

**CITY OF SANTA BARBARA
CITY COUNCIL**

Helene Schneider
Mayor
Gregg Hart
Mayor Pro Tempore
Randy Rowse
Ordinance Committee Chair
Dale Francisco
Finance Committee Chair
Frank Hotchkiss
Cathy Murillo
Bendy White



Paul Casey
City Administrator

Ariel Pierre Calonne
City Attorney

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

**SEPTEMBER 22, 2015
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.

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: Minutes

Recommendation: That Council waive further reading and approve the minutes of the regular meeting of September 8, 2015.

2. Subject: Adoption Of Ordinances For Lease Amendments With Mercury Air Center - Santa Barbara, Inc. And Signature Flight Support Corporation (330.04)

Recommendation: That Council:

- A. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Lease Agreement No. 200846, as Previously Amended November 22, 2011, with Mercury Air Center - Santa Barbara, Inc., dba Atlantic Aviation, a California Corporation, Amending the "Term" and "Rent" provisions to Extend the Expiration Date to May 8, 2018, and Provide for Appropriate Rental Increases During the Extended Term; and
- B. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Restated Lease Agreement No. 12,037.2, with Signature Flight Support Corporation, a California Corporation, Dated October 18, 2012; Amending the "Term" and "Rent" Provisions to Extend the Expiration Date to May 8, 2018, and Provide for Appropriate Rental Increases During the Extended Term.

CONSENT CALENDAR (CONT'D)

3. **Subject: Adoption Of Ordinance Of The Council Of The City Of Santa Barbara Amending The Existing 2014-2016 Memorandum Of Understanding Between The City Of Santa Barbara And The Hourly Employees' Bargaining Unit To Comply With The Healthy Workplace Healthy Family Act Of 2014 (410.01)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Existing 2014-2016 Memorandum Of Understanding Between the City Of Santa Barbara and the Hourly Employees' Bargaining Unit to Comply with the Healthy Workplace Healthy Family Act of 2014.

4. **Subject: Equipment Purchase And Donation For Santa Barbara Police Department Fitness Facility (520.04)**

Recommendation: That Council:

- A. Accept a donation of \$20,532 worth of weight equipment from the Santa Barbara Police Foundation for the Police Department fitness facility; and
- B. Approve an increase in appropriations of \$66,532 from available reserves in the Police Asset Forfeiture and Miscellaneous Grants Fund to purchase aerobic equipment for the Santa Barbara Police Department Fitness Facility.

5. **Subject: City Attorney Salary Increase And Future CPI Adjustments (160.01)**

Recommendation: That Council approve, and authorize the Mayor to execute, an amendment to Agreement No. 24,713, the employment agreement between the City and Ariel P. Calonne, City Attorney, to increase base salary by 4.5% effective June 27, 2015 and to provide for an annual cost of living salary adjustment beginning in Fiscal Year 2017.

6. **Subject: Management Recruitment - Relocation Assistance Benefits (410.01)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Management Performance and Compensation Plan to Provide for Relocation Assistance Benefits as a Recruitment Tool.

7. **Subject: Recodification Of Ordinance Authorizing Design-Build-Operate Public Works Contracts (540.10)**

Recommendation: That Council 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 Adding Section 4.52.165 Pertaining to Public Works Contracts.

CONSENT CALENDAR (CONT'D)

8. Subject: Workers' Compensation Coverage For Volunteers Of The Police Reserve Corps (350.08)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Providing Workers' Compensation Coverage for Volunteers of the Police Reserve Corps Pursuant to the Provisions of Section 3362.5 of the Labor Code and Section 9.114.140 of the Municipal Code.

NOTICES

9. The City Clerk has on Thursday, September 17, 2015, 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.

This concludes the Consent Calendar.

SUCCESSOR AGENCY REPORTS

10. Subject: Consent To Paseo Nuevo Lease Assignments And Authorize Execution Of Estoppel Certificates (620.06)

Recommendation: That the Successor Agency Board adopt, by reading of title only, A Resolution of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Authorizing the Executive Director to Acknowledge Assignment and Consent to Release of Liability of the Paseo Nuevo Ground Lease and Related Agreements and to Issue Two Estoppel Certificates Relating to the Paseo Nuevo Shopping Center in Connection with a Transfer of the Paseo Nuevo Ground Lease and Related Agreements from I&G Direct Real Estate 3, LP, a Delaware Limited Partnership, to Paseo Nuevo Owner LLC, a Delaware Limited Liability Company, All in a Form Acceptable to Agency Counsel.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

11. Subject: Consideration Of Funding Community Choice Aggregation Feasibility Study (150.04)

Recommendation: That Council authorize staff to transmit \$50,000 to the County of Santa Barbara for the purpose of funding the City's portion of a Community Choice Aggregation (CCA) Feasibility Study.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

PARKS AND RECREATION DEPARTMENT

- 12. Subject: Potential Acquisition Of Vacant Land (APNs 047-010-064, 047-010-065, And 047-061-026) Along Lower Arroyo Burro (Former Veronica Meadows Development Site) (330.03)**

Recommendation: That Council:

- A. Hear presentations from The Trust for Public Land (TPL) and City staff on the potential acquisition of vacant land along lower Arroyo Burro;
- B. Appropriate \$2.7 million from Creeks Restoration and Water Quality Improvement Fund reserves to cover a portion of the \$4 million purchase price; and
- C. Authorize the City Administrator, or his designee, to execute documentation necessary to accept title to the property from TPL for future creek restoration and open space park purposes, subject to final approval of form by the City Attorney.

PUBLIC WORKS DEPARTMENT

- 13. Subject: Stage Three Drought Update (540.05)**

Recommendation: That Council receive an update on the status of the current drought, drought-response capital projects, and continuing conservation efforts.

- 14. Subject: Contract To Provide A Desalination Subsurface Intake Initial Screening Analysis And A Potable Reuse Feasibility Study (540.10)**

Recommendation: That Council authorize the Public Works Director to execute a Professional Services Agreement with Carollo Engineers, Inc., in the amount of \$610,947 to provide a Desalination Subsurface Intake Initial Screening Analysis and a Potable Reuse Feasibility Study, and approve expenditures of up to \$61,095 for extra services of Carollo Engineers, Inc., that may result from necessary changes in the scope of work, for a total contract amendment amount of \$672,042.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

ADJOURNMENT



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING September 8, 2015 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:01 p.m. (The Finance and Ordinance Committees, which ordinarily meet at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Mayor Schneider.

Councilmembers absent: Bendy White.

Staff present: City Administrator Paul Casey, City Attorney Ariel Pierre Calonne, Deputy City Clerk Susan Tschech.

CEREMONIAL ITEMS

1. **Subject: Employee Recognition - Service Award Pins (410.01)**

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through September 30, 2015.

Documents:

September 8, 2015, report from the Administrative Services Director.

Speakers:

Staff: City Administrator Paul Casey.

(Cont'd)

1. (Cont'd)

By consensus, the Council approved the recommendation and the following employees were recognized:

5-Year Pin

Engin Tekince, Pool Technician, Parks and Recreation Department

Jennifer McKenzie, Operations Specialist, Airport Department

10-Year Pin

Jill Pioreschi, Analyst I, Finance Department

Kelly Brodison, Assistant Planner, Community Development Department

15-Year Pin

Jon Turner, Captain, Fire Department

Scott Watters, Firefighter, Fire Department

Kathleen Sizemore, Captain, Fire Department

Arthur Derueda, Plumber, Public Works Department

Charles Christman, Senior Tree Trimmer, Parks and Recreation Department

Zenon Moran, Custodian, Airport Department

25-Year Pin

Lorenzo Duarte, Lieutenant, Police Department

Michael Lazarus, Sergeant, Police Department

Micaela Hase, Administrative Assistant, Public Works Department

John Scott, Maintenance Worker II, Airport Department

CHANGES TO THE AGENDA

City Administrator Casey recommended that the following item be removed from the Agenda, to be resubmitted at a later date:

12. Subject: Service Agreement With Ecco Wireless To Provide Wireless Internet Service To The Harbor Area (570.03)

Recommendation: That Council approve a five-year service agreement with Ecco Wireless USA, Inc., providing wireless internet service to the Harbor area users on a subscription basis, at no cost to the Waterfront Department.

Motion:

Councilmembers Rowse/Hotchkiss to remove Item No. 12 from the agenda.

Vote:

Unanimous voice vote (Absent: Councilmember White).

PUBLIC COMMENT

Speakers: Tom Widroe, City Watch; Richard Robinson; Michael Baker, United Boys and Girls Clubs.

CONSENT CALENDAR (Item Nos. 2 – 11 and 13 – 22)

The titles of ordinances and resolutions related to Consent Calendar items were read.

Motion:

Councilmembers Murillo/Hart to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmember White).

2. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the regular meetings of July 28, August 4, and August 11, 2015, the adjourned regular meeting of August 3, 2015, and the regular meetings (cancelled) of August 18, August 25, and September 1, 2015.

Action: Approved the recommendation.

3. Subject: Introduction Of Ordinance To Amend Municipal Code Chapter 5.66, News Racks (530.01)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 5.66 of the Santa Barbara Municipal Code to Establish News Rack Regulations.

Action: Approved the recommendation (September 8, 2015, report from the Public Works Director; proposed ordinance).

4. Subject: Introduction Of Ordinance For Amendment To Agreement For Elings Park Recycled Water Booster Pump Station (540.13)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving Amendment No. 1 to Agreement No. 24,316 Between the City of Santa Barbara and The Elings Park Foundation Dated January 10, 2013, for the Use and Delivery of the City's Recycled Water and for the Construction of an On-Site Recycled Water Booster Pump Station at Elings Park.

Action: Approved the recommendation (September 8, 2015, report from the Public Works Director; proposed ordinance).

5. Subject: Increase In Construction Change Order Authority For Elings Park Recycled Water Pump Station Project (540.13)

Recommendation: That Council:

- A. Approve a transfer of \$214,795 from Water Operating Fund reserves to the Water Capital Fund;
- B. Increase appropriations and estimated revenues by \$214,795 in the Water Capital Fund for the Elings Park Recycled Water Pump Station Project;
- C. Authorize an increase in the Public Works Director's change order authority to approve expenditures for extra work for the Elings Park Recycled Water Pump Station Project, Contract No. 25,181, with Pacific Coast Excavation, Inc., in the amount of \$150,000, for a total project expenditure authority of \$385,264;
- D. Authorize an increase in the Public Works Director's change order authority to approve expenditures for extra work for the Elings Park Recycled Water Pump Station Project, Contract No. 24,879 for design services with Stantec, in the amount of \$7,500, for a total project change order expenditure authority of \$54,800; and
- E. Authorize an increase in the Public Works Director's change order authority to approve expenditures for extra work for the Elings Park Recycled Water Pump Station Project, Contract No. 25,182 for construction support services with Mimiaga Engineering Group, in the amount of \$32,289, for a total project change order expenditure authority of \$58,029.

Action: Approved the recommendations (September 8, 2015, report from the Public Works Director).

6. Subject: Adoption Of Ordinance Amending Purchasing Code (340.02)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the City Council of the City of Santa Barbara Amending Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code Providing Procedures for the Purchase of Equipment, Supplies, and Services.

Action: Approved the recommendation; Ordinance No. 5716.

7. Subject: Adoption Of Ordinance For Annexation Of Santa Barbara Museum Of Natural History's Western Parcels (680.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 28.12 (Zone Map) of Title 28 of the Municipal Code Pertaining to Zoning Upon Annexation of Assessor's Parcel Nos. 023-250-039, -066, and -068, and a Portion of the Las Encinas Road Easement, in the Upper East Neighborhood.

Action: Approved the recommendation; Ordinance No. 5717.

8. Subject: Public Safety Communications Manager Salary Range (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. 15-056, the Position and Salary Control Resolution for Fiscal Year 2016, Affecting the Salary Range for Public Safety Communications Manager Effective September 8, 2015.

Action: Approved the recommendation; Resolution No. 15-074 (September 8, 2015, report from the Administrative Services Director; proposed resolution).

9. Subject: July 2015 Investment Report (260.02)

Recommendation: That Council accept the July 2015 Investment Report.

Action: Approved the recommendation (September 8, 2015, report from the Finance Director).

10. Subject: Office Lease With Brophy & Sons, Inc., In The Santa Barbara Harbor (330.04)

Recommendation: That Council approve a five-year lease agreement with Brophy and Sons, Inc., for administrative and accounting office space at 125 Harbor Way, at an initial base rent of \$1,177 per month.

Action: Approved the recommendation; Agreement No. 25,299 (September 8, 2015, report from the Waterfront Director).

11. Subject: Lease Agreements With Nonprofit Organizations At The Westside Neighborhood Center And Louise Lowry Davis Center (330.04)

Recommendation: That Council authorize the Parks and Recreation Director to execute lease agreements for office space for the Independent Living Resources Center, Special Olympics Southern California, and UCP/Work Inc at the Westside Neighborhood Center; and for the United Cerebral Palsy Association of Los Angeles, Ventura, and Santa Barbara Counties at the Louise Lowry Davis Center.

Action: Approved the recommendation; Agreement Nos. 25,300 – 25,303 (September 8, 2015, report from the Acting Parks and Recreation Director).

13. Subject: Agreements For Afterschool Recreation Programs (570.06)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to enter into three agreements with the Santa Barbara Unified School District (SBUSD) for the Recreation Afterschool Program (RAP), Afterschool Opportunities for Kids (A-OK), and Junior High Afterschool Sports Program; and

(Cont'd)

13. (Cont'd)

- B. Reduce revenues and appropriations in the Fiscal Year 2016 Parks and Recreation Miscellaneous Grants Fund for the A-OK program in the amount of \$16,098.

Action: Approved the recommendations; Agreement Nos. 25,304 – 25,306 (September 8, 2015, report from the Acting Parks and Recreation Director).

14. Subject: Contract For Construction Of El Estero Wastewater Treatment Plant Sodium Hypochlorite Line (540.13)

Recommendation: That Council award a contract with Lash Construction in the low bid amount of \$114,100 for construction of the El Estero Wastewater Treatment Plant Sodium Hypochlorite Line, Bid No. 3761, and authorize the Public Works Director to execute the contract and approve expenditures up to \$11,410 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment.

Action: Approved the recommendation; Contract No. 25,307 (September 8, 2015, report from the Public Works Director).

15. Subject: Contract Change Order For Interim City Engineer With MCM Management Company (530.01)

Recommendation: That Council authorize an increase in the Professional Services contract with MCM Management Company in the amount of \$75,000, for a total contract amount to not exceed \$110,000, for Desi Alvarez to serve as Interim City Engineer for no more than six months.

Action: Approved the recommendation (September 8, 2015, report from the Public Works Director).

16. Subject: Assignment Of Lease With Madame Rosinka At Stearns Wharf (330.04)

Recommendation: That Council approve the assignment of Lease Agreement No. 23,986 from Barbara Adams, d.b.a. Madame Rosinka, to John and Dolly Adams, for the 153 square-foot retail space located at 221-B Stearns Wharf, at a monthly rent of \$786.40.

Action: Approved the recommendation; Agreement No, 23,986.1 (September 8, 2015, report from the Waterfront Director).

17. Subject: Assignment Of Agreement For Energy Management System (630.06)

Recommendation: That Council authorize the Public Works Director to assign Agreement No. 388117 from McKinstry, Inc., to Energy Hippo, Inc.

Action: Approved the recommendation (September 8, 2015, report from the Public Works Director).

18. Subject: State Grant To Address Underage Drinking, Excessive Drinking And Alcohol-Related Vehicle Accidents (520.04)

Recommendation: That Council:

- A. Accept \$28,498 from the County of Santa Barbara Alcohol, Drug & Mental Health Services Strategic Prevention Framework State Incentive Grant to address underage and excessive drinking and alcohol-related motor vehicle accidents for Fiscal Year 2016; and
- B. Increase appropriations and estimated revenues by \$28,498 in the Police Miscellaneous Grants Fund for Fiscal Year 2016.

Action: Approved the recommendations (September 8, 2015, report from the Chief of Police).

19. Subject: Increase Grant Revenues And Appropriations For The Highway Safety Improvements Program Traffic Signal Upgrades Project (530.05)

Recommendation: That Council:

- A. Accept Highway Safety Improvements Program Grant funding in the total amount of \$417,984 for the Highway Safety Improvements Program Traffic Signal Upgrades Project;
- B. Reverse the transfer and appropriation of \$417,984 from the Streets Capital Fund to the Streets Grant Fund; and
- C. Authorize an increase of \$417,984 in estimated revenues and appropriations in the Fiscal Year 2016 Streets Grant Fund for the Highway Safety Improvements Program Traffic Signal Upgrades Project.

Action: Approved the recommendations (September 8, 2015, report from the Public Works Director).

20. Subject: Approval Of Parcel Map And Execution Of Agreements For 3626 San Remo Drive (640.08)

Recommendation: That Council approve and authorize the City Administrator to execute and record Parcel Map Number 20,818 and standard agreements relating to the approved subdivision at 3626 San Remo Drive, and authorize the City Engineer to record, upon completion of any required public improvements, a recital document stating that the public improvements have been completed and that the previously recorded Land Development Agreement may be removed from the title record.

20. (Cont'd)

Action: Approved the recommendation; Agreement Nos. 25,308 and 25,309 (September 8, 2015, report from the Public Works Director).

NOTICES

21. The City Clerk has on Thursday, September 3, 2015, 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.
22. Recruitment For City Advisory Groups:
 - A. The City Clerk's Office will accept applications through Tuesday, October 6, 2015, at 5:30 p.m. to fill scheduled vacancies on various City Advisory Groups and the unscheduled vacancies resulting from resignations received in the City Clerk's Office through Wednesday, September 23, 2015;
 - B. The City Council will conduct interviews of applicants for vacancies on various City Advisory Groups on Tuesday, October 20, 2015, at 4:00 p.m. (Estimated Time), Tuesday, October 27, 2015, at 4:00 p.m. (Estimated Time), and Tuesday, November 17, 2015, at 6:00 p.m.; and
 - C. The City Council will make appointments to fill the vacancies on various City Advisory Groups on Tuesday, December 8, 2015.

This concluded the Consent Calendar.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

23. Subject: Funding Recommendations For Events And Festivals, Contract With The Santa Barbara County Arts Commission, And Community Arts Update (610.04)

Recommendation: That Council:

- A. Review and approve the Arts Advisory Committee and Community Events and Festivals Committee funding recommendations for Fiscal Year 2016;
- B. Authorize the City Administrator to execute an agreement with the Santa Barbara County Arts Commission in the amount of \$461,000 as approved in the Fiscal Year 2016 budget; and
- C. Receive an update from the County Arts Commission on community art programs and the status of the Community Arts Workshop.

Documents:

- September 8, 2015, report from the Assistant to the City Administrator.
- Site plans for Community Arts Workshop, submitted by Leon Olson.

(Cont'd)

23. (Cont'd)

Speakers:

- Staff: Assistant to the City Administrator Nina Johnson.
- Santa Barbara County Arts Commission: Executive Director Ginny Brush.
- Santa Barbara Arts Collaborative: Leon Olson, Rod Hare.

Councilmember Hart stated he would abstain from voting on the proposed grant to the Santa Barbara Arts Collaborative due to a conflict of interest related to his membership on the Collaborative's Board of Directors.

Motion:

Councilmembers Rowse/Murillo to approve the proposed organizational development grant to the Santa Barbara Arts Collaborative.

Vote:

Unanimous voice vote (Abstentions: Councilmember Hart; Absent: Councilmember White).

Motion:

Councilmembers Rowse/Murillo to approve the remainder of the Arts Advisory Committee and Community Events and Festivals Committee funding recommendations for Fiscal Year 2016, and to authorize the City Administrator to execute an agreement with the Santa Barbara County Arts Commission in the amount of \$461,000 as approved in the Fiscal Year 2016 budget; Agreement No. 25,310.

Vote:

Unanimous voice vote (Absent: Councilmember White).

CITY ATTORNEY

24. Subject: Sign Regulations After The United States Supreme Court's Decision In Reed v. Town Of Gilbert, Arizona (640.02)

Recommendation: That Council appoint an 11-member Sign Ordinance Review Committee to review the City's sign regulations in order to assure compliance with the First Amendment. The Committee would make check-in reports to Council at strategic points during the process and offer recommended ordinance amendments in a final report to the Ordinance Committee and Council.

Documents:

September 8, 2015, report from the City Attorney.

Speakers:

Staff: City Attorney Ariel Calonne.

(Cont'd)

24. (Cont'd)

Motion:

Councilmembers Francisco/Rowse to approve the recommendation and appoint Councilmembers Hart and Hotchkiss to the Sign Ordinance Review Committee.

Vote:

Unanimous voice vote (Absent: Councilmember White).

The complete membership of the Sign Ordinance Review Committee will be submitted for Council approval in the near future.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Hotchkiss provided information about the Airport's current passenger count.
- Councilmember Rowse mentioned that he had taken a "hard hat" tour of the Children's Museum building site.
- Councilmember Murillo reported on recent meetings of the Santa Barbara Youth Council and the Access Advisory Committee.
- Mayor Schneider commented on the current postcards exhibit on lower State Street and on her meeting with the new coach of the University of California Santa Barbara women's basketball team.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 3:02 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

ATTEST:

HELENE SCHNEIDER
MAYOR

SUSAN TSCHECH, CMC
DEPUTY CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE AIRPORT DIRECTOR TO EXECUTE A LEASE AMENDMENT TO LEASE AGREEMENT NO. 200846, AS PREVIOUSLY AMENDED NOVEMBER 22, 2011, WITH MERCURY AIR CENTER – SANTA BARBARA, INC., DBA ATLANTIC AVIATION, A CALIFORNIA CORPORATION, AMENDING THE “TERM” AND “RENT PROVISIONS TO EXTEND THE EXPIRATION DATE TO MAY 8, 2018, AND PROVIDE FOR APPROPRIATE RENTAL INCREASES DURING THE EXTENDED TERM.

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain second amendment to Agreement 200846, as first amended November 22, 2011, between Mercury Air Center – Santa Barbara, Inc., dba Atlantic Aviation, and the City of Santa Barbara, extending the expiration date to May 8, 2018, and providing for 5% annual rental adjustments during the extended term, is hereby approved.

SEP 22 2015 #2A
330.04

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE AIRPORT DIRECTOR TO EXECUTE A LEASE AMENDMENT TO RESTATED LEASE AGREEMENT NO. 12,037.2, WITH SIGNATURE FLIGHT SUPPORT CORPORATION, A CALIFORNIA CORPORATION, DATED OCTOBER 18, 2012, AMENDING THE "TERM" AND "RENT PROVISIONS TO EXTEND THE EXPIRATION DATE TO MAY 8, 2018, AND PROVIDE FOR APPROPRIATE RENTAL INCREASES DURING THE EXTENDED TERM.

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain first amendment to Restated Lease Agreement 12,037.2, between Signature Flight Support Corporation and the City of Santa Barbara, extending the expiration date to May 8, 2018, and providing for 5% annual rental adjustments during the extended term, is hereby approved.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE EXISTING 2014-2016 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE HOURLY EMPLOYEES' BARGAINING UNIT TO COMPLY WITH THE HEALTHY WORKPLACE HEALTHY FAMILY ACT OF 2014

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

SECTION 1. The Memorandum of Understanding between the City of Santa Barbara and the Service Employees' International Union, Local 620, Hourly Employees' Bargaining Unit, entered into as of January 1, 2014 and adopted under Ordinance No. 5655 is hereby amended.

SECTION 2. Effective July 1, 2015, the agreement terms are amended as follows

"Article 14. PAID TIME OFF (PTO) ALLOWANCE

a. The purpose of the Paid Time Off (PTO) allowance is to provide an employee with time away from a scheduled work shift without a loss in pay. Bargaining Unit members will accrue paid time off at a rate of .034 ~~.023~~ hours per full completed hour of work.

b. PTO shall be scheduled by management to provide adequate staffing. Such scheduling may be available throughout the calendar year subject to departmental operational necessity and the needs of the City. Such scheduling shall take into account employee choice.

c. An employee may not have more than 48 ~~24~~ hours of PTO in the employee's PTO bank. ~~Effective March 28, 2009, this maximum accrual will be increased to 40 hours.~~ If an employee has more than this maximum amount of PTO in his/her bank, the employee will cease accruing PTO until the PTO balance is below this amount. However, requests to take PTO to avoid disruption of PTO accrual will not be unreasonably denied.

d. Employees will be eligible to be paid for any accrued but unused PTO upon termination of employment. The City will reflect PTO accrual on pay stubs.

e. PTO may be used as sick leave for any reason enumerated under California's Paid Sick Leave law, provided that the employee complies with the sick leave notice and medical certification requirements established by law and City policies. These notice and medical certification requirements are the same as those applicable to sick leave use for regular City employees.

d. Bargaining unit members will remain eligible to use any sick leave banks accrued prior to membership in the bargaining unit, subject to the rules and limitations applicable to those sick leave banks.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Administrative Services, Police Department

SUBJECT: Equipment Purchase And Donation For Santa Barbara Police Department Fitness Facility

RECOMMENDATION: That Council:

- A. Accept a donation of \$20,532 worth of weight equipment from the Santa Barbara Police Foundation for the Police Department fitness facility; and
- B. Approve an increase in appropriations of \$66,532 from available reserves in the Police Asset Forfeiture and Miscellaneous Grants Fund to purchase aerobic equipment for the Santa Barbara Police Department Fitness Facility.

DISCUSSION:

When the City of Santa Barbara moved the Dispatch Center to the Granada Garage, the Police Department elected to remodel that vacated space to use as a fitness facility by Police Department employees. Unfortunately, the existing equipment housed in the old fitness room is over 20 years old and in bad condition. The requested equipment is needed to outfit the new fitness facility.

The Santa Barbara Police Foundation generously offered to help furnish the new facility and wishes to donate fitness equipment. The equipment includes a "Smith" machine, a bench press/squat rack, several multifunctional weight machines, and assorted dumbbell and kettlebell training weights. With reserve funds, aerobic equipment will be purchased including treadmills, elliptical ascent trainers, a stationary indoor cycle, and a rowing machine.

Providing a well-equipped and maintained fitness facility can help increase the physical and mental wellbeing of employees, increase employee productivity, and help reduce employee absenteeism.

BUDGET/FINANCIAL INFORMATION:

There are sufficient reserve funds available in the Police Asset Forfeiture and Miscellaneous Grants Fund to cover the \$46,000 expense for cardio equipment.

The Santa Barbara Police Foundation is donating \$20,532 of equipment to be included in the new fitness facility and no City funds will be spent on furnishing these items.

PREPARED BY: Lieutenant Todd Stoney, Assistant Division Commander/LSP

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Helene Schneider, Mayor

SUBJECT: City Attorney Salary Increase And Future CPI Adjustments

RECOMMENDATION:

That Council approve, and authorize the Mayor to execute, an amendment to Agreement No. 24,713, the employment agreement between the City and Ariel P. Calonne, City Attorney, to increase base salary by 4.5% effective June 27, 2015 and to provide for an annual cost of living salary adjustment beginning in Fiscal Year 2017.

DISCUSSION:

The Council wishes to amend the contract of the City Attorney to provide for a 4.5% salary increase retroactive to June 27, 2015, and to provide for automatic cost of living adjustments in future years.

The proposed amendment to the City Attorney's contract will provide annual adjustments equivalent to the change in the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the California Department of Industrial Relations (CPI). The City Attorney will receive ½ of the June-May CPI percentage increase or decrease each year, beginning in Fiscal Year 2017, with a maximum adjustment of 4.5% each year. Every three years, the City Attorney will receive an additional "true up" adjustment to equal the remaining full CPI percentage increase or decrease over the three year period. The total salary adjustment will be limited to a maximum 14.2% over the three years (approx. 4.5% per year compounded).

BUDGET/FINANCIAL INFORMATION:

The increase to salary will cost \$3,608 in Fiscal Year 2016, with a \$4,244 per year ongoing cost. It is anticipated that this cost will be able to be absorbed within the existing City Attorney's Office Fiscal Year 2016 budget, so no additional funds are requested at this time. The cost increase or decrease in future years will depend on the increase or decrease in the cost of living index. A copy of the full contract/agreement is available for public review in the City Clerk's Office.

ATTACHMENT: Proposed Amended Language
PREPARED BY: Kristine Schmidt, Director of Administrative Services
SUBMITTED BY: Helene Schneider, Mayor
APPROVED BY: City Administrator's Office

Proposed Changes to Contract
Ariel Calonne, City Attorney

1. Increase current base salary by 4.5% effective June 27, 2015 (retroactive) from \$228,178.86 to \$238,466.91.
2. Replace Section 3(B) (“Changes to Compensation”) with the following:

“B. Changes to Compensation

- 1) Annual Cost of Living Adjustments. Commencing on the first day of the pay period which includes July 1, 2016 and on the first day of the pay period which includes July 1 of each year thereafter, Employee’s base annual salary shall be automatically adjusted without further Council action by a percentage amount equal to one-half (1/2) of any increase or decrease in the Consumer Price Index (CPI) during the preceding June through May twelve month period. The CPI used shall be the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the California Department of Industrial Relations. Such annual increase or decrease to salary shall be capped at a maximum of 4.5%
- 2) Triennial Cost of Living True Up. Beginning on July 1, 2018, and at the end of each three years thereafter, Employee’s base salary shall be automatically adjusted without further Council action to include an additional adjustment that, when added to the annual cost of living adjustment for that year and the immediately prior two years, equals the full compounded change to the CPI at the end of the three year period, not to exceed a total compounded increase or decrease of 14.12% over the three year period.”



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Administration, Administrative Services

SUBJECT: Management Recruitment - Relocation Assistance Benefits

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Management Performance and Compensation Plan to Provide for Relocation Assistance Benefits as a Recruitment Tool.

DISCUSSION:

As the "baby boomers" retire and leave the labor market, staff has noticed that competition for experienced managers in the public sector is heating up. Because the number of public sector management-level positions is more limited in the local labor market than other types of positions, recruitment is routinely from a statewide - and in many cases nationwide - candidate pool. Relocation assistance is a benefit that more employers are offering to outside management candidates. Recently, the City Administrator has needed to offer moving expense reimbursement and temporary housing allowances during the recruitment for key management positions (Community Development Director, Assistant City Administrator) in order to secure the best candidates.

The City's Management Performance and Compensation Plan outlines the various terms and conditions of management employment, as they are amended by the City Council from time to time, for the benefit of the public, for managers, and for prospective managers considering City employment. The purpose of this amendment to the Management Performance and Compensation Plan is to include a written policy for offering these relocation assistance benefits, both in the interest of transparency, and to inform prospective candidates about the key standards and limitations applicable to such offers.

The Relocation Assistance benefits will be negotiated with individual candidates at the sole discretion of the City Administrator and will consist of one or both of two types of benefit:

- Reimbursement of Moving Expenses, not to exceed \$12,500 (indexed to CPI)
- Temporary Housing Allowance, not to exceed 12% of the base salary for the position and limited to the first year of employment.

In both cases, only relocation and housing within the Santa Barbara South Coast area will qualify.

As this benefit will only be used when necessary to secure an outside candidate, the total cost is difficult to determine. However, in almost all cases, departments will be asked to use salary savings generated by the position vacancy to cover the cost, so no additional budget appropriations will be necessary.

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA AMENDING THE MANAGEMENT
PERFORMANCE AND COMPENSATION PLAN TO
PROVIDE FOR RELOCATION ASSISTANCE BENEFITS
AS A RECRUITMENT TOOL

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:
SECTION 1. The Management Performance and Compensation Plan is hereby
amended, effective July 1, 2015, to include the following provision:

“Relocation Assistance

The City Administrator, at his or her sole discretion, may offer a prospective management employee who is not already employed by the City and who resides more than 50 miles from the City limits the following relocation assistance benefits.

A. Moving Expense Reimbursement

The City Administrator may authorize the reimbursement of the reasonable cost of supplies, ground transportation, and professional services related to packing, crating, and transporting the employee’s household goods and personal effects and those of the members of employee’s household from the employee’s former home to the employee’s new home located within the Santa Barbara South Coast area, or to a storage facility of the employee’s choosing located within the Santa Barbara South Coast area. Reimbursement shall initially be limited to \$12,500 or less for offers during Fiscal Year 2016, and such limit will be increased or decreased annually by the percent increase in the Consumer Price Index (Bureau of Labor Statistics, All Urban Consumers, Los Angeles- Riverside-Orange) for the previous calendar year. Itemized expense estimates must be provided by the employee and approved by the City Administrator in advance.

The City Administrator may establish additional standards and limitations for this benefit that are not inconsistent with these provisions, including requirements for reimbursement to the City under specific circumstances.

B. Temporary Housing Allowance

In addition to, or as an alternative to, moving expense reimbursement, the City Administrator may offer a temporary housing allowance, limited to 12% or less of the annual base salary for the position. Such temporary housing allowance shall be paid in equal biweekly amounts over the first

26 pay periods of employment, provided that the employee resides within Santa Barbara South Coast area during that time. Should the employee separate from employment for any reason or move outside of the Santa Barbara South Coast area at any time during the first year of employment, any unpaid amount will be forfeited.

The City Administrator may establish additional standards and limitations for this benefit that are not inconsistent with these provisions.”



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Recodification Of Ordinance Authorizing Design-Build-Operate Public Works Contracts

RECOMMENDATION:

That Council 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 Adding Section 4.52.165 Pertaining to Public Works Contracts.

DISCUSSION:

This ordinance is being readopted due to a codification error in numbering the section. On November 4, 2014, Council adopted Ordinance No. 5673 which amended the Municipal Code to authorize design-build-operate public works contracts, as well as other alternate project delivery methods. Thereafter, this office inadvertently proposed codification of an ordinance relating to prevailing wages in the very same Municipal Code section (4.52.160). As a result, Ordinance No. 5673 was never codified, although it remained effective. In order to correct this error, we recommend readopting the substance of Ordinance No. 5673 so that it can be recodified as Santa Barbara Municipal Code Section 4.52.165. There are no substantive changes.

SUBMITTED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE MUNICIPAL CODE BY ADDING SECTION 4.52.165 PERTAINING TO PUBLIC WORKS CONTRACTS.

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

SECTION 1. Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code is amended by adding Section 4.52.165 which read as follows:

4.52.165 Public Works Contracts.

A. Bidding and advertising and award of contracts for public works, excluding maintenance and repair, shall be as required by Section 519 of the City Charter.

B. Section 519 of the City Charter provides that certain water-related projects may be excepted from the requirements of Section 519 by the affirmative vote of a majority of the total members of the City Council.

1. The City Council may determine by resolution that such a project may be solicited and contracted for using alternate project delivery methods, including but not limited to design-build, and design-build-operate, or competitive negotiation. Any such resolution shall set forth the reasons supporting the use of the alternate project delivery method for the project and describe the solicitation method to be used and the criteria for determining the party to whom the contract should be awarded. The Council may also authorize the reimbursement of the costs of proposers in participating in solicitations for such projects.
2. The selection process shall, to the extent feasible, be fair and open, encourage creative and innovative solutions, and ensure that the City receives the best value possible. During the selection process, the City may meet individually with potential proposers prior to submission of proposals in order encourage creative solutions. Such meetings shall be tape recorded and the recording shall be made available upon request after final contract award.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Risk Management Division, Finance Department

SUBJECT: Workers' Compensation Coverage For Volunteers Of The Police Reserve Corps

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Providing Workers' Compensation Coverage for Volunteers of the Police Reserve Corps Pursuant to the Provisions of Section 3362.5 of the Labor Code and Section 9.114.140 of the Municipal Code.

DISCUSSION:

Chapter 9.114 of the Municipal Code establishes the Police Reserve Corps (Corps), which is a voluntary organization comprising of persons that are appointed by the Chief of Police in order to amplify City services in our Police Department and serve the community. While the Corps functions as a unit of the Police Department to assist regular police officers of the City, members of the Corps are not employees of the City and are not members of the Police Department under SBMC 9.114.130.

In 1964, the City Council adopted SBMC section 9.114.140 in order to provide workers' compensation coverage to volunteer members of the Corps. Since 1974, pursuant to City Resolution No. 7966, the City has been self-insured for the purpose of providing to all of its officers, employees, and their dependents, workers' compensation benefits required to be paid under applicable provisions of the Labor Code of the State of California and the City's Municipal Code.

However, Resolution No. 7966 did not authorize the Self-Insurance program to provide workers' compensation benefits to a "volunteer." California labor law requires a formal declaration through a resolution by the City Council providing workers' compensation coverage to volunteers. Therefore, this formal resolution must be adopted in order to provide workers' compensation coverage to volunteer members of the Corps in order to remain consistent with SBMC section 9.114.140.

ANALYSIS

According to California Labor Code section 3362.5, public employers may choose to extend workers' compensation coverage to volunteers that are reserve police officers who perform service for the organization. Although workers' compensation coverage is not mandatory for volunteers as it is for employees, public agencies often provide it as a means to help encourage volunteering, and avoid the potential for lawsuits. If volunteer members of the Corps are excluded from workers' compensation coverage, when injured on the job, they can seek remedy in the civil court system. The court may award compensation for pain and suffering plus other damages. While the volunteer must prove fault, the civil awards are often much higher than the corresponding workers' compensation benefits.

Volunteer members of the Corps offer their talents to help serve the community while developing their own skills and abilities. The public interest is best served by providing workers' compensation coverage to volunteers of the Corps.

Staff does not propose including all volunteers who assist the City in providing services to the community. This proposal shall apply only to the volunteer members of the Corps.

CONCLUSION

Under SBMC section 9.114.140, volunteer members of the Corps are to be covered by the workers' compensation system. As a result, under California Labor Code Section 3362.5, adoption of this formal resolution that declares that the City will provide workers' compensation coverage for volunteer members of the Corps is necessary.

PREPARED BY: John S. Doimas, Deputy City Attorney

SUBMITTED BY: Mark Howard, Risk Manager

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA PROVIDING WORKERS'
COMPENSATION COVERAGE FOR VOLUNTEERS OF
THE POLICE RESERVE CORPS PURSUANT TO THE
PROVISIONS OF SECTION 3362.5 OF THE LABOR CODE
AND SECTION 9.114.140 OF THE MUNICIPAL CODE

WHEREAS, section 9.114.140 of the Santa Barbara Municipal Code provides that volunteers of the Police Reserve Corps are entitled to the protection and benefits of the California Worker's Compensation and Insurance Act; and

WHEREAS, The California Labor Code section 3362.5 provides for workers compensation coverage for such individuals upon an affirmative resolution of this Council ;

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

SECTION 1. In accordance with section 9.114.140 of the Santa Barbara Municipal Code, the City Council hereby adopt Section 3362.5 of the Labor Code and provide workers' compensation coverage for volunteers of the Police Reserve Corps, which shall be applicable during the time the person actually performs volunteer services, provided, however, that the rights of volunteers shall be limited as set forth in the Labor Code.

SECTION 2. BE IT FURTHER RESOLVED, that the Chief of Police, the City's Risk Manager, or their designee are hereby authorized to create a roster or other format to identify the people who participate as a member of the Police Reserve Corps, and a method to track the date and time when each Corps member performs volunteer tasks.



CITY OF SANTA BARBARA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Successor Agency Board Members

FROM: Community Development Administration

SUBJECT: Consent To Paseo Nuevo Lease Assignments And Authorize Execution Of Estoppel Certificates

RECOMMENDATION:

That the Successor Agency Board adopt, by reading of title only, A Resolution of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Authorizing the Executive Director to Acknowledge Assignment and Consent to Release of Liability of the Paseo Nuevo Ground Lease and Related Agreements and to Issue Two Estoppel Certificates Relating to the Paseo Nuevo Shopping Center in Connection with a Transfer of the Paseo Nuevo Ground Lease and Related Agreements from I&G Direct Real Estate 3, LP, a Delaware Limited Partnership, to Paseo Nuevo Owner LLC, a Delaware Limited Liability Company, all in a Form Acceptable to Agency Counsel.

BACKGROUND:

The Redevelopment Agency of the City of Santa Barbara and Santa Barbara Associates entered into a Ground Lease dated February 24, 1989, which lease has been subsequently amended and assigned to new tenants three times. The Ground Lease, with a term of fifty (50) years, together with a series of related agreements, provides for the development and operation of the Paseo Nuevo Shopping Center as a redevelopment project within the City of Santa Barbara.

The Ground Lease and related agreements were most recently assigned in 2002 to the current tenant, I&G Direct Real Estate 3, LