radial bearing of S 45°59'32" E and a radius of 25.00 feet; thence,

1st southwesterly along the arc of said curve, 18.30 feet to the beginning of a reverse curve, concave southerly, having a central angle of 24°54'56" and a radius of 25.00 feet; thence,
2nd southwesterly along the arc of said curve 10.87 feet to the beginning of a compound curve having a central angle of 03°41'08" and a radius of 298.50 feet; thence,
3rd along the arc of said curve, 19.20 feet to a point on the northeasterly line of State Street; thence,
4th southeasterly along said line of State Street a distance of 18.00 feet to the intersection of the northeasterly line of State Street with the northwesterly line of Cabrillo Boulevard; thence,
5th along the northwesterly line of Cabrillo Boulevard N 42°23'15" E, 31.30 feet to the point of beginning.

EXCEPTING THEREFROM:

That portion of said land granted to the City of Santa Barbara by Grant Deed recorded February 11, 1983 in Instrument No. 83-6905 of Official Records, County of Santa Barbara.

Containing an area of approximately 273 square feet.

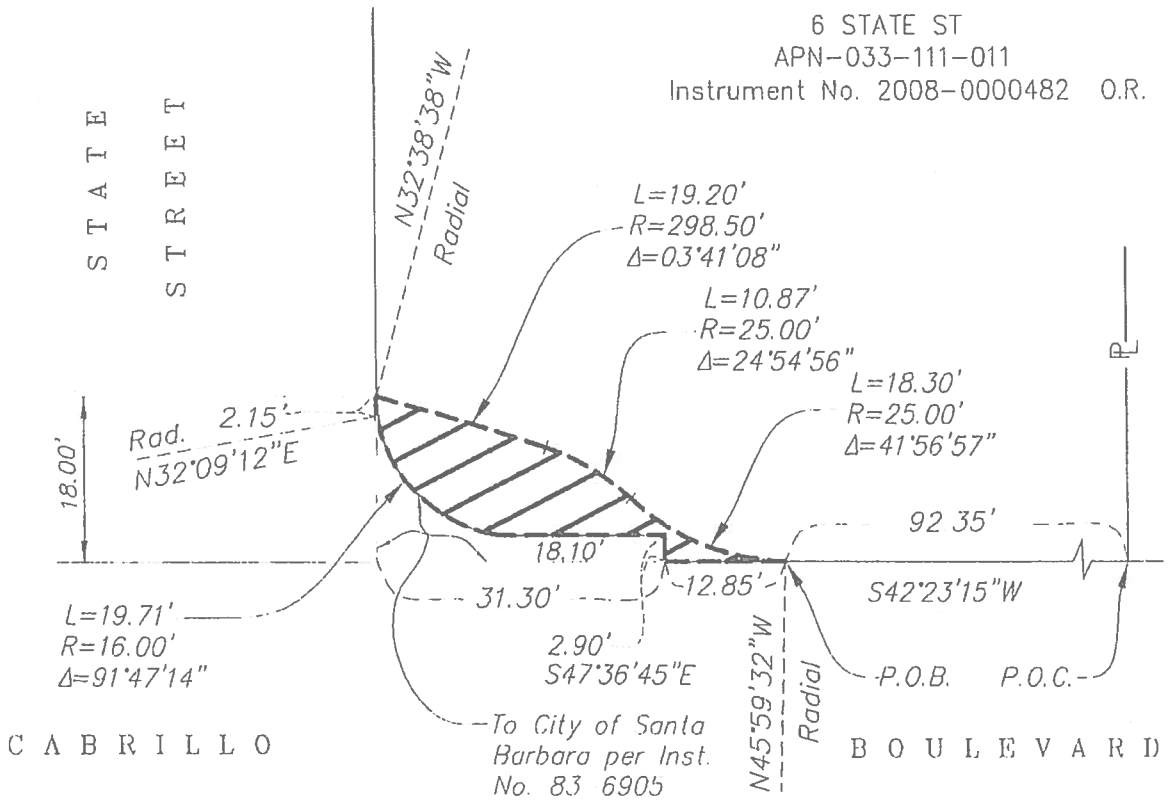
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: Date: 9-2-08
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-011-01



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 10 20 40

(IN FEET)
1 inch = 20 ft

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Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
TELEPHONE (805) 692-6921 FAX (805) 692-6931

10-00105 845 • 100105 EXB dwg • 12/07 • TR • E-FILE

RPR/RPD

Y:\10-00100 Series\100105 Bengal Cabrillo Blvd\CADD\10-00105\dwg\SURVEY\RIGHT OF WAY APPRAISAL MAP\EXHIBITS\10-00105_EXHIBITS for PPR.dwg 6/29/2005 8:51:49 AM PDT

P.N 10 00105

Exhibit A
(Parcel 033-111-011-02)

That portion of land in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at the southwesterly corner of said parcel; thence, southeasterly along the northeasterly line of State Street, 8.00 feet to the TRUE POINT OF BEGINNNING; thence

1st N 61°07'03" E, a distance of 68.62 feet; thence,
2nd N 67° 51' 05" E, a distance of 79.17 feet to the northeasterly line of said parcel; thence
3rd along said northeasterly line of said parcel S 47° 34'53" E, a distance of 42.32 feet to a line which is 0.50 feet northwesterly and parallel to the northwesterly line of Cabrillo Boulevard; thence,
4th S 42°23'15" W, along said parallel line, 92.35 feet; thence,
5th S 47°36'45" E, a distance of 0.50 feet to a point on the northwesterly line of Cabrillo Boulevard and the beginning of a non-tangent curve, concave northerly having a radial bearing of S 45°59'32" E and a radius of 25.00 feet; thence,
6th southwesterly along said non-tangent curve a distance of 18.30 feet to the beginning of a reverse curve, concave southerly, having a radius of 25.00 feet; thence,
7th northwesterly along said reverse curve 10.87 feet to the beginning of a compound curve, concave southerly, having a radius of 298.50 feet; thence,
8th along said compound curve 19.20 feet to said northeasterly line of State Street; thence
9th N 47°34'53" W along said northeasterly line of State Street 76.96 feet to the point of beginning.

Containing an area of approximately 9,531 square feet.

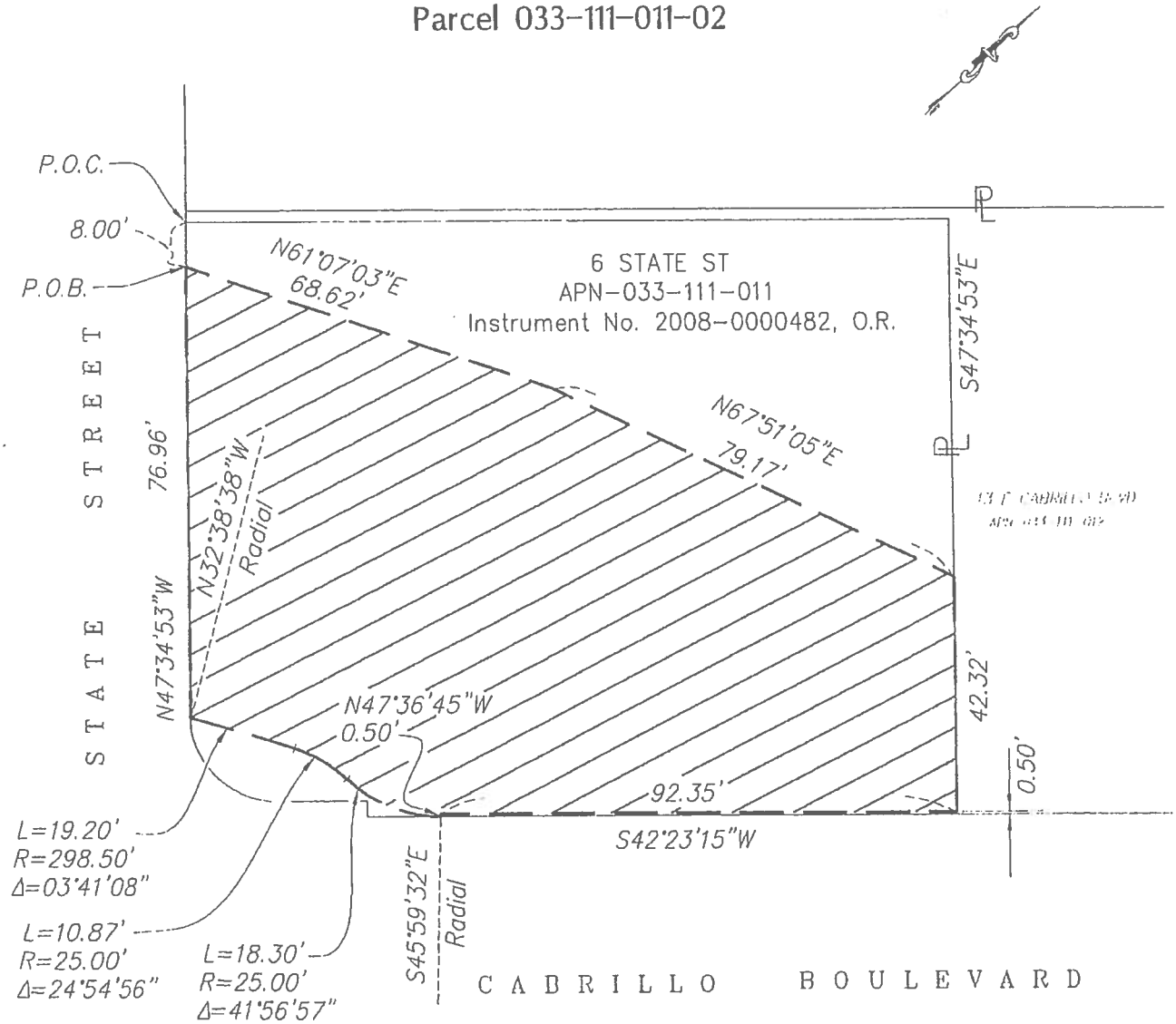
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 9-2-08
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-011-02



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 15 30 60

(IN FEET)
1 inch = 30 ft.

MNS ENGINEERS INC
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Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
TELEPHONE (805) 692-6921 FAX. (805) 692-6931

10-00105_845 • 100105_EXB dwg • 12/07 • TR • E-FILE

RPD.

Y:\10-00100 Series\100105 Bengal Cabrillo Blvd\CADD\10-00105\dwg\SURVEY\RIGHT OF WAY APPRAISAL MAP\EXHIBITS\10-00105_EXHIBITS for RPD.dwg 8/29/2008 9:13:46 AM PDT

P.N. 10--00105

Exhibit A
(Parcel 033-111-011-04)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

The southeasterly 0.5 foot of the northeasterly 92.35 feet of said parcel of land.

Containing an area of 46 square feet.

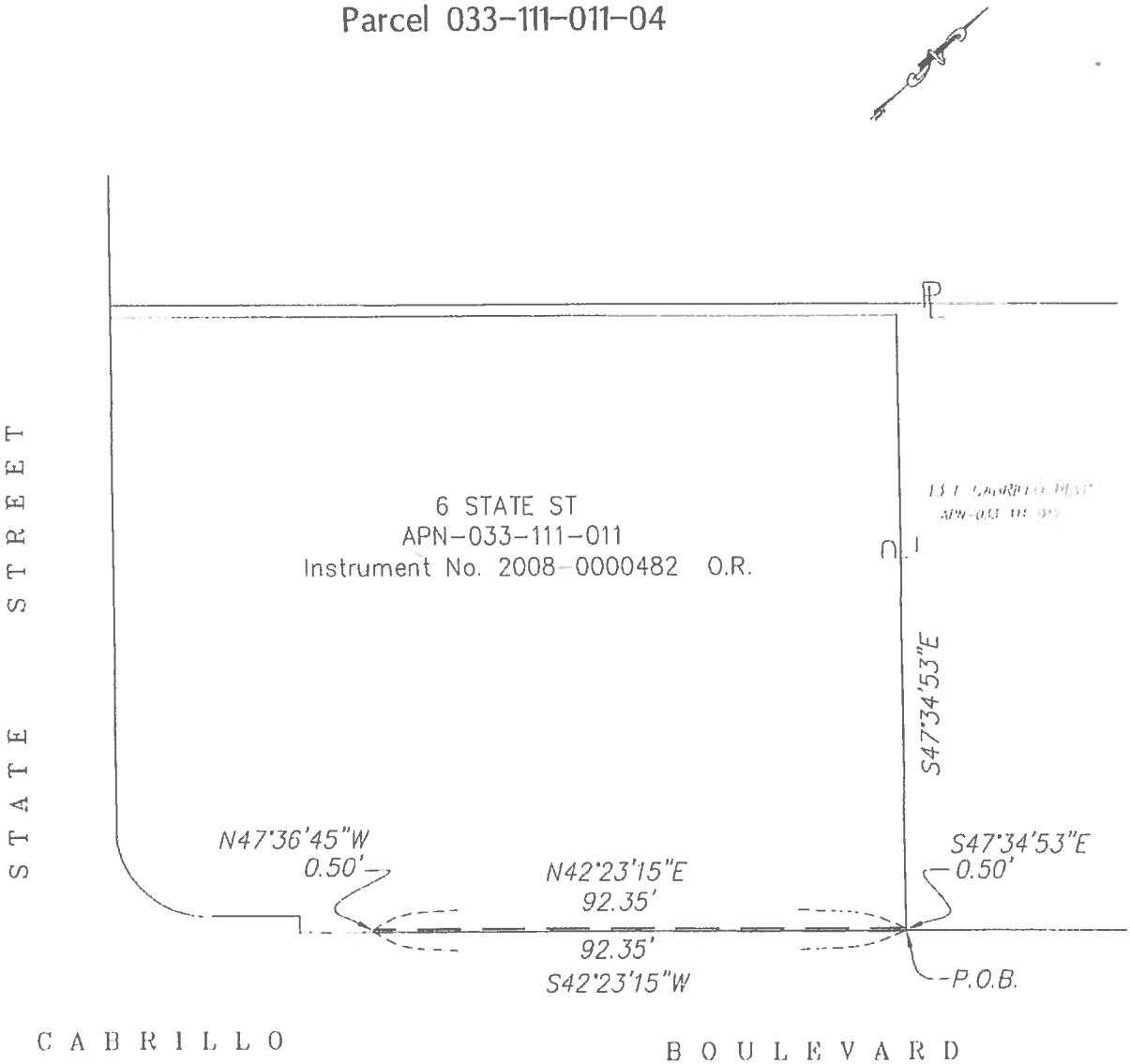
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 8-28-08
Mark E. Reinhardt, PLS

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-011-04



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 15 30 60

(IN FEET)
1 inch = 30 ft.

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Quality Infrastructure Services
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10-00105_845 • 100105_EXB.dwg • 12/07 • IR • E-FILE

RPD.

T:\10-00100 Series\100105 Serge: Cabrillo Blvd\CADD\10-00105\dwg\SURVEY\RIGHT OF WAY APPRAISAL MAP\EXHIBITS\10-00105_EXHIBITS for RPD.dwg 8/29/2003 9:04:29 AM PDT

Exhibit A
(Parcel 033-111-012-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the office of the County Recorder of said County.

Said portion of land is described as follows:

Beginning at a point on the southwesterly line of said parcel N 47° 34' 53" W, a distance of 0.50 feet from the most southerly corner of said parcel as bounded by the northwesterly line of Cabrillo Boulevard; thence,

1st N 47° 34' 53" W, a distance of 29.81 feet along the southwesterly line of said Lighthouse & Corner parcel; thence,

2nd N 73° 13' 03" E, a distance of 58.16 feet to a point which lies 0.50 feet northwesterly as measured perpendicular from the northwesterly line of Cabrillo Boulevard; thence,

3rd along a line parallel with and 0.50 feet northwesterly of said line of Cabrillo Boulevard S 42° 23' 15" W, a distance of 49.96 feet to the point of beginning.

Containing an area of approximately 745 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

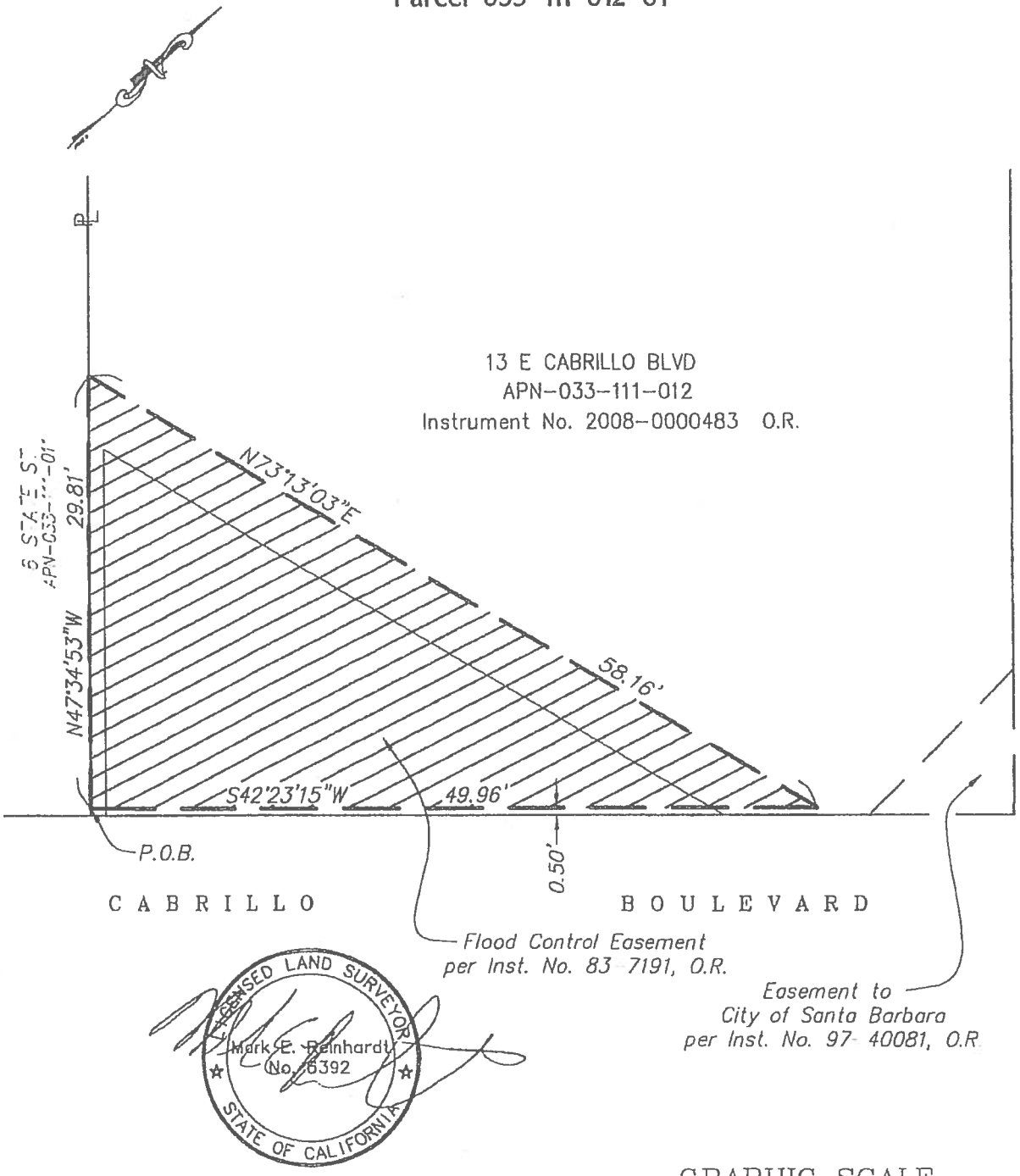
Signature: _____ Date: 8-9-2012
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

Y:\10-00100 Series\1000105 Bengal Cabrillo Blvd\SURVEY LEGAL DESCRIPTIONS\ OR THE RPD and RPR SETS\UPDATED RPD DESCRIPTIONS\1000105 Legal Desc 033 111-012-01 RPD.doc

EXHIBIT B

Parcel 033-111-012-01



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

GRAPHIC SCALE

0 5 10 20

(IN FEET)
1 inch = 10 ft.

MNS ENGINEERS INC
ENGINEERS ▾ SURVEYORS ▾ CONSTRUCTION MANAGERS
Quality Infrastructure Services

201 N. CALLE CESAR CHAVEZ, SUITE 300, SANTA BARBARA, CA 93103
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10-00105_845 • 100105_EXB.dwg • 07/12 • SS • E-FILE

RPD

P.N. 10-00105

Exhibit A
(Parcel 033-111-012-04)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records in the office of the County Recorder of said County.

Said portion of land is described as follows:

The southeasterly 0.50 feet of said parcel lying adjacent to and northwesterly of the northwesterly line of Cabrillo Boulevard.

EXCEPTING THEREFROM:

That portion that lies within the land as described in the Street Easement Deed to the City of Santa Barbara recorded July 11, 1997 as Instrument No. 97-040081 of Official Records in the office of the County Recorder of said County.

Containing an area of 27 square feet.

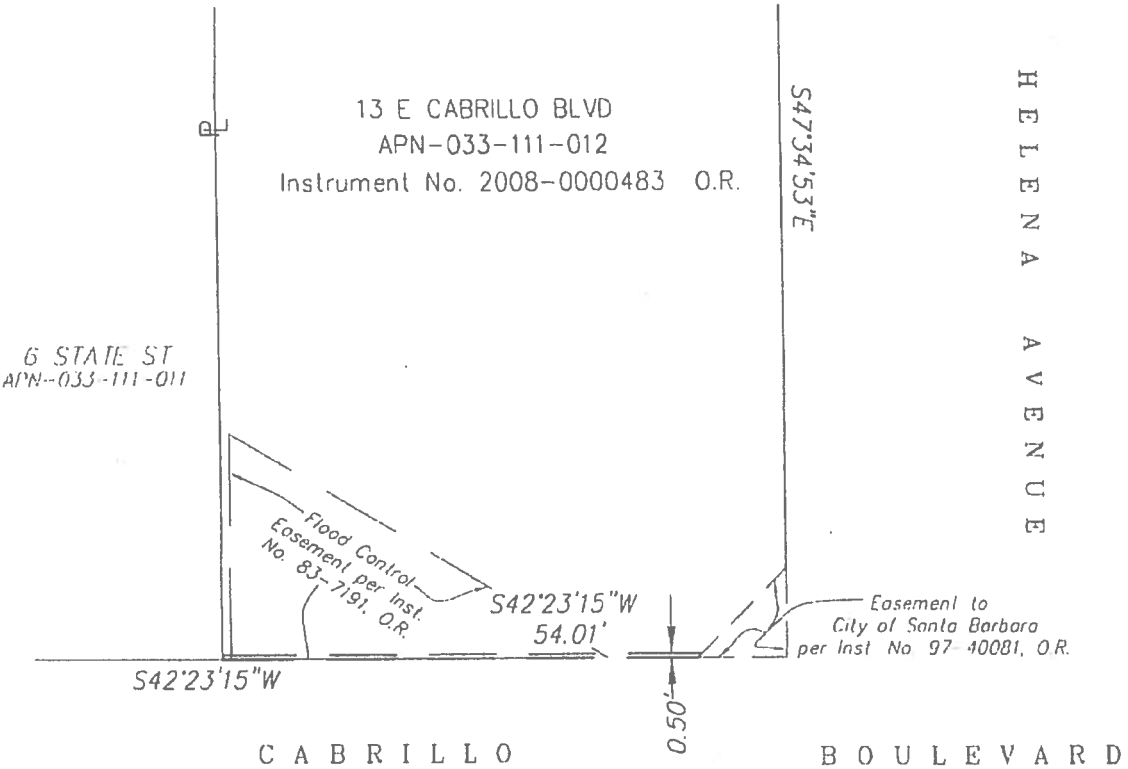
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 9-02-08
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-012-04



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 15 30 60

(IN FEET)
1 inch = 30 ft.

MNS ENGINEERS INC
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4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
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RPD.

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P.N. 10-00105

Temporary Construction Deeds

Parcel 033-111-004-01 - TCE

Parcel 033-111-011-03 - TCE

Parcel 033-111-012-02 - TCE

Parcel 033-111-012-03 - TCE

Exhibit A
(Parcel 033-111-004-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being the parcel of land as described in Exhibit "A" in the Grant Deed recorded December 31, 2007 as Instrument No. 2007-0088022 of Official Records, in the office of the County Recorder of said County.

Containing an area of approximately 10,000 square feet.

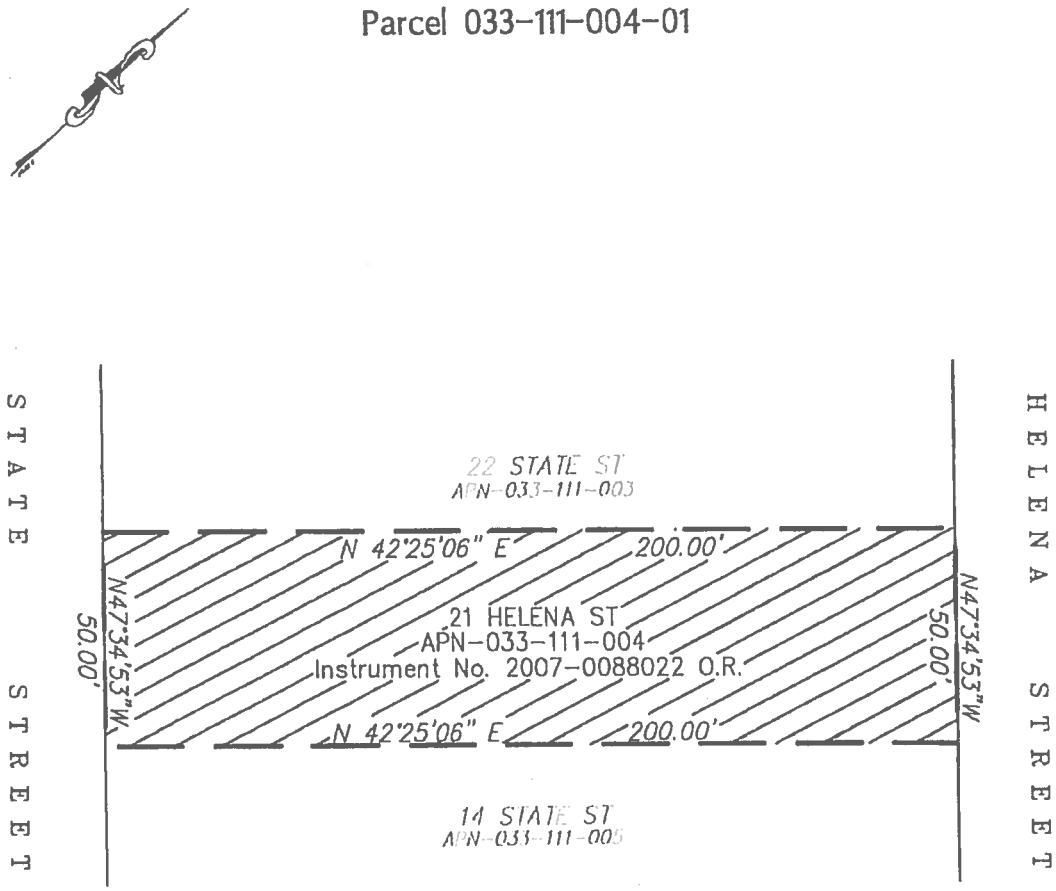
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 8-9-2012
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-004-01



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

GRAPHIC SCALE

0 20 40 80

(IN FEET)
1 inch = 40 ft.

MNS ENGINEERS INC
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10-00105_845 • 100105_EXB.dwg • 07/12 • SS • E-FILE

RPD

P.N. 10-00105

Exhibit A
(Parcel 033-111-011-03)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Beginning at the most westerly corner of said parcel; thence,

1st along the northeasterly line of State Street, S 41° 34'53" E, 8.00; thence,
2nd N 61° 07'03" E, 68.62 feet; thence,
3rd N 67° 51' 05" E, 79.17 feet to a point on the northeasterly line of said parcel; thence,
4th along the northeasterly line of said parcel, N 47° 34' 53" W, 64.00 feet to the most northerly corner of said parcel; thence,
5th along the northwesterly line of said parcel S 42° 25' 06" W, 136.50 feet to the feet to the point of beginning.

Containing an area of approximately 4,596 square feet.

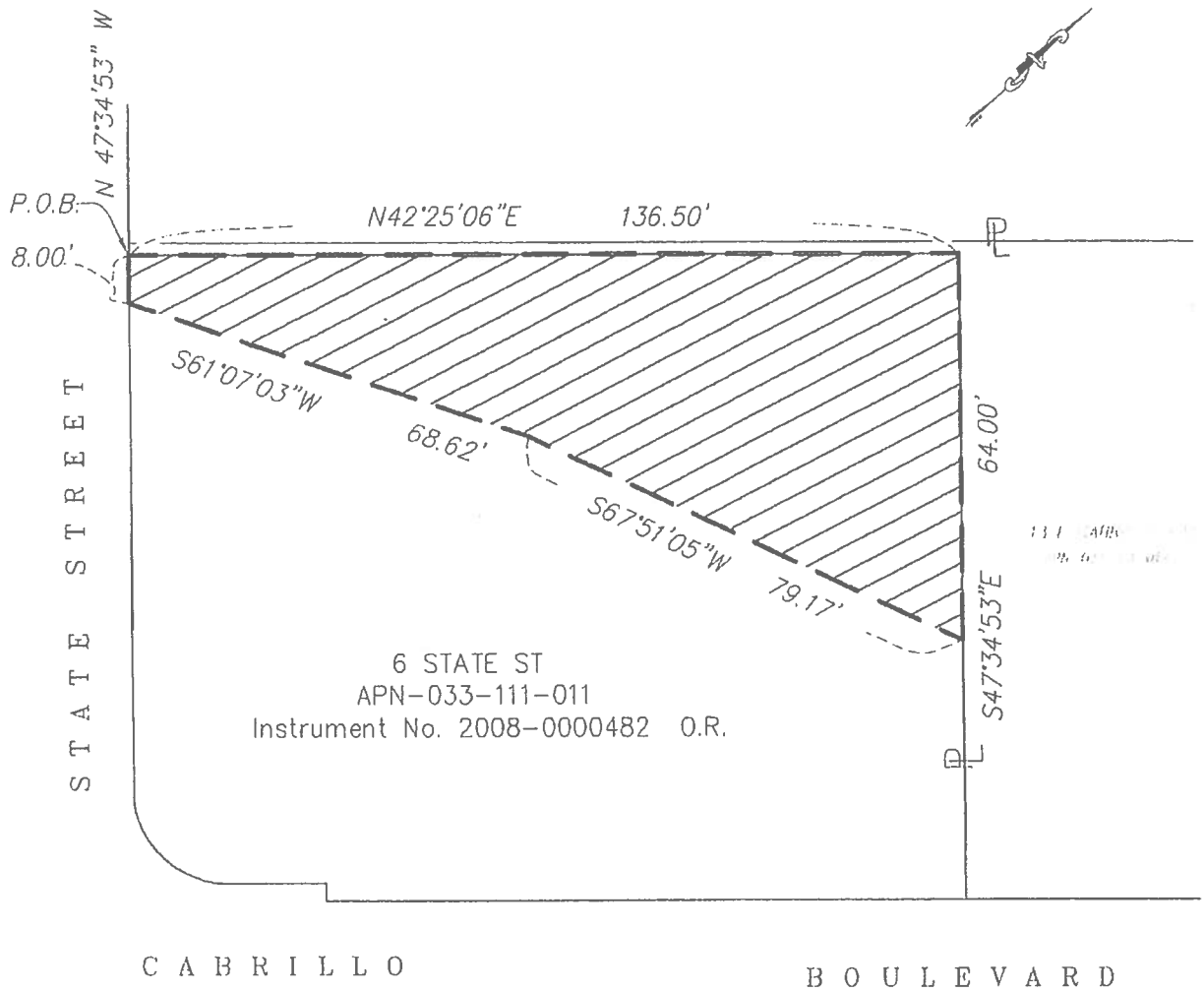
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 8-28-08
Mark E. Reinhardt, PLS

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-011-03



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 15 30 60

(IN FEET)
1 inch = 30 ft.

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RPD/RPR

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P.N. 10-00105

Exhibit A
(Parcel 033-111-012-02)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at a point on the southwesterly line of said parcel N 47° 34' 53" W, a distance of 0.50 feet from the most southerly corner of said parcel as bounded by the northwesterly line of Cabrillo Boulevard; thence, N 47° 34' 53" W, a distance of 29.81 feet along the southwesterly line of said Lighthouse & Corner parcel to the true point of beginning of the portion of land herein described; thence,

1st N 73° 13' 03" E a distance of 58.16 feet to a point which lies 0.50 feet northwesterly as measured perpendicular from the northwesterly line of Cabrillo Boulevard; thence,

2nd along a line parallel with and 0.50 feet northwesterly of said line of Cabrillo Boulevard N 42° 23' 15" E a distance of 4.05 feet to a point on the westerly boundary of the portion of land described in the deed to the City of Santa Barbara in Street Easement Deed recorded July 11, 1997 as Instrument No. 97-40081 of Official Records of said County; thence,

3rd along said westerly boundary N 02° 35' 49" W a distance of 13.43 feet to the most northerly corner of said Street Easement Deed parcel and the northeasterly boundary of said Lighthouse & Corner parcel; thence,

4th along said northeasterly boundary N 47° 34' 53" W a distance of 98.78 feet to the most northerly corner thereof; thence,

5th along the northwesterly boundary of said Lighthouse & Corner parcel S 42° 25' 06" W, a distance of 63.50 feet to a point on the northwesterly prolongation of the fifth course in said deed to Lighthouse & Corner; thence,

6th along said northwesterly prolongation and along said fifth course S 47° 34' 53" E a distance of 78.51 feet to the point of beginning.

Containing an area of approximately 6,087 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 8-9-2012
Mark E. Reinhardt, PLS

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

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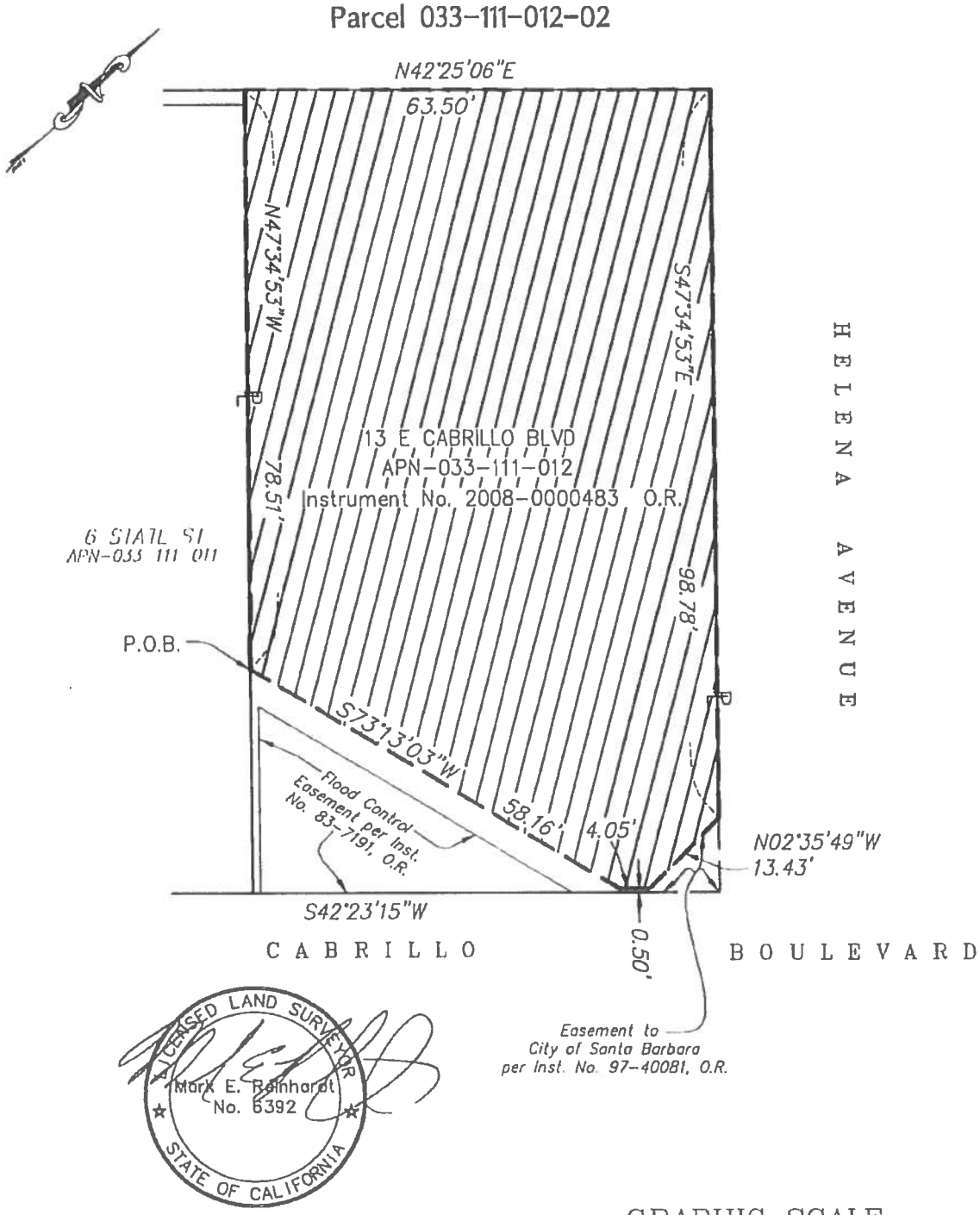
EXHIBIT B

Parcel 033-111-012-02



LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
STATE OF CALIFORNIA

GRAPHIC SCALE

0 10 20 40

(IN FEET)
1 inch = 20 ft.

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Quality Infrastructure Services

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10-00105_845 • 100105_EXB dwg • 07/12 • SS • E-FILE

RPD

P.N 10 00105

Exhibit A
(Parcel 033-111-012-03)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit A in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Beginning at the most westerly corner of said parcel of land; thence,

1st Northeasterly along the northwesterly line of said parcel, 40.00 feet; thence,
2nd at right angles southeasterly 2.00 feet to a point on the southeasterly boundary of said parcel; thence,
3rd Southwesterly along said southeasterly boundary 40.00 feet to a point on the northeasterly boundary of State Street and the southwesterly boundary of said parcel; thence,
4th Northwesterly along said southwesterly boundary 2.00 feet to the point of beginning.

Containing an area of approximately 80 square feet.

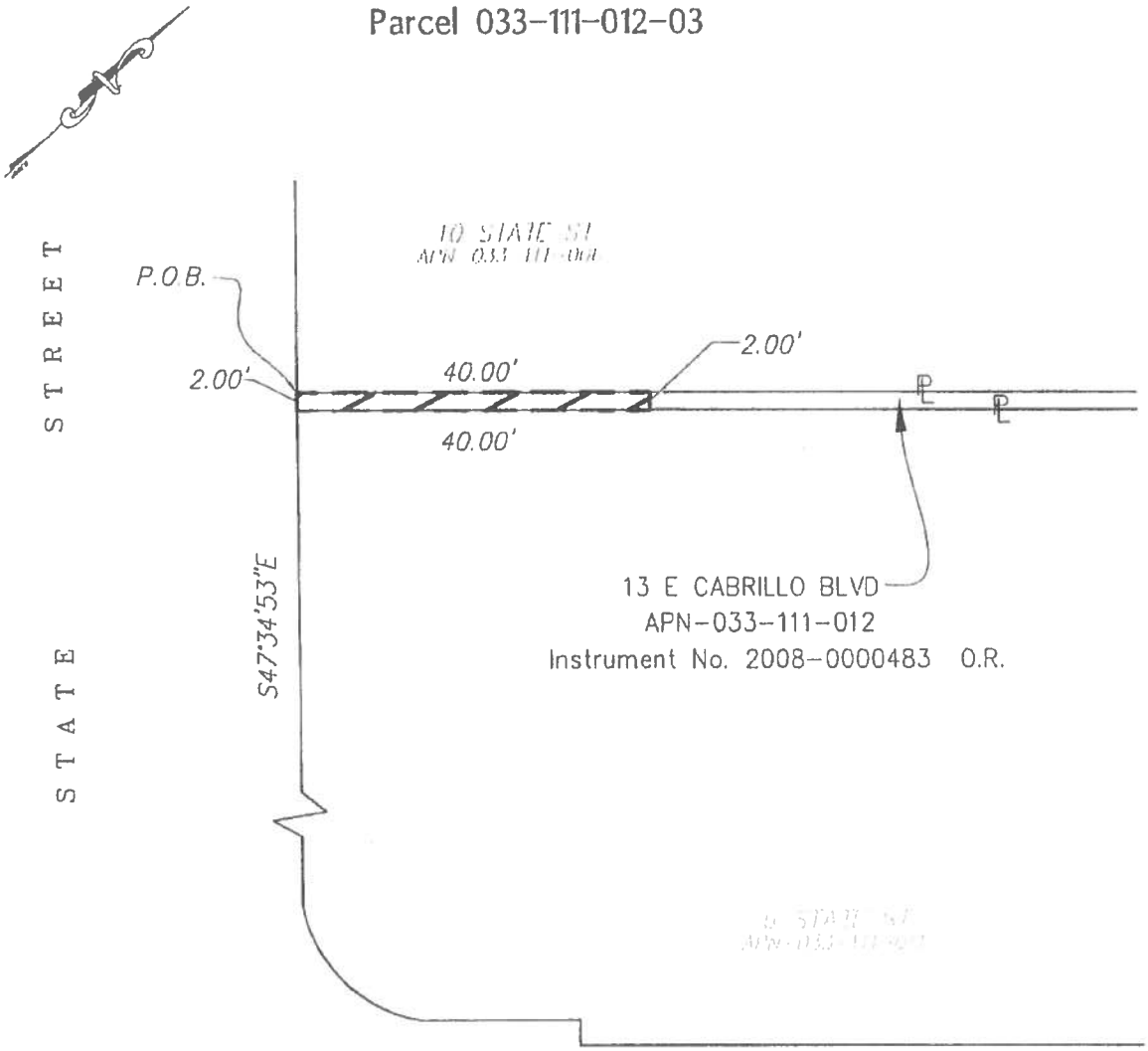
This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____ Date: 9-2-08
Mark E. Reinhardt, P.L.S.

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp. 12/31/08
STATE OF CALIFORNIA

EXHIBIT B

Parcel 033-111-012-03



CABRILLO BOULEVARD

LICENSED LAND SURVEYOR
Mark E. Reinhardt
No. 6392
Exp 12/31/08
STATE OF CALIFORNIA

GRAPHIC SCALE

0 10 20 40

(IN FEET)
1 inch = 20 ft.

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Quality Infrastructure Services
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TELEPHONE (805) 692-6921 FAX. (805) 692-6931

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RPR/RPD

P.N. 10-00105

Agenda Item No. 14

File Code No. 540.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department
Administration Division, Parks and Recreation Department

SUBJECT: Stage Two Drought Update

RECOMMENDATION:

That Council receive an update on the status of the current drought and the implementation of the Parks and Recreation Department's Park and Tree Drought Response Plan.

DISCUSSION:

On February 11, 2014, Council declared a Stage One Drought and asked customers to reduce water use by 20 percent. Council requested that staff keep them informed and report back monthly with a status update on the City's water supplies, conservation efforts, and current work efforts. On May 20, 2014, Council declared a Stage Two Drought in response to a continued water shortage forecasted for next year and the inability of the community to reduce water usage by 20 percent. This report will cover the following items:

- Water Supply Outlook
- Central Coast Water Authority (CCWA) Water Delivery Schedule and Supplemental Water Program
- Drought Response Capital Projects
- Conservation Efforts
- Parks and Recreation Park and Tree Drought Response Plan

<u>Water Supply Outlook</u>

The water supply outlook remains unchanged from the October 14, 2014 drought update presentation. The National Weather Service is projecting a weak El Nino weather condition and equal chances of above, below, or normal rainfall for Santa Barbara over the next few months. Due to the uncertainty in projected rainfall, staff is

planning for continued drought conditions. Staff continues to work on securing additional supplemental water, accelerating drought related capital projects, and sustaining a strong message for extraordinary conservation. The most recent water conservation numbers for September 2014 show that the community has successfully sustained its 20 percent reduction in water use. Staff is hopeful that the drought water rates that went into effect on July 1, 2014 will encourage the community to continue sustaining the 20 percent water use reduction.

CCWA Water Delivery Schedule and Supplemental Water Program

In March 2014, the CCWA Board of Directors authorized the creation of the "Supplemental Water Purchase Program" (SWPP) to assist CCWA participants, including the City, in obtaining additional imported water supplies. To date, the City has purchased 2,984 AF of water, with a total estimated purchase cost of approximately $2.4 Million. CCWA is preparing to initiate a 2015 SWPP and will be requesting a level of interest from potential participants. Staff will present our strategy for supplemental water purchases, including the goals for water purchases, as part of the presentation to Council.

Drought Response Capital Projects

Staff is moving forward with the design and construction of capital work projects to assist with water supply during the drought. This includes the acceleration of groundwater well replacement, and projects that use poor quality groundwater in place of potable water for irrigation. Groundwater wells include the Corporation Yard Well, the Vera Cruz Well, and the City Hall Well, which will augment the City's drinking water supplies, and the Valle Verde Well, which will be connected directly to the City's recycled water system.

On September 23, 2014, staff presented an update on the status of the preliminary design work for the reactivation of the City's Desalination Facility. During that update, the best available project cost estimate for reactivation of the facility at 3,125 AFY capacity was $32.4 Million. Since that time staff has continued to gather information on the condition of the existing facility and contracting requirements that have resulted in updated costs that suggest the total cost of reactivation may be higher. It should be noted that the cost estimates include a 20 percent construction contingency, along with estimated percentages for contractor profit and risk. Given the amount of contingency in the cost estimate the actual cost will not be known until the final project contract is negotiated. Staff suggests that rate noticing allow the flexibility to generate sufficient revenues for up to a $40 Million cost should proposals come in at that range. Because the fixed water rate charge (meter charge) is proposed to fund the capital cost of desal, the fixed charges can be set to reflect the actual project costs as long as they are noticed at that level or higher.

Conservation Efforts

Staff has increased the water conservation outreach program through an enhanced drought media campaign: additional targeted outreach, including increased weekly messaging through social media; online news outlets and industry contacts; presentations to community and industry groups; additional printed materials with drought messaging; targeted utility bill messaging; drought signage at City facilities; and additional trainings and workshops.

Parks and Recreation Drought Response Plan for City Parks and Trees

Since completion of its Drought Response Plan (Plan) in June 2014, Parks and Recreation staff has moved forward with its full scale implementation. Parks Division staff is responsible for the maintenance of: 47 City parks; landscaped areas of 26 sports facilities and recreation buildings; various City facilities such as the libraries and City Hall; as well as all 81 medians, islands, and parkway areas throughout the City. As outlined in the Plan, staff has prioritized the use of water in parks with unique horticultural assets and higher visitor use, as well as ball fields, which serve community recreation needs.

Staff has also developed a strategic approach to tree care. The strategy focuses on trees that are young, historic, and drought intolerant. These represent about 35 percent of the total City street tree population (9,000 of almost 24,000). In addition to watering, the Plan calls for mulching, limited pruning, monitoring, outreach to residents, and opportunities to remove hardscape from parkways. To date, staff has developed and implemented the Historic and Specimen Tree Action Plan, doubled the number of staff assigned to tree irrigation (from 1 FTE to 2 FTE, as well as hourly staff assistance), and implemented a range of community outreach efforts. Community outreach efforts are focused on encouraging residents to assist with street tree watering and care for historic and specimen trees that are located on private property. The Parks and Recreation Department is also installing stationary water devices such as gator bags for young trees and irricades for the Italian Stone Pines to increase watering efficiency and effectiveness. With these resources, we are able to care for just over 1,300 trees, or 6 percent of the City's street trees.

The City has over 9,000 park trees. Forestry staff is also monitoring park trees that are more susceptible to drought. Many of these trees are also located in horticulturally significant parks that are prioritized for irrigation.

Parks and Recreation Water Use and Conservation

Parks and Recreation staff closely monitor all water use, including reviewing irrigation meters daily and/or weekly (depending on the location), and analyzing monthly water use for the entire department. Overall, since the drought was declared in February 2014, the department has achieved a water conservation rate of 23 percent over the average water year. As stated above, the rate of water conservation is lower for higher-priority areas such as horticulturally significant parks, the Municipal Golf Course, and ball fields. Greater water conservation is focused on parks with large amounts of turf that will eventually recover. The same level of water use for street trees has been maintained. The water truck and trailer are equipped with meters, and water applications are documented for each tree.

Staff has evaluated a range of options to increase tree care and watering, including additional stationary watering devices, an increase in staff resources, contract services, and expanded community outreach. Staff has determined that additional water could be allocated for street trees while maintaining the department's water conservation goals. More information about these options, as well as the associated costs, will be provided to Council on November 18, 2014.

PREPARED BY: Joshua Haggmark, Water Resources Manager/JH/mh
Jill E. Zachary, Assistant Parks and Recreation Director

SUBMITTED BY: Rebecca J. Bjork, Public Works Director
Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

Agenda Item No. 15

File Code No. 640.07

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Appeal Of Planning Commission Approval Of A Coastal Development Permit For A New Residence At 3435 Marina Drive

RECOMMENDATION:

That Council deny the appeal of Kitch Wilson, Ron Green, Mike Moore, and Don Santee, and uphold the decision and findings of the Planning Commission to approve the application of Mr. Charles Rudd for a Coastal Development Permit for a new single-family residence on a vacant lot.

DISCUSSION:

Project Description

The project consists of the construction of a new two-story single family residence, with basement, totaling approximately 5,990 net square feet, and a 440 net square-foot attached garage on a vacant 48,787 net square-foot lot. The proposed residence consists of a 1,220 square-foot basement, a 3,960 square-foot main floor and an 810 square-foot upper floor. Also proposed are associated improvements including, but not limited to, site walls and gates, a new septic system, removal of an existing concrete drainage ditch and replacement with a natural swale, a swimming pool with associated pool equipment, outside fireplace, patios and decks, and landscaping. A 30-foot wide view corridor is proposed along the western property line.

Background

The project has had many public hearings, with significant public participation and input, as part of the project's review process. The following is a summary of the key milestones in the project's review:

August 12, 2013 – Single Family Design Board (SFDB) reviewed a proposal for a 5,360 square-foot two-story residence. Several neighbors expressed concern with the project, related primarily to neighborhood compatibility, privacy, and loss of public and private views. Some neighbors expressed their general opposition to a two-story residence.

The SFDB had concerns with the overall design of the residence, including the overall size and floor-to-lot area ratio (FAR) of 106% of the maximum FAR (given the lot size, the FAR is a guideline rather than a strict standard).

September 9, 2013 – SFDB reviewed a revised design for a 5,210 square-foot two-story residence. Again, neighbors expressed concern with the project, related primarily to neighborhood compatibility, impacts to public views and building size and height. Although the SFDB appreciated the changes made to the project, they had concerns with the overall size and design of the residence, including the placement of the building and second story mass on the lot.

December 16, 2013 – SFDB reviewed a revised design for a 6,644 square-foot residence. Although this project increased in total square footage, it included a 1,580 square-foot basement, so the FAR and visual mass of the residence were reduced, and the size of the second floor was reduced from 810 square feet to 675 square feet. Several neighbors continued to have concern with the project, primarily related to neighborhood compatibility and public and private view impacts, while several others expressed wholesale opposition to the current design and noted their support for the previous versions. The SFDB concluded that the design was supportable and provided direction for additional revisions related to building height, fenestration, landscaping and fencing.

January 30, 2014 – Applicant submitted the project for a Coastal Development Permit.

July 10, 2014 – Planning Commission reviewed the project based on the December 16, 2013 SFDB design (6,644 square-foot residence), and continued the project back to the SFDB with direction that the design should be more in keeping with the site plan that was reviewed by the SFDB on September 9, 2013 in order to improve public views and the feeling of openness from Cliff Drive. Refer to Attachment 2 – Planning Commission Minutes.

August 11, 2014 – SFDB reviewed a revised version of the project (6,430 square-foot residence) that was very similar to the design reviewed by the SFDB on September 9, 2013. The SFDB had favorable comments about the project's design and FAR, now at 103% of the maximum guideline FAR.

September 18, 2014 – Planning Commission reviewed the project again based on the August 11, 2014 SFDB design (6,430 square-foot residence), and approved the Coastal Development Permit on a 6 to 0 vote, with conditions of approval. Refer to Attachments 4 and 5 – Planning Commission Minutes and Resolution.

September 22, 2014 – SFDB reviewed the project that the Planning Commission approved on September 18, 2014, and granted Project Design Approval.

Appeal Issues

The Planning Commission's approval of the Coastal Development Permit (CDP) was appealed by neighbors of the project site on September 29, 2014. In summary, the appellants claim that the proposed residence is incompatible with the neighborhood. Refer to Attachment 1 – Appellant Letter.

One of the primary coastal issues that the Planning Commission considered in reviewing the CDP for the project was neighborhood compatibility. Specifically, Local Coastal Plan Policy 5.3 states:

> "New development in and/or adjacent to existing residential neighborhoods must be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood. New development which would result in an overburdening of public circulation and/or on-street parking resources of existing residential neighborhoods shall not be permitted."

Prior to the July 10th Planning Commission hearing, story poles were erected to demonstrate the new building footprint and roof height, and a site visit was held to evaluate the proposal. The 20 closest homes analysis, which is required as part of the Single Family Design Board's review of the project, was also provided to the Planning Commission. While this analysis is used as a tool to evaluate the relative size of a proposed residence to those most immediately adjacent, it is not intended to define the extent of the neighborhood for overall compatibility purposes.

Specifically related to neighborhood compatibility, the Planning Commission staff report included the following discussion:

> "The proposed house has been designed in a Mediterranean style, which would be compatible architecturally with surrounding development. The 20 closest homes analysis shows that the proposed residence would be the fourth largest home in the area in terms of total square footage… and the third largest in terms of FAR… There are a few two-story residences in the neighborhood. Although the proposed house is larger than most others in the neighborhood, the residence could be considered to be compatible with the neighborhood. The Single Family Design Board (SFDB) reviewed the project and made the finding that the project was compatible with the neighborhood..."

Concerns regarding neighborhood compatibility were also raised by the public at the Planning Commission's hearings on the project. Prior to making the findings to approve the project, the Planning Commission specifically considered the concerns of the appellants and the issue of neighborhood compatibility.

The appellants also refer to a photo from the staff report and state that neighborhood compatibility was based on this small area of the neighborhood. The cited photo was an aerial view of the subject property and immediately adjacent parcels for site orientation purposes, and was not identified or implied to be the "neighborhood" for the subject parcel. As the Council is aware, there is no set definition for the neighborhood and it is up to decision-makers to determine whether a proposed development is compatible with the neighborhood.

CONCLUSION:

The proposed project has undergone a thorough review by the Planning Commission with consideration of the SFDB's recommendations. The appeal issue is whether, per the Local Coastal Plan, the project is compatible with the neighborhood and appropriate for the site in terms of size, bulk, and scale. Staff believes that the Planning Commission fully considered this issue and unanimously concluded that the project is appropriate for the site and compatible with the neighborhood. The Planning Commission's findings to approve the project are provided in Resolution No. 024-14 (Attachment 5).

ATTACHMENT(S):

1. Appellant Letter received September 29, 2014
2. Planning Commission Minutes dated July 10, 2014
3. Planning Commission Staff Report dated September 18, 2014
4. Planning Commission Minutes dated September 18, 2014
5. Planning Commission Resolution No. 024-14

NOTE: The project plans have been separately delivered to the City Council for their review and are available for public review in the City Clerk's Office.

PREPARED BY: Allison De Busk, Project Planner

SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office

ATTACHMENT 1

RECEIVED

2014 SEP 29 AM 10: 06

CITY OF SANTA BARBARA
CITY CLERK'S OFFICE

Appeal Letter

Name of Body whose Decision is Appealed: Planning Commission
Date of Body Meeting: 18 September 2014
Description of Decision being Appealed: Approval of single family home at 3435 Marina Drive.

Grounds for the Appeal

We have gone to all SFRB and two Planning Commission hearings regarding this new home. Actually, the history of this goes back five years when we appealed to the Council regarding the adjacent westerly property at 3455 Marina regarding a view corridor supporting the recognized equestrian path along Marina from Braemar Drive. The Council responded by establishing view corridors through these two properties.

We are returning to appeal to the Council in our continuing effort to maintain the character of this rural neighborhood from the encroaching humongous homes already built along Marina, and this new two-story planned one. The Council is our last resort and we hope to get Council support as we did last time.

Neighborhood compatibility -- This is a rural and close knit neighborhood where trees are willingly trimmed and removed so as not to impact the neighbor behind with relatively small homes staggered to not impede views.

This is not the neighborhood considered by the Planning Commission. Typically the neighborhood photograph (see Figure 1) shown at the Commission meetings is focuses on the homes on the ocean side of Marina, and neighborhood compatibility was based on this subset of the neighborhood -- Overly large homes sprawling across their lots. Within this subset the planned home makes perfect sense – they are all overly large and sprawling -- but in the larger neighborhood, shown in Figure 2, it does not make sense. The Commission applauded this subset of neighbors and the architect, for coming together in and ideal process to find a home design and so exemplified the perfect neighborhood 'process'. A process performed only among the subset of neighbors and ignoring the vast neighborhood opposing the design.

Quoting from the staff report to the Planning Commission, they oddly conclude "There are a few two-story residences in the neighborhood. Although the proposed house is larger than most others in the neighborhood, the residence could be considered to be compatible with the neighborhood."

It is the FOURTH largest home among the nearest 20 and one of the three with second floor. The others with second floor and politely out of view from the other neighbors while this one squats in front of so many. It is like a spectator opening a large beach umbrella at a baseball game and being surprised that those behind are upset.

We hereby appeal this design as being incompatible in bulk and scale, and incongruent in spirit, with the neighborhood.

Figure 1: typical 'neighborhood' considered by Planning Commission

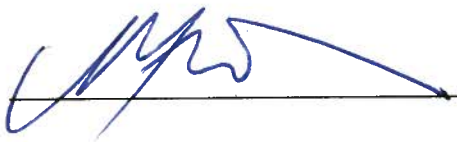
Figure 2: actual neighborhood

Appellants:

Kitch Wilson
415 Calle Las Caleras
805-448-5091
kitchcwilson@gmail.com

Ron Green
3424 Marina Drive
687-7150
sygreens@aol.com

Mike Moore
414 Sea Ranch
569-2140
mfmoore1@cox.net



Don Santee
421 Calle Las Caleras
452-8231
dsantee@oceanfutures.org

I. NEW ITEMS:

ACTUAL TIME: 1:06 P.M.

A. APPLICATION OF PAUL ZINK, ARCHITECT FOR CHARLES RUDD, 3435 MARINA DRIVE, APN 047-022-005, A-1/SD-3 (ONE FAMILY RESIDENCE AND COASTAL OVERLAY) ZONES, GENERAL PLAN/LOCAL COASTAL PLAN DESIGNATION: RESIDENTIAL, 1 UNIT PER ACRE; (MST2013-00281)

The project consists of the construction of a new three-story single family residence totaling approximately 5,964 square feet, plus 680 square feet of attached garage/storage area, on a vacant 48,787 net square foot lot. The residence consists of a 1,580 square foot basement, a 3,709 square foot main floor and a 675 square foot upper floor. Also proposed are associated improvements including, but not limited to, site walls and gates, a new septic system, removal of an existing concrete drainage ditch and replacement with a natural swale, a swimming pool with associated pool equipment, outside fireplace, patios and decks, and landscaping. The project would include approximately 1,081 cubic yards (cy) of cut and 575 cy of fill; after recompaction it is anticipated that there would be approximately 12 cy of export.

The discretionary application required for this project is a Coastal Development Permit (CDP2014-00002) to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.44.060).

The project requires an environmental finding pursuant to California Environmental Quality Act Guidelines Section 15183.

Case Planner: Allison DeBusk, Project Planner
Email: ADebusk@SantaBarbaraCA.gov Phone: (805) 564-5470, ext. 4552

Allison DeBusk, Project Planner, gave the Staff presentation.

Paul Zink, Architect, gave the Applicant presentation, joined by Chris Gililand, Landscape Architect.

Chair Schwartz opened the public hearing at 1:32 P.M.

The following people spoke in opposition to the project or with concerns:

1. Beth Collins-Burgard, neighbor, submitted 78 pages of written comments and asked that the project provide a 30-foot view corridor on each side, move the first story away from the string line and move the second story behind the string line.
2. Kitch Wilson, neighbor, appreciated the 50' view corridor but was concerned with the landscaping height and asked that the same height requirement

made of the neighboring lot be applied to this project. The second story is too large and asked that it be removed.

3. Tom Monroe favors design number two and does not think the current plan is right for the area.
4. Richard Handler does not support the presented plan and favored the second design.
5. Gary Justice favored design two and stated the current plan puts too much pressure on Cliff Drive.
6. Eamon Malone, neighbor, supports a 30 foot view corridor and not a 50 foot view corridor; feels pushing the building toward Cliff Drive has negative impacts.
7. Susan Strick, neighbor, stated that the project juts too far forward on Cliff Drive, contradicts Good Neighbor Guidelines, and impacts the partial ocean views. Proposes house be moved back more in alignment with the string line, perhaps 30 foot setback. As designed it will encourage others to push future additions towards Cliff Drive. Limit the wall heights on the front and the side.
8. Marc Whitten, immediate neighbor, stated that the project juts too far forward with the second story and will impact his privacy. Supports the second design.
9. Dan Santee, neighbor, said the view corridor is his primary concern. Stated that the height, bulk and scale of the project are not compatible with the neighborhood and exceeds FAR values. View blockage extends to those looking from the ocean.
10. Sandy Schoolfield, immediate neighbor, stated that this design is not compatible with the neighborhood and supports the second design. The third design extends too far toward Cliff Drive. Illustrated the current plan's impact on her home.
11. John Kechejian, neighbor, supports Ms. Collins-Burgard's recommendation, thinks 30 foot setbacks on the sides are enough. This project does not meet Good Neighborhood Guidelines, solar cooling techniques, or passive solar building guidelines. Supports second design.
12. Morgan Reis could not understand how the project design could be proposed so close to Cliff Drive.
13. Joe Babine was dismayed by the forward mass of the story poles on Cliff Drive and objects to the design as there's too much mass at Cliff Drive.
14. Pat Yochum favored design number two.
15. Penelope Gottlieb, neighbor, stated that the project is very large and impedes public views. The second story is huge and is her main concern.
16. Peter Tannenbaum concurred with prior comments from other cyclists on impacts to Cliff Drive and supports design number two.
17. Susan Zalon, neighbor, stated that the proposed plans did not fit in with the rural area and equestrian characteristics of the neighborhood. The proposed home is too tall and too excessive in bulk and size. Project exceeds FAR guidelines. Asked that second story not be approved. Supports the view corridor.

18. Ronald Green, neighbor, stated that a 1973 City Council Resolution preserved the Marina Drive views and established the view corridor. This was a guideline and not written into the deeds. The size of this project is too large for the neighborhood. He asked that the Planning Commission follow the same considerations that were made for the neighboring house by: 1. Limiting the height to one story; 2. Establishing the view corridor on the west side of the property; and 3. Limiting the height of walls on Marina Drive to 3 feet.
19. Beth Clino, neighbor, stated that the story poles look massive; supports the second design over the third.
20. Van A. Jansma stated that the house should be moved away from Cliff Drive; supports second design.
21. Robert Fulmer supports second design.
22. Michael Moore, neighbor, supports the view corridor and a single story house. The project is too large for the neighborhood and needs to follow the FAR guidelines.

With no one else wishing to speak, the public hearing was closed at 2:02 P.M.

Commissioner's comments:

- Commissioner Jordan finds that providing a 50-foot view corridor is burdensome and is detrimental to other policies. The design contradicts various Good Neighbor Policies. He supports a plan where the house aligns more with parallel lines from Cliff Drive and Marina Drive. Suggested looking at first and second design plans where the back part of the building gets developed more toward the setbacks on either side.
- Commissioner Bartlett supports a continuance to Single Family Design Board (SFDB) for a solution that provides a 30 foot view corridor on the west and is set back approximately 30 feet on the east, not designated as a view corridor, and to pull the house further from Cliff Drive. Thinks that the first floor should be more parallel to Cliff Drive, and the second floor should be perpendicular to Cliff, similar to design number two.
- Commissioner Pujo acknowledged the neighborhood comments received and concurs with colleagues on a continuance. Cliff Drive and its views are dominant in the Local Coastal Plan and Coastal Act. Finds that the third design juts out too far toward Cliff Drive and supports something more in line with the second submittal. Does not want to see FAR creep if it returns for review and, if anything, would like to see a reduced FAR. Is OK with a portion of the house being a second story. Fine with the perimeter wall for privacy and to block glare of night lighting, but only if designed well and with appropriate landscape screening. Would like to see a transition area between landscaping on the east to the proposed wall.
- Commissioner Lodge agrees with colleagues. Sees great emphasis being placed on the value of the views from Marina Drive, yet use by Marina Drive is less than Cliff Drive. Finds the value of the views along Marina to

be less than those along Cliff Drive. Wants to make sure that consideration is given to views for others. The house should be rotated and return to something more like the second design.

- Commissioner Campanella noted that building footprints matter too, not just FAR. Supported a return to the second design but empathized with the challenge of designing and locating the Master Suite. Hopes that SFDB gives latitude for placement of the house relative to the neighbor's privacy concerns due to the cul-de-sac and curve at Cliff. If a one story design, hopes SFDB has flexibility on the design with the ability to do a good master suite.
- Commissioner Thompson concurs with colleagues. Though he does not like sending projects back to design review, and supports the work of the design boards, he thinks it will result in a better project. The direction given previously by the SFDB led to unintended consequences.
- Commissioner Schwartz noted gaps in the documented rationale in the progression of designs. Supports colleagues in a continuance and return to the design review board. Referencing the Local Coastal Program, the Coastal Act, and all guidelines, she cannot support a solid wall on the Cliff Drive side and asks that the semi-rural feel be maintained. Pull the structure back; perhaps rotate it to be more in line with the string line. Does not see justification for a 50 foot setback on the west side; should mirror more of the 30 feet that the neighbor has. Does not see a need to be single story. A small angled second story can work.

MOTION: Lodge/Bartlett
Continue the project indefinitely for additional review by the Single Family Design Board with the Commission's comments.

In further deliberation, the majority of the Commission was supportive of the solid 6' high wall set back from Cliff Drive with landscape screening.

This motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

Chair Schwartz called for a recess at 3:11 P.M. and reconvened the meeting at 3:23 P.M.

ATTACHMENT 3

City of Santa Barbara
California

PLANNING COMMISSION
STAFF REPORT

REPORT DATE: September 11, 2014

AGENDA DATE: September 18, 2014

PROJECT ADDRESS: 3435 Marina Drive (MST2013-00281)

TO: Planning Commission

FROM: Planning Division, (805) 564-5470, extension 4552
Renee Brooke, AICP, Senior Planner
Allison De Busk, Project Planner

I. PROJECT DESCRIPTION

The project consists of the construction of a new two-story single family residence, with basement, totaling approximately 5,990 net square feet plus a 440 net square foot attached garage on a vacant 48,787 net square foot lot. The proposed residence consists of a 1,220 square foot basement, a 3,960 square foot main floor and an 810 square foot upper floor. Also proposed are associated improvements including, but not limited to, site walls and gates, a new septic system, removal of an existing concrete drainage ditch and replacement with a natural swale, a swimming pool with associated pool equipment, outside fireplace, patios and decks, and landscaping. The project would include approximately 1,081 cubic yards (cy) of cut and 1,069 cy of fill/recompaction, with approximately 12 cy of export.

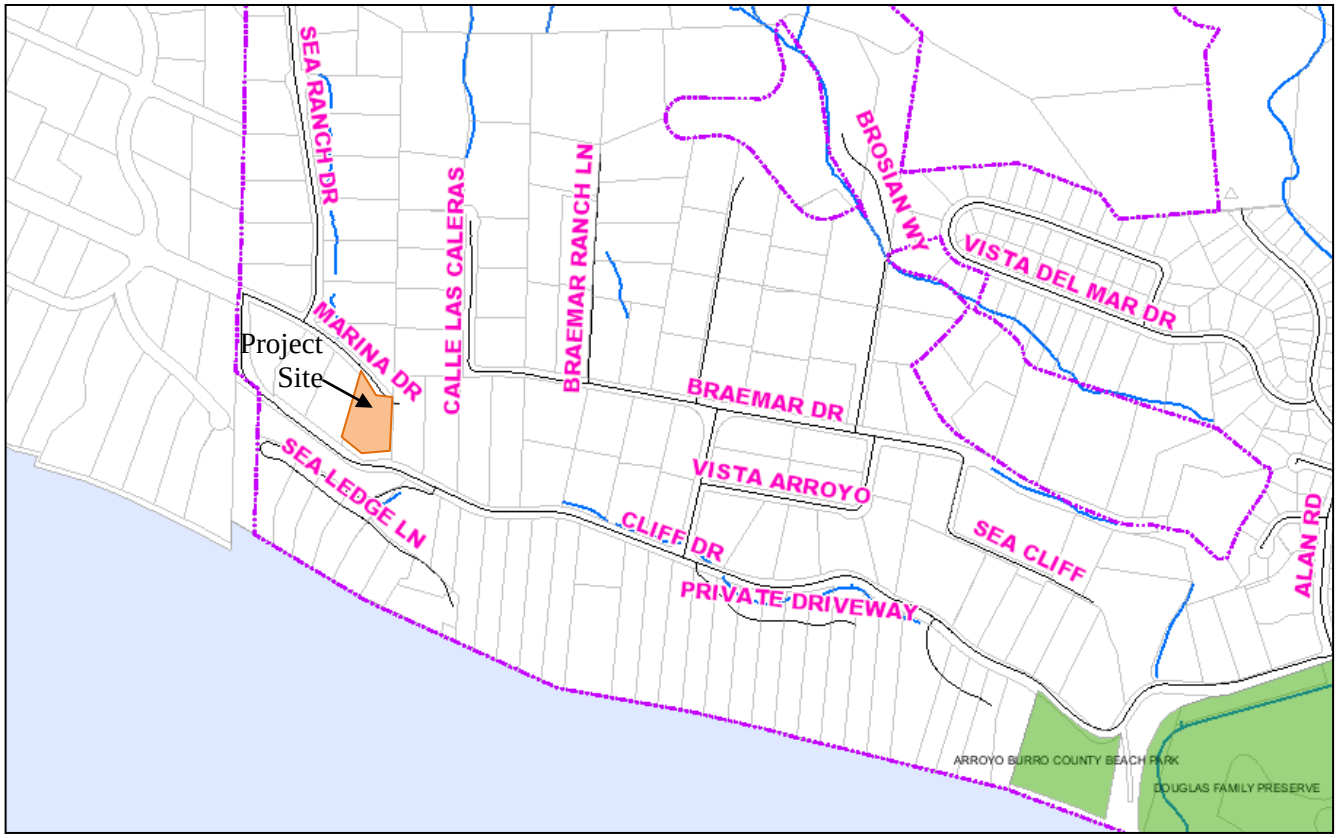
II. REQUIRED APPLICATIONS

The discretionary application required for this project is a Coastal Development Permit (CDP2014-00002) to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.44.060).

APPLICATION DEEMED COMPLETE: May 19, 2014
DATE ACTION REQUIRED: September 18, 2014

III. RECOMMENDATION

If approved as proposed, the project would conform to the City's Zoning and Building Ordinances and policies of the Local Coastal Plan. The size and massing of the project are consistent with the surrounding neighborhood, and the proposed building footprint, including the proposed 30-foot wide view corridor, maintains appropriate public views. Therefore, Staff recommends that the Planning Commission approve the project, making the findings outlined in Section X of this report, and subject to the conditions of approval in Exhibit A.



Vicinity Map – 3435 Marina Drive

Aerial Photo

IV. BACKGROUND

This project was initially reviewed by the Planning Commission on July 10, 2014. At that hearing, the Planning Commission directed the applicant to return to the Single Family Design Board (SFDB) to work on a design that was more sensitive to scenic resources along Cliff Drive, understanding that the house would encroach more into the previously proposed 50-foot view corridor along the western property line. The direction was for a design more similar to the design reviewed by the SFDB on September 9, 2013.

In response to the Planning Commission direction, the project was revised to be more similar to the design reviewed by the SFDB on September 9, 2013, and includes a 30-foot view corridor along the western property line. The revised project was reviewed by the SFDB on August 11, 2014.

V. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

Applicant:	Paul R. Zink, AIA		
Property Owner:	Charles Rudd		
Site Information			
Parcel Number:	047-022-005	**Lot Area**:	48,787 sq. ft.
General Plan/Local Coastal Plan:	Residential – 1 unit per acre	**Zoning**:	A-1/SD-3
Existing Use:	vacant	**Topography**:	3% slope
Adjacent Land Uses			
North – Marina Drive and Single-Family Residential **South** – Cliff Drive and Single-Family Residential		**East** – Single-Family Residential **West** - Single-Family Residential	

B. PROJECT STATISTICS

	Prior Proposal (7/10/14)			Current Proposal (9/18/14)		
Living Area	5,964 sf	Basement	1,580 sf	5,990 sf	Basement	1,220 sf
		1st Floor	3,709 sf.		1st Floor	3,960 sf
		2nd Floor	675 sf		2nd Floor	810 sf
Garage/Storage	680 sf			440 sf		
Accessory Space	N/A			N/A		
Floor Area Ratio	0.12 = 116% of Maximum Guideline FAR (Basement received a 50% floor area reduction in this calculation)			0.107 = 103% of Maximum Guideline FAR (Basement not included in this calculation)		

VI. ISSUES

Staff recommends that the Planning Commission focus on the issues of view corridors and neighborhood compatibility. These issues were identified by staff for the Planning Commission's initial review of the project, and were confirmed as the primary issues based on public comments and feedback from the Planning Commission at the July 10, 2014 hearing.

In order to address these issues, the applicant has proposed a 30-foot wide view corridor along the western interior property line to maintain public views of the ocean from Marina Drive and the house has been moved away from Cliff Drive to maintain the sense of openness along Cliff Drive.

VII. POLICY AND ZONING CONSISTENCY ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

Standard	Required/ Allowance	Prior Proposal (7/10/14)		Current Proposal (9/18/14)	
Setbacks					
-Front	35'	35' (Marina)		38'-5" to trellis (Marina) 48'-4" to building (Marina)	
		93' to 1st floor (Cliff) 105' to 2nd floor (Cliff)		110' to 1st floor loggia/ 2nd floor deck (Cliff)	
-Interior	15'	>39'		30 feet	
Building Height	30 feet	27'-2"		26'	
Parking	2 covered	2 covered in garage		2 covered in garage	
Open Yard	1,250 sq. ft.	>1,250 sq. ft.		>1,250 sq. ft.	
Lot Coverage					
-Building	N/A	5,110 sq. ft.	10.5%	4,865 sq. ft.	10.0%
-Paving/Driveway	N/A	7,500 sq. ft.	15.4%	10,500 sq. ft.	21.5%
-Landscaping	N/A	36,177 sq. ft.	74.1%	33,422 sq. ft.	68.5%

The proposed project is consistent with the regulations of the A-1 (one-family residence) Zone related to setbacks, building height, solar access, open yard and parking.

B. LOCAL COASTAL PLAN (LCP) CONSISTENCY

The project site is located within the Coastal Zone and thus must be found consistent with the City's Local Coastal Plan (LCP), which implements the California Coastal Act. The project is located in Component One of the Local Coastal Plan, which includes the area between the City's Westerly Boundary (adjacent to Hope Ranch) and Arroyo Burro Creek. This area is designated for low density residential use (one dwelling unit per acre) and is almost entirely developed with single-family residences. Major coastal issues in Component One include:

1) hazards related to fire services;
2) hazards related to seacliff retreat;

3) maintenance of views along Cliff Drive; and
4) lateral access along the beach below the bluffs.

The site is not located on a coastal bluff or adjacent to the beach, so issue items 2 and 4 are not applicable. The Fire Department has reviewed the proposal and has determined that adequate fire protection can be provided, so issue 1 has been addressed. Therefore, the primary coastal issue associated with the project is views, as well as neighborhood compatibility, both of which are discussed in more detail below. As indicated above and in the more detailed policy discussion below, the project is consistent with the applicable policies of the California Coastal Act and LCP, and all implementing guidelines.

1. VIEWS

The project has been revised such that the proposed residence is now pulled farther away from Cliff Drive and extends closer toward the western property line. The proposed development of a new two-story residence, approximately 26' in height (24'-2" above finished grade) and approximately 110 feet in width as viewed from Marina Drive, would impact existing public views of the ocean from Marina Drive. Although the proposal is for a two-story structure, even a one-story structure on this vacant lot would block views to the ocean from the street level.

The project includes a 30-foot wide view corridor along the western property line (reduced from 50 feet in the prior proposal). Consistent with the previous proposal, within this view corridor, improvements (e.g. accessory structures, walls) and landscaping would be restricted such that their heights do not block views of the ocean from Marina Drive (refer to Exhibit A – Conditions of Approval). The provision of a view corridor and the restrictions therein mimic required conditions implemented on the adjacent parcel to the west (3455 Marina Drive), which was developed in 2009. Between the two properties, the required view corridors would create a minimum 60-foot wide view corridor along Marina Drive.

Because construction of any residence would partially block ocean views from Marina Drive, staff finds that use of a view corridor is the most appropriate way to allow for development of the lot while still providing protection of public views. Staff also finds that a 30-foot view corridor is appropriate and is an adequate width to protect public views of the ocean in this case.

Additionally, although not officially designated as a view corridor, along the eastern property line the City has a 20-foot wide utility easement, which precludes placement of structures or significant vegetation, and immediately west of that easement is a drainage swale that occupies approximately an additional 10 feet and which would not have tall vegetation. These features mean that potential development/vegetation along the eastern 30 feet of the property is also significantly limited.

With regard to public views from Cliff Drive, the revised site plan locates the new residence a minimum of 132 feet from Cliff Drive. The proposed wall along Cliff Drive would be located approximately 30 feet from the edge of the road and would be a maximum of 6 feet in height. A condition of approval is also recommended to require natural

landscaping at the southern perimeter of the property, compatible with existing natural landscaping to the south of Cliff Drive. This would maintain an appropriate viewing ambience immediately adjacent to Cliff Drive.

With the provision of the view corridor from Marina Drive toward the ocean, the building setback from Cliff Drive and the southern perimeter landscaping provision, the proposed development would be consistent with LCP Policy 9.1.

2. NEIGHBORHOOD COMPATIBILITY

LCP Policy 5.3 requires new construction to be compatible in terms of size, scale and design with the prevailing character of the established neighborhood. The proposed house has been designed in a Mediterranean style, which would be compatible architecturally with surrounding development. The 20 closest homes analysis shows that the proposed residence would be the fourth largest home in the area in terms of total square footage (5,210 sq. ft.[1]) and the third largest in terms of FAR (0.107[1]).

There are a few two-story residences in the neighborhood. Although the proposed house is larger than most others in the neighborhood, the residence could be considered to be compatible with the neighborhood. The Single Family Design Board (SFDB) reviewed the project and made the finding that the project was compatible with the neighborhood (refer to Section VIII below for additional discussion of SFDB review).

VIII. ENVIRONMENTAL REVIEW

The three-lot subdivision that created the subject parcel in 1993 was found to be categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines, Section 15315 (Minor Land Division); therefore, there are no prior mitigation measures applicable to the current project.

This project is within the scope of buildout of the 2011 General Plan and the associated Program EIR. The project is consistent with the residential density designated and analyzed in the Program EIR, and potential adverse, significant project-specific environmental effects are addressed with existing development standards and regulations.

Staff has reviewed the following technical reports in support of this exemption:

- Preliminary Geotechnical Investigation prepared by GSI Soils, Inc.
- Hydrology Report prepared by Windward Engineering
- Septic System Design prepared by Braun & Associates Inc.
- Arborist Report prepared by Westree
- Visual Simulations prepared by Jesse Valentine Portz

Based on City staff analysis, no further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183- Projects Consistent with the General Plan) and the CEQA Certificate of Determination (Exhibit J). The City Council environmental findings adopted for

[1] This figure does not include the basement but does include the garage, consistent with the City's net floor area calculation identified in SBMC §28.15.083.

the 2011 General Plan apply to this project. A Planning Commission finding that the project qualifies for the §15183 CEQA determination is required.

IX. DESIGN REVIEW

Based on the Planning Commission's direction, a revised project returned to the Single Family Design Board (SFDB) for review on August 11, 2014. Meeting Minutes are attached as Exhibit E. The SFDB concluded that the design was supportable and the FAR was acceptable. The SFDB motion included comments for additional revisions related to lowering the building height, and studying the Cliff Drive wall and corner landscaping.

The applicant has made changes to the plan in response to some of the SFDB's comments (lowering the roof pitch and reducing the first floor ceiling height), and those changes are reflected in the plans being reviewed by the Planning Commission; however,, those changes have not yet been reviewed by the SFDB.

X. FINDINGS

The Planning Commission finds the following:

A. ENVIRONMENTAL REVIEW

The project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and the CEQA Certificate of Determination on file for this project.

B. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act because it does not result in any adverse effects related to coastal resources, including views and public access, as described in Section VII of the Staff Report.
2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code because the project will not increase hazards related to seacliff retreat or fire services, will not affect lateral access across the beach, will not significantly impact public views, and is compatible with the neighborhood, as described in Section VII of the Staff Report.

Exhibits:

A. Conditions of Approval
B. Site Plan
C. Applicant's letter, dated August 20, 2014
D. Planning Commission Minutes, July 10, 2014
E. SFDB Minutes, August 11, 2014

I. CONTINUED ITEM: CONTINUED FROM JULY 10, 2014

ACTUAL TIME: 1:05 P.M.

APPLICATION OF PAUL ZINK, ARCHITECT FOR CHARLES RUDD, 3435 MARINA DRIVE, APN 047-022-005, A-1/SD-3 (ONE FAMILY RESIDENCE AND COASTAL OVERLAY) ZONES, GENERAL PLAN/LOCAL COASTAL PLAN DESIGNATION: RESIDENTIAL, 1 UNIT PER ACRE; (MST2013-00281)

The project consists of the construction of a new two-story single family residence totaling approximately 5,990 square feet, plus a 440 square foot attached garage, on a vacant 48,787 net square foot lot. The residence consists of a 1,220 square foot basement, a 3,960 square foot first floor and an 810 square foot second floor. Also proposed are associated improvements including, but not limited to, site walls and gates, a new septic system, removal of an existing concrete drainage ditch and replacement with a natural swale, a swimming pool with associated pool equipment, outside barbeque, patios and decks, and landscaping. The project would include approximately 1,081 cubic yards (cy) of cut and 1,069 cy of fill/recompaction; it is anticipated that there would be approximately 12 cy of export. The Planning Commission reviewed and continued a prior version of this project on July 10, 2014.

The discretionary application required for this project is a Coastal Development Permit (CDP2014-00002) to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.44.060).

The project requires an environmental finding pursuant to California Environmental Quality Act Guidelines Section 15183.

Case Planner: Allison DeBusk, Project Planner
Email: ADeBusk@SantaBarbaraCA.gov Phone: (805) 564-5470, ext. 4552

Allison DeBusk, Project Planner, gave the Staff presentation.

Paul Zink, Architect, gave the Applicant presentation. Chris Gilliland, Landscape Architect, and Brad Vernon, Contractor, were available to answer any of the Commission's questions.

Chair Schwartz opened the public hearing at 1:21 P.M.

The following people spoke in support of the project:

1. Beth Collins-Burgard, Neighbor
2. Sandy Schoolfield, Neighbor, also submitted written comments
3. John Kechejian, Neighbor, also submitted written comments
4. John Bedford
5. Susan Strick, Neighbor

The following people spoke in opposition to the project or with concerns:

1. Hillary Santee, Neighbor, stated that public views would be affected and the project is not compatible with the neighborhood.
2. Kitch Wilson, Neighbor, was concerned that some neighbors were excluded from the continued discussions held with the Applicant and stated the project was too large for the neighborhood and the second story impacts neighbors to the north.

With no one else wishing to speak, the public hearing was closed at 1:32 P.M.

Commissioners expressed appreciation to the Applicant for having responded to the Commission's prior comments and for the exemplary efforts made in including the neighbors and community in the project.

MOTION: Thompson/Bartlett **Assigned Resolution No. 024-14**
Approve the project, making the findings for the Coastal Development Permit as outlined in the Staff Report, dated September 11, 2014, subject to the Conditions of Approval in Exhibit A of the Staff Report.

The Applicant voluntarily agreed to add the following three conditions to a revised Landscape Plan that will be submitted to the Single Family Design Board on Monday, September 22, 2014:

1. The landscaping between the wall along Cliff Drive and the pool patio shall be maintained at or below 5' above existing natural grade. The exception will be one palm tree or wispy tree near the edge of the pool.

2. The backside of the site wall along Marina Drive shall be fully landscaped to soften the appearance of the wall.

3. All grades and heights noted are from existing natural grade as noted on the Survey by Mark Lewis dated 9/5/13. The datum for this survey is a nail set in Marina Drive with assumed Elevation = 100.00. The concrete drainage improvements along Cliff Drive are located on this survey if the nail in Marina Drive is lost.

The makers of the motion appreciated the voluntary conditions but stated that they would fall under the purview of the design review board and would not be included in the motion.

This motion carried by the following vote:

Ayes: 6 Noes: 0 Abstain: 0 Absent: 1 (Pujo)

Chair Schwartz announced the ten calendar day appeal period.

ATTACHMENT 5

City of Santa Barbara
California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION NO. 024-14
3435 MARINA DRIVE
COASTAL DEVELOPMENT PERMIT
SEPTEMBER 18, 2014

APPLICATION OF PAUL ZINK, ARCHITECT FOR CHARLES RUDD, 3435 MARINA DRIVE, APN 047-022-005, A-1/SD-3 (ONE FAMILY RESIDENCE AND COASTAL OVERLAY) ZONES, GENERAL PLAN/LOCAL COASTAL PLAN DESIGNATION: RESIDENTIAL, 1 UNIT PER ACRE; (MST2013-00281)

The project consists of the construction of a new two-story single family residence totaling approximately 5,990 square feet, plus a 440 square foot attached garage, on a vacant 48,787 net square foot lot. The residence consists of a 1,220 square foot basement, a 3,960 square foot first floor and an 810 square foot second floor. Also proposed are associated improvements including, but not limited to, site walls and gates, a new septic system, removal of an existing concrete drainage ditch and replacement with a natural swale, a swimming pool with associated pool equipment, outside barbeque, patios and decks, and landscaping. The project would include approximately 1,081 cubic yards (cy) of cut and 1,069 cy of fill/recompaction; it is anticipated that there would be approximately 12 cy of export. The Planning Commission reviewed and continued a prior version of this project on July 10, 2014.

The discretionary application required for this project is a Coastal Development Permit (CDP2014-00002) to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.44.060).

The project requires an environmental finding pursuant to California Environmental Quality Act Guidelines Section 15183.

WHEREAS, the Planning Commission has held the required public hearing on the above application, and the Applicant was present.

WHEREAS, at the hearing of July 10, 2014, no one appeared to speak in favor of the application, and 22 people appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, July 3, 2014.
2. Site Plans
3. Correspondence received in opposition to or with concerns of the project
    a. Jon Kechejian, via email
    b. Sandy Schoolfield, via email
    c. Cornelius Passani, via email
    d. Richard Handler, via email
    e. Susan Strick, via email
    f. Marc Whitten, via email
    g. Van Spaulding, via email

h. Walter Babine, via email

i. Beth Collins-Burgard, via email

j. Ann Collins-Burgard, via email

k. Teri Cooke, Santa Barbara, CA

l. Joni Milchak, Santa Barbara, CA

m. Gail & Doug Bowman, Santa Barbara, CA

n. Cindy Gulbranson, Santa Barbara, Ca

WHEREAS, at the hearing on July 10, 2014, the Planning Commission continued the project indefinitely for additional review by the Single Family Design Board with the Commission's comments.

WHEREAS, at the continued hearing of September 18, 2014, five people appeared to speak in favor of the application, and two people appeared to speak in opposition thereto or with concerns, and the following exhibits were presented for the record:

1. Staff Report with Attachments, September 11, 2014.
2. Site Plans
3. Correspondence received in support of the project for the hearing of September 18, 2014

   a. Sandy Schoolfield, via email

   b. Jon Kechejian, via email

   c. Marc Whitten, via email

   d. Susan Strick, via email

NOW, THEREFORE BE IT RESOLVED that the City Planning Commission:

I. Approved the subject application making the following findings and determinations:

A. **ENVIRONMENTAL REVIEW**

The project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and the CEQA Certificate of Determination on file for this project.

B. **COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)**

1. The project is consistent with the policies of the California Coastal Act because it does not result in any adverse effects related to coastal resources, including views and public access, as described in Section VII of the Staff Report.

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code because the project will not increase hazards related to seacliff retreat or fire services, will not affect lateral access across the beach, will not significantly impact public views, and is compatible with the neighborhood, as described in Section VII of the Staff Report.

II. Said approval is subject to the following conditions:

A. **Order of Development.** In order to accomplish the proposed development, the following steps shall occur in the order identified:

1. Obtain all required design review approvals.

2. Pay Land Development Team Recovery Fee (30% of all planning fees, as calculated by staff) at time of building permit application.

3. Record any required documents (see Recorded Conditions Agreement section).

4. Permits:

a. Submit an application for and obtain a Building Permit (BLD) for construction of approved development and complete said development.

b. Submit an application for and obtain a Public Works Permit (PBW) for all required public improvements and complete said improvements.

Details on implementation of these steps are provided throughout the conditions of approval.

B. **Recorded Conditions Agreement.** The Owner shall execute a *written instrument*, which shall be prepared by Planning staff, reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:

1. **Approved Development.** The development of the Real Property approved by the Planning Commission on September 18, 2014 is limited to the construction of a new, single family residence totaling approximately 5,990 square feet of building area plus a 440 square foot attached garage and associated improvements including, but not limited to, site walls and gates, a new septic system, a swimming pool with associated pool equipment, outside BBQ area, patios and decks, and landscaping, as shown on the plans signed by the chairperson of the Planning Commission on said date and on file at the City of Santa Barbara. The project includes a 30-foot wide view corridor along the western property line.

2. **View Corridor.** The Owner shall provide and maintain the 30-foot wide view corridor, measured perpendicularly from the western interior lot line, as shown on the approved plans. The landscaping plan for the project shall afford and maintain a clear view of the ocean to pedestrians along Marina Drive in a manner acceptable to the Single Family Design Board by selecting proper species and maintaining appropriate limits on the height of all approved landscaping. Structures, walls, and plants shall be installed and maintained consistent with the approved landscape plan within the view corridor. Trees are prohibited in the view corridor.

3. **Uninterrupted Water Flow.** The Owner shall allow for the continuation of any historic flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.

4. **Recreational Vehicle Storage Limitation.** No recreational vehicles, boats, or trailers shall be stored on the Real Property unless enclosed or concealed from view as approved by the Single Family Design Board (SFDB).

5. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Single Family Design Board (SFDB). Such plan shall not be modified unless prior written approval is obtained from the SFDB. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan, including any tree protection measures. If said landscaping is removed for any reason without approval by the SFDB, the owner is responsible for its immediate replacement.

6. **Cypress Tree Protection.** The two existing Cypress tree(s) shown on the Site Plan shall be preserved, protected, and maintained.

7. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices in a functioning state and in accordance with the Storm Water BMP Guidance Manual and Operations and Maintenance Procedure Plan approved by the Creeks Division. Should any of the project's surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the commencement of such repair or restoration work, the Owner shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit and Coastal Development Permit is required to authorize such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.

8. **Storm Water Improvements.** The property owner waives the right to object to the formation of an assessment district for the maintenance of storm water improvements and agrees to participate in the assessment district upon its formation.

9. **Sewer Connection Requirement.** Owner agrees to connect to the City sewer system when a sewer main is constructed in Cliff Drive at a point adjacent to Owner's Real Property, per Santa Barbara Municipal Code Chapter 14.44. Owner shall, at Owner's sole expense, connect to the City sewer system within one year of being advised in writing that the City sewer main is operable and available for such a connection. If connected to City sewer, a sewer discharge outlet shall be provided for drainage of any swimming pool(s). In the event Owner fails to comply with this condition of approval, City may enter the Real Property and make such a sewer connection with the cost of the connection becoming a lien on the real property to be paid in connection with property taxes and assessments imposed on Owner's Real Property.

10. **Swimming Pool Discharge.** In the event the pool is completely or partially drained, the owner shall truck out any water discharged from the swimming pool and properly dispose of the water to the sanitary sewer system. No water from the pool shall be discharged

into a City storm drain or to the private septic system on the real property, as identified in SBMC Chapter 16.15.

11. **Areas Available for Parking.** All parking areas and access thereto shall be kept open and available in the manner in which it was designed and permitted.

C. **Design Review.** The project, including public improvements, is subject to the review and approval of the Single Family Design Board (SFDB). The SFDB shall not grant project design approval until the following Planning Commission land use conditions have been satisfied.

1. **View Corridor.** Within the 30-foot wide view corridor, the landscaping plan shall be reviewed with the intent of affording and maintaining a clear view of the ocean to pedestrians along Marina Drive in a manner acceptable to the SFDB by selecting appropriate species and maintaining appropriate limits on the height of all approved landscaping. As a guideline, landscaping with a maximum height of 3-4 feet from finished grade would be acceptable for the north half of the corridor, and landscaping with a maximum height of 5-6 feet from finished grade would be acceptable for the south portion. Structures, walls, and plants shall be installed and maintained consistent with the approved landscape plan within the view corridor. Trees are prohibited in the view corridor.

2. **Pedestrian Path.** A pedestrian path at least four feet in width shall be provided south of the wall along the property frontage on Cliff Drive. The path shall comply with Chapter 8 of the Pedestrian Master Plan requirements for pathways. The pedestrian path shall align with the approved path along the adjacent property to the west and be constructed of decomposed granite or other similar material subject to approval by the SFDB and Public Works Department. Path construction and materials shall be done in such a way as to protect the existing Cypress trees. Protection of the trees shall take priority over the path in the event of any conflicts. Landscaping south of the path shall be consistent with City regulations for parkway plantings.

3. **Tree Protection Measures.** The landscape plan and grading plan shall include the following tree protection measures:

a. **Tree Protection.** All trees not indicated for removal on the approved site plan / landscape plan shall be preserved, protected, and maintained, in accordance with the Arborist's Report and/or any related Conditions of Approval.

b. **Landscaping Under Trees.** Landscaping under the tree(s) shall be compatible with the preservation of the tree(s), as determined by the SFDB.

c. **Arborist's Report / Tree Protection Plan.** Include a note on the plans that the recommendations contained in the arborist's report prepared by Peter Winn of Westree, dated August 19, 2013, and Addendum dated April 15, 2014, shall be implemented.

4. **Southern Perimeter Landscaping.** The use of native shrubs and plants to soften the appearance of the southern property line wall and blend with the natural setting to the south is encouraged. This landscaping will be highly visible from the Cliff Drive scenic

vista immediately to the south, and therefore should be compatible in character with the natural landscape setting existing to the south of Cliff Drive, as determined by SFDB.

5. **Landscaping Within Water Easement.** Trees shall not be planted within the existing 20-foot wide City utility easement located along the eastern property line. All vegetation/improvements within this easement are subject to review and approval by the City Public Works Department.

6. **Screened Backflow Device.** The backflow devices for fire sprinklers, pools, spas, and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building, as approved by the SFDB.

7. **Location of Dry Utilities.** Dry utilities (e.g. above-ground cabinets) shall be placed on private property unless deemed infeasible for engineering reasons. If dry utilities must be placed in the public right-of-way, they shall painted "Malaga Green," and if feasible, they shall be screened as approved by SFDB.

8. **Green Building Techniques Required.** Owner shall design the project to meet Santa Barbara Built Green Three-Star level requirement or equivalent.

D. **Requirements Prior to Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following, for review and approval by the Department listed below prior to the issuance of any permit for the project. Some of these conditions may be waived for demolition or rough grading permits, at the discretion of the department listed. Please note that these conditions are in addition to the standard submittal requirements for each department.

1. **Public Works Department**.

a. **Approved Public Improvement Plans.** Public Improvement Plans as identified in condition D.1.d "Marina Drive Public Improvements" shall be submitted to the Public Works Department for review and approval.

b. **Improvements Within Utility Easement.** Trees shall not be planted in any City Utility easement. All vegetation planted within the utility easement is subject to review and approval by the Public Works Department. An entry gate, with a width of sixteen feet, shall be installed at the northern end of the utility easement for access to utilities.

c. **Water Rights Assignment Agreement.** The Owner shall assign to the City of Santa Barbara the exclusive right to extract ground water from under the Real Property in an *Agreement Assigning Water Extraction Rights*. Engineering Division Staff prepares said agreement for the Owner's signature.

d. **Marina Drive Public Improvements.** The Owner shall submit Public Works plans for construction of improvements along the property frontage on Marina Drive. Plans shall be submitted separately from plans submitted for a Building Permit. As determined by the Public Works Department, the improvements shall include new and/or remove and replace to City standards, the following: driveway apron modified to meet Title 24 requirements with a maximum width of 16 feet, Owner shall crack seal to the centerline of the street along entire subject

property frontage and slurry seal a minimum of 20 feet beyond the limits of all trenching, connection to City water mains and utilities, public drainage improvements with supporting drainage calculations and/or hydrology report for installation of drainage pipe or connection to existing City or County storm drain, preserve and/or reset survey monuments, protect and relocate existing contractor stamps to parkway, supply and install directional/regulatory traffic control signs per the CA MUTCD during construction. Any work in the public right-of-way requires a Public Works Permit.

e. **Encroachment Permits.** Any encroachment or other permits from the City (e.g. Minor Encroachment Permits) or other jurisdictions (State, Flood Control, County, etc.) for the construction of improvements (including any required appurtenances) within their rights of way or easements shall be obtained by the Owner.

2. **Community Development Department.**

a. **Recordation of Agreements.** The Owner shall provide evidence of recordation of the written instrument that includes all of the Recorded Conditions identified in condition B "Recorded Conditions Agreement" to the Community Development Department prior to issuance of any building permits.

b. **Drainage and Water Quality.** The project is required to comply with Tier 3 of the Storm Water BMP Guidance Manual, pursuant to Santa Barbara Municipal Code Chapter 22.87 (treatment, rate and volume). The Owner shall submit drainage calculations or a hydrology report prepared by a registered civil engineer or licensed architect demonstrating that the new development will comply with the City's Storm Water BMP Guidance Manual. Project plans for grading, drainage, stormwater facilities and treatment methods, and project development, shall be subject to review and approval by the City Building Division and Public Works Department. Sufficient engineered design and adequate measures shall be employed to ensure that no unpermitted construction-related or long-term effects from increased runoff, erosion and sedimentation, urban water pollutants, or groundwater pollutants would result from the project.

For any proprietary treatment devices that are proposed as part of the project's final Storm Water Management Plan, the Owner shall provide an Operations and Maintenance Procedure Plan consistent with the manufacturer's specifications (describing schedules and estimated annual maintenance costs for pollution absorbing filter media replacement, sediment removal, etc.). The Plan shall be reviewed and approved by the Creeks Division for consistency with the Storm Water BMP Guidance Manual and the manufacturer's specifications.

After certificate of occupancy is granted, any proprietary treatment devices installed will be subject to water quality testing by City Staff to ensure they are performing as designed and are operating in compliance with the City's Storm Water MS4 Permit.

c. **Arborist's Monitoring.** Submit to the Planning Division an executed contract with a qualified arborist for monitoring of all work within the critical root zone of all Cypress trees during construction. The contract shall include a schedule for the arborist's presence during grading and construction activities, and is subject to the review and approval of the Planning Division.

d. **Green Building Techniques Required.** Owner shall design the project to meet Santa Barbara Built Green Three-Star level requirement or equivalent.

e. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the SFDB and as outlined in Section C "Design Review," and all elements/specifications shall be implemented on-site.

f. **Conditions on Plans/Signatures.** The final Resolution shall be provided on a full size drawing sheet as part of the drawing sets. A statement shall also be placed on the sheet as follows: The undersigned have read and understand the required conditions, and agree to abide by any and all conditions which are their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

_____
Property Owner Date

_____
Contractor Date License No.

_____
Architect Date License No.

_____
Engineer Date License No.

E. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction, including demolition and grading.

1. **Construction Contact Sign.** Immediately after Building permit issuance, signage shall be posted at the points of entry to the site that list the contractor(s) name, contractor(s) telephone number(s), construction work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. The font size shall be a minimum of 0.5 inches in height. Said sign shall not exceed six feet in height from the ground if it is free-standing or placed on a fence. It shall not exceed six square feet in a single family zone.

2. **Construction Storage/Staging.** Construction vehicle/ equipment/ materials storage and staging shall be done on-site. No parking or storage shall be permitted within the public right-of-way, unless specifically permitted by the Transportation Manager with a Public Works permit.

3. **Construction Parking.** During construction, free parking spaces for construction workers shall be provided on-site or off-site in a location subject to the approval of the Transportation Manager.

4. **Air Quality and Dust Control.** The following measures shall be shown on grading and building plans and shall be adhered to throughout grading, hauling, and construction activities:

   a. During construction, use water trucks or sprinkler systems to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this should include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency should be required whenever the wind speed exceeds 15 mph. Reclaimed water should be used whenever possible. However, reclaimed water should not be used in or around crops for human consumption.

   b. Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less.

   c. If importation, exportation and stockpiling of fill material is involved, soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation. Trucks transporting fill material to and from the site shall be tarped from the point of origin.

   d. Gravel pads shall be installed at all access points to prevent tracking of mud onto public roads.

   e. After clearing, grading, earth moving or excavation is completed, treat the disturbed area by watering, or revegetating, or by spreading soil binders until the area is paved or otherwise developed so that dust generation will not occur.

   f. The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holiday and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the Air Pollution Control District prior to land use clearance for map recordation and land use clearance for finish grading of the structure.

   g. All portable diesel-powered construction equipment shall be registered with the state's portable equipment registration program OR shall obtain an APCD permit.

   h. Fleet owners of mobile construction equipment are subject to the California Air Resource Board (CARB) Regulation for In-use Off-road Diesel Vehicles (Title 13 California Code of Regulations, Chapter 9, § 2449), the purpose of which is to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use (existing) off-road diesel-fueled vehicles. For more information, please refer to the CARB website at www.arb.ca.gov/msprog/ordiesel/ordiesel.htm.

i. All commercial diesel vehicles are subject to Title 13, § 2485 of the California Code of Regulations, limiting engine idling time. Idling of heavy-duty diesel construction equipment and trucks during loading and unloading shall be limited to five minutes; electric auxiliary power units should be used whenever possible.

j. The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number is operating at any one time.

5. **Unanticipated Archaeological Resources Contractor Notification.** Standard discovery measures shall be implemented per the City master Environmental Assessment throughout grading and construction: Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts. If such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and the Owner shall retain an archaeologist from the most current City Qualified Archaeologists List. The latter shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

A final report on the results of the archaeological monitoring shall be submitted by the City-approved archaeologist to the Environmental Analyst within 180 days of completion of the monitoring and prior to any certificate of occupancy for the project.

F. **Prior to Certificate of Occupancy.** Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:

1. **Repair Damaged Public Improvements.** Repair any public improvements (curbs, gutters, sidewalks, roadways, etc.) or property damaged by construction subject to the review and approval of the Public Works Department per SBMC §22.60. Where tree

roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.

2. **Complete Public Improvements.** Public improvements, as shown in the public improvement plans or building plans, shall be completed.

3. **New Construction Photographs.** Photographs of the new construction, taken from the same locations as those taken of the story poles prior to project approval, shall be taken, attached to 8 ½ x 11" board and submitted to the Planning Division.

G. **General Conditions.**

1. **Prior Conditions.** These conditions are in addition to the conditions identified in Planning Commission Resolution 010-93.

2. **Compliance with Requirements.** All requirements of the city of Santa Barbara and any other applicable requirements of any law or agency of the State and/or any government entity or District shall be met. This includes, but is not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.), the 1979 Air Quality Attainment Plan, and the California Code of Regulations.

3. **Approval Limitations**.

a. The conditions of this approval supersede all conflicting notations, specifications, dimensions, and the like which may be shown on submitted plans.

b. All buildings, roadways, parking areas and other features shall be located substantially as shown on the plans approved by the Planning Commission.

c. Any deviations from the project description, approved plans or conditions must be reviewed and approved by the City, in accordance with the Planning Commission Guidelines. Deviations may require changes to the permit and/or further environmental review. Deviations without the above-described approval will constitute a violation of permit approval.

4. **Litigation Indemnification Agreement.** In the event the Planning Commission approval of the Project is appealed to the City Council, Applicant/Owner hereby agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City's Agents") from any third party legal challenge to the City Council's denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively "Claims"). Applicant/Owner further agrees to indemnify and hold harmless the City and the City's Agents from any award of attorney fees or court costs made in connection with any Claim.

Applicant/Owner shall execute a written agreement, in a form approved by the City Attorney, evidencing the foregoing commitments of defense and indemnification within thirty (30) days of being notified of a lawsuit regarding the Project. These commitments of defense and indemnification are material conditions of the approval of the Project. If Applicant/Owner fails to execute the required defense and indemnification agreement within the time allotted, the Project approval shall become null and void absent subsequent acceptance of the agreement by the City, which acceptance shall be within the

City's sole and absolute discretion. Nothing contained in this condition shall prevent the City or the City's Agents from independently defending any Claim. If the City or the City's Agents decide to independently defend a Claim, the City and the City's Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

III. **NOTICE OF COASTAL DEVELOPMENT PERMIT TIME LIMITS:**

The Planning Commission action approving the Coastal Development Permit shall expire two (2) years from the date of final action upon the application, per Santa Barbara Municipal Code §28.44.230, unless:

1. Otherwise explicitly modified by conditions of approval for the coastal development permit.
2. A Building permit for the work authorized by the coastal development permit is issued prior to the expiration date of the approval.
3. The Community Development Director grants an extension of the coastal development permit approval. The Community Development Director may grant up to three (3) one-year extensions of the coastal development permit approval. Each extension may be granted upon the Director finding that: (i) the development continues to conform to the Local Coastal Program, (ii) the applicant has demonstrated due diligence in completing the development, and (iii) there are no changed circumstances that affect the consistency of the development with the General Plan or any other applicable ordinances, resolutions, or other laws.

This motion was passed and adopted on the 18th day of September, 2014 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0 ABSENT: 1 (Pujo)

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

_____ _____

Julie Rodriguez, Planning Commission Secretary Date

PLEASE BE ADVISED:

THIS ACTION OF THE PLANNING COMMISSION CAN BE APPEALED TO THE CITY COUNCIL WITHIN TEN (10) CALENDAR DAYS AFTER THE DATE THE ACTION WAS TAKEN BY THE PLANNING COMMISSION.

CORRESPONDENCE RECEIVED BY THE CITY CLERK'S OFFICE

11/11/14

RECEIVED

2014 NOV 11 AM 11:40

CITY OF SANTA BARBARA
CITY CLERK'S OFFICE

Appeal of Planning Board Decision on 3435 Marina Dr.

We are appealing the Planning Board's decision to approve a two story house at 3435 Marina Dr. for several reasons.

1. The 3400 block of Marina Dr. is a unique location in Santa Barbara.
2. This Planning Commission failed to follow the precedents established by two previous Planning Commissions regarding development in this location.

The 3400 block of Marina Dr. is a pedestrian and equestrian path with an established scenic public vista recognized by City Council resolution 70-035. This path is used on a daily basis by horseback riders, dog walkers and hikers. The scenic public vista includes the ocean, the horizon, the skyline and the sky.

3475 Marina Dr., 3455 Marina Dr.,and 3435 Marina Dr. were subdivided from a single plot in 1993. Seven years ago the Planning Commission approved a single story house at 3475 Marina Dr. Five years ago the Planning Commission approved a single story house at 3455 Marina Dr. with a 30 foot view corridor.

In our opinion a two story house at 3435 Marina Dr. does not respond appropriately to the established scenic public vista from the 3400 block of Marina Dr. according to the Santa Barbara Municipal Code Section 22.22.140B. Its roof height is approximately 30% higher than the adjacent house at 3455 Marina Dr. Note:The house at 3416 Marina Dr. is 2 stories in height but does not block public views. We are respectfully requesting that the Santa Barbara City Council and Mayor direct the Planning Commission to follow the clear precedents set by previous Planning Commissions with regard to the 3400 block of Marina Dr. and limit 3435 Marina Dr. to one story with a roof height similar to the adjacent house at 3455 Marina Dr.

Ronald Green, Appellant

RECEIVED
2011 NOV 11 PM 2: 56
CITY OF SANTA BARBARA
CITY CLERK'S OFFICE

Appeal of 3435 Marina Drive approval by Planning Commission and Single Family Review Board

Last of the open lots facing the Pacific along Cliff Drive viewing site. Third largest home in this neighborhood of the Braemar Ranch Tract. One of only three having a second story, and the only one that obstructs uphill neighbors.

Incompatible with the rural nature and architecture of the area which is the greatest asset of this area.

As seen NEXT DOOR or within ONE BLOCK of the site:

Recent History

Several years ago we appealed to the City Council for view preservation regarding the equestrian trail leading to Marina Drive. This was resulted in a 30-foot view corridor through 3455 and any future 3435 home. Lower committees denied this. Thank you.

We return, again, for reasonable consideration of our objections, again ignored by lower committees that considered the neighborhood compatibility to be defined by the homes East and West on Marina, and not at all of the North Braemar neighborhood.

Typical neighborhood representation used by Staff.

Actual entire neighborhood with avocado orchards, horse corrals (5 horses/acre), open fences and fields

What We Would Like to See Happen

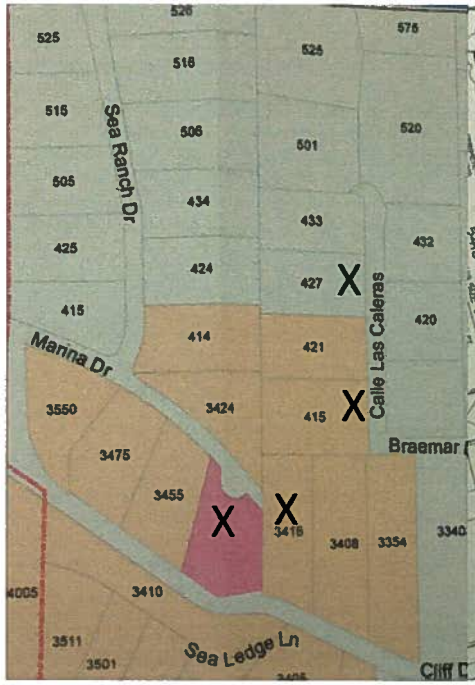
Recognition that the proposed house is not compatible with the neighborhood:

- Remove the second floor: we have petition with over 50 signatures supporting this
- Remove the walls around the property including along Cliff Drive – use picket fence as do East and North neighbors
- Move the building more central to the lot and reduce fill to lower the floor elevation – no longer needs to look over its wall along Cliff.

Proposed house

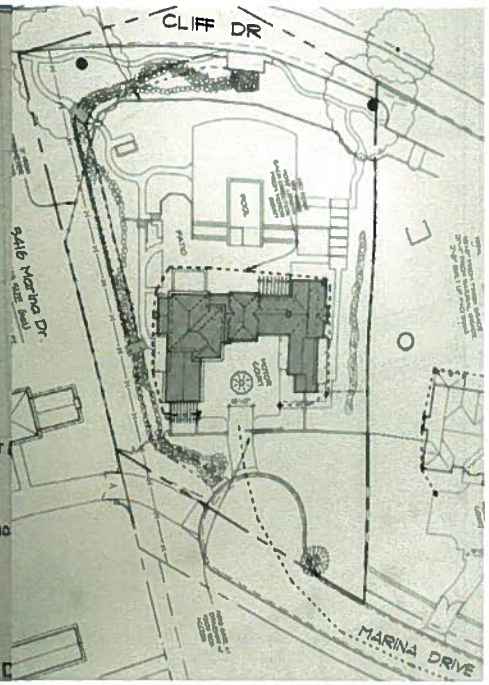
X = two stories

North

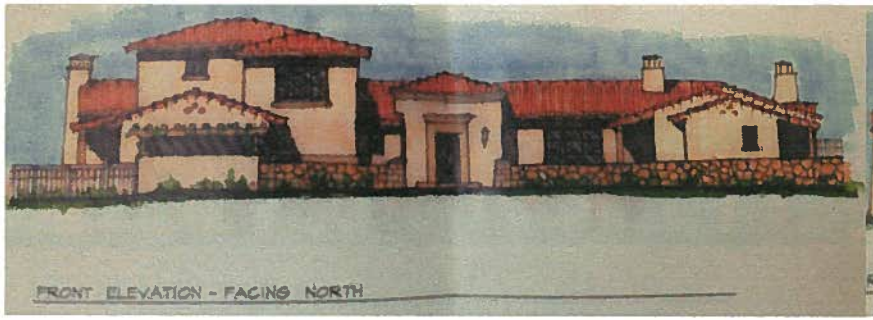


Ocean

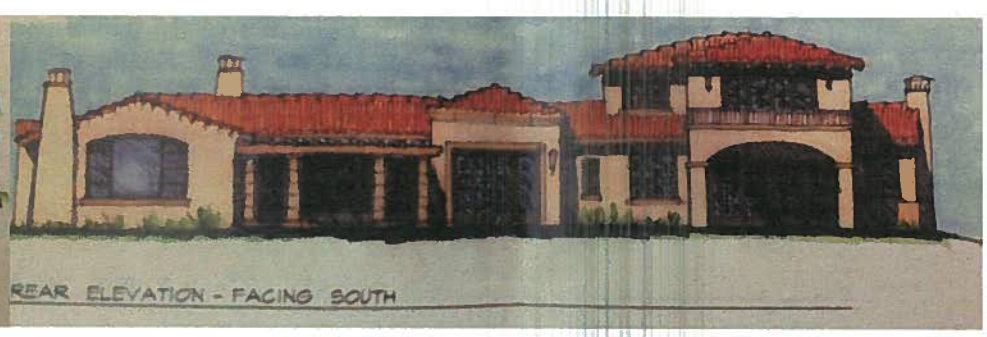
Ocean



North

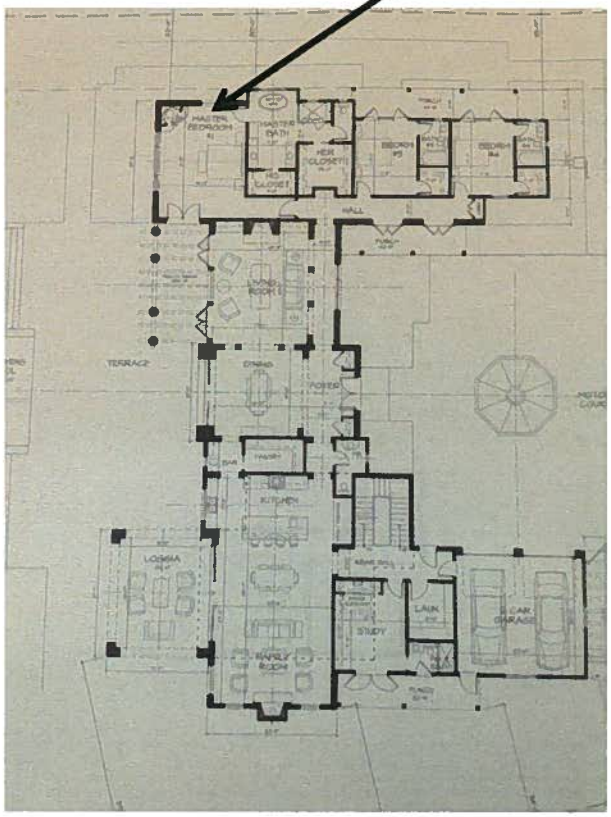


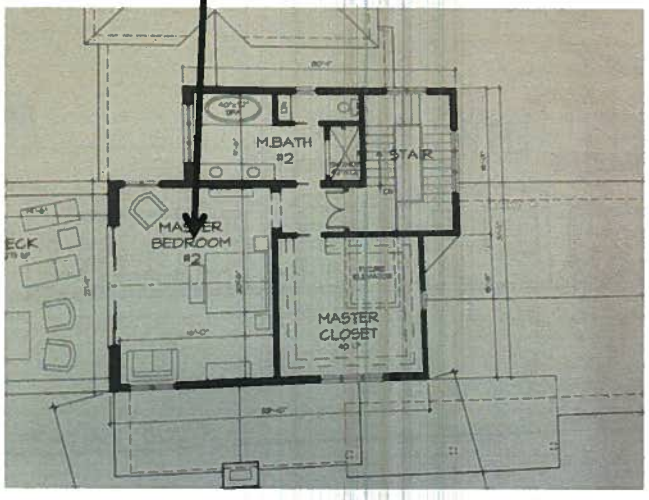
Seen from Marina



Seen from Cliff Drive

Two Master bedrooms:
on first floor and on second floor

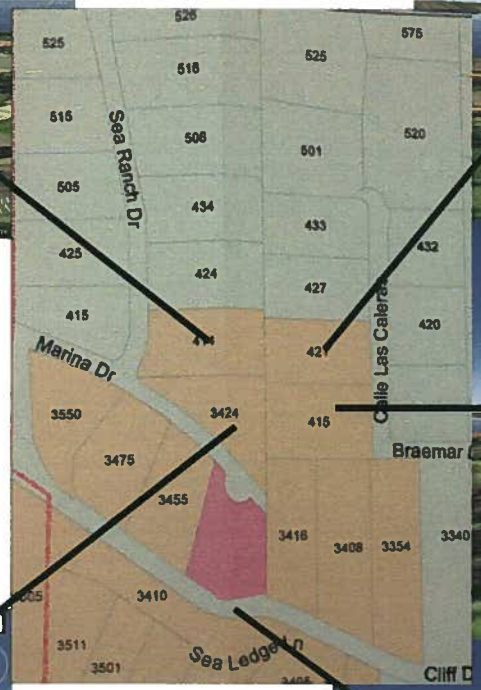




Google Earth Shows second floor has impact on scenic views all around

414 Sea Ranch Dr.

421 Calle Las Caleras Ln


Sea Ranch Dr
Marina Dr
Calle Las Caleras
Braemar
Sea Ledge Ln
Cliff D
525
518
525
575
515
508
501
520
505
434
433
425
424
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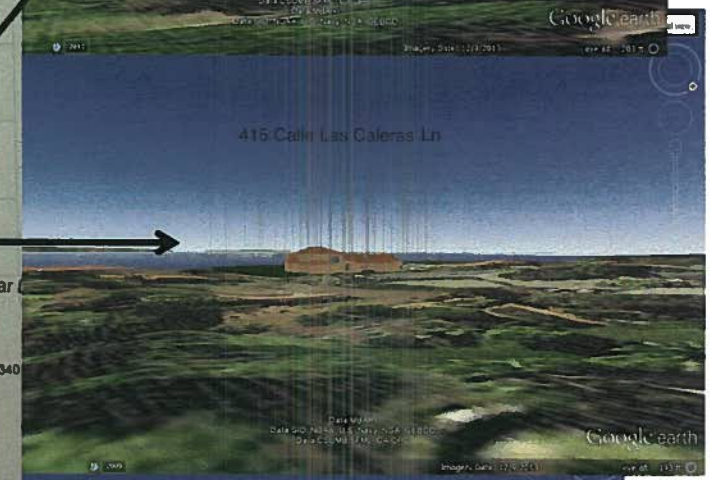
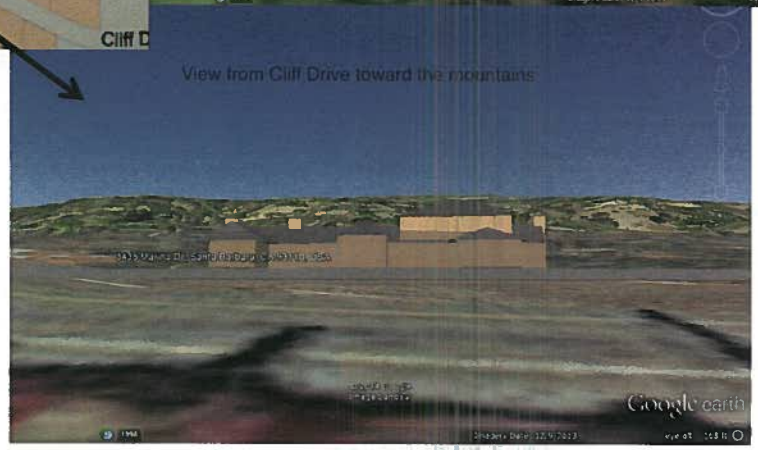

415 Calle Las Caleras Ln

3424 Marina Drive

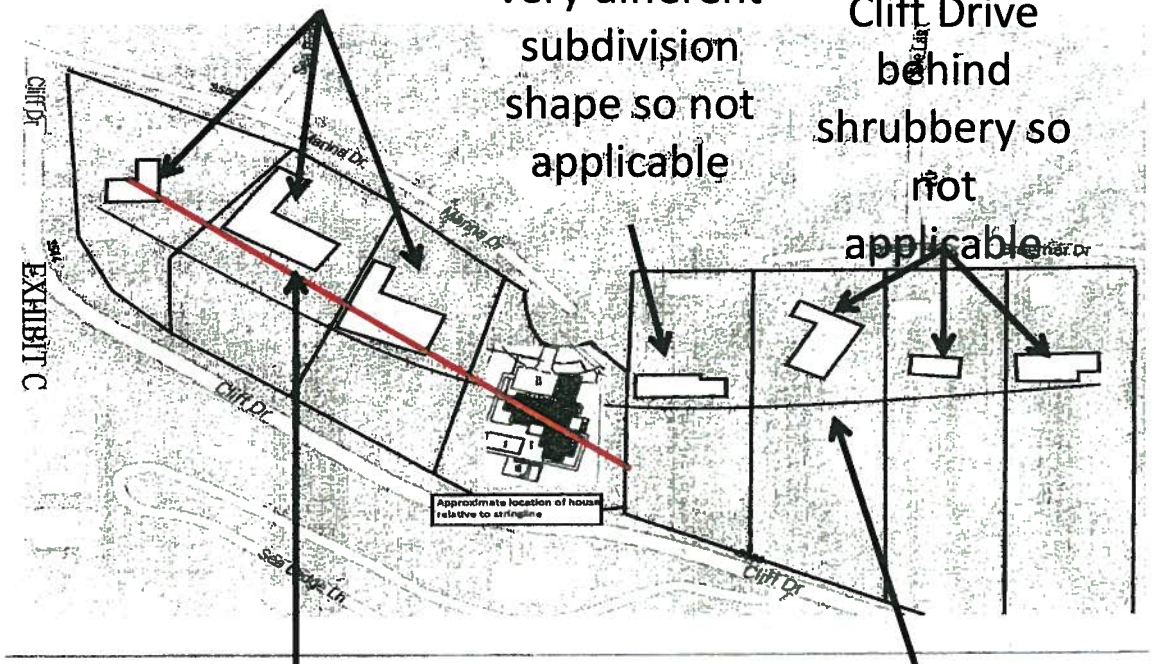

View from Cliff Drive toward the mountains

‘String’ Theory Applied to house position on lot

Homes in the same subdivision

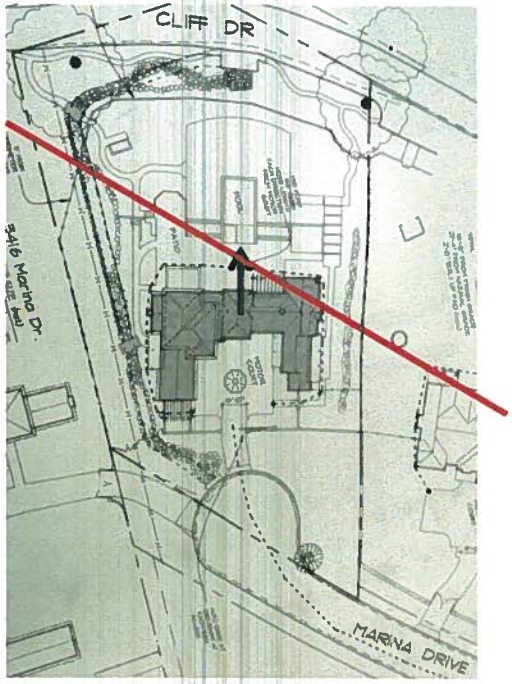
Home in a very different subdivision shape so not applicable

Unseen from Cliff Drive behind shrubbery so not applicable



More representative ‘string’ moving house toward Cliff

Original ‘string’ moving house toward Marina



Bulk of house should be moved toward Cliff to be compatible with subdivison spacing

Size and F.A.R. Comparisons

Proposed with and without 2nd story.

of existing homes: Average F.A.R. is 0.66

Average size is 3449

Address	Lot Size	Acres	F.A.R.	main floor	Garage	basement	second floor	Total	story
3475 Marina Dr	53143	1.22	0.120	5520	837			6,357	24ft High
3455 Marina Dr	51077	1.17	0.106	4724	667			5,391	
3435 Marina Dr	**48787**	**1.12**	0.107	**3960**	**440**		**810**	**5,210**	**2 Story**
3416 Marina Dr	50094	1.15	0.100	4521	506			5,027	2 Story
421 Calle Las Caleras	47916	1.10	0.096	3821	768			4,589	
3435 Marina Dr	**48787**	**1.12**	0.090	**3960**	**440**			**4,400**	**1 story**
427 Calle Las Caleras	47910	1.10	0.085	3559	504			4,063	2 Story
415 Calle Las Caleras	58370	1.34	0.070	3399	660			4,059	2 Story
425 Sea Ranch Dr	51836	1.19	0.074	3424	430			3,854	
3410 Sea Ledge Ln	65340	1.50	0.058	3233	561			3,794	
3354 Cliff Dr	69695	1.61	0.053	2000	1665			3,665	
415 Sea Ranch Dr	45302	0.97	0.078	3009	518			3,527	
414 Sea Ranch Dr	56628	1.28	0.055	2513	598			3,111	
424 Sea Ranch Dr	52272	1,23	0.058	2364	667			3,031	
3357 Cliff Dr	31800	0.73	0.088	2163	642			2,805	
3424 Marina Dr	47916	1.00	0.052	2020	460			2,480	
434 Sea Ranch	54450	1.25	0.045	2037	422			2,459	
505 Sea Ranch	50530	1.16	0.046	1894	420			2,314	
3408 Cliff Dr	68825	1.58	0.033	1654	600			2,254	
3340 Cliff Dr	74052	1.70	0.030	1643	560			2,203	
3405 Sea Ledge	60548	1.39	0.036	1651	500			2,151	
3550 Cliff Dr/Marina	58370	1.34	0.032	1350	504			1,854	
100 feet below Cliff									
3429 Sea Ledge	40075	0.07	**0.07**	2185	506			2,691	
3427 Sea Ledge	32234	0.19	**0.19**	5684	589			6,273	
3511 Sea Ledge	48787	0.09	**0.09**	3838	492			4,330	
3501 Sea Ledge	44867	0.10	**0.10**	3536	854			4,390	
3433 Sea Ledge	49658	0.08	**0.08**	3290	638			3,928	
3443 Sea Ledge	43560	0.09	**0.09**	3400	594			3,994	
NOT "Neighborhood Study Area" in City									
4005 Bajada Ln	54886		0.08	3572	912			4,484	

Familiar Arguments by proponents

- Second floor hidden behind existing trees – two palm trees!
- Design the result of ideal active participation of neighborhood and architect – only neighbors that support it: those on the Cliff Drive side of Marina, East and West.
- Reasonable in size given nearest 20 homes – eliminating Hope Ranch and Sea Ledge (100 feet below Cliff Drive) it is the THIRD largest home with the SECOND largest F.A.R. where larger homes with larger F.A.R. are its two West neighbors.
- There are other two story homes in the area – three tucked away so as not to obstruct. In fact, the home at 3410 Cliff Drive, directly across from the proposed house, was purposely dropped so cannot be seen from Cliff Drive and not to obstruct.
- A tall wall along Cliff Drive is needed because of parking at the view point on Cliff – parking for view point does not include this lot and parking there is impossible due to water drainage channel just off Cliff.
- Arbitrary 'string theory' forces home to be away from Cliff and toward Marina – a more supported string theory does the opposite.

Agenda Item No. 16

File Code No. 160.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 18, 2014

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Conference with City Attorney – Anticipated Litigation

RECOMMENDATION:

That Council hold a closed session to consider significant exposure to litigation (one potential case) pursuant to Government Code Sections 54956.9(d)(2) & (e)(1) and take appropriate action as needed.

SCHEDULING: Duration, 15 minutes; anytime

REPORT: None anticipated

SUBMITTED BY: Ariel Calonne, City Attorney

APPROVED BY: City Administrator's Office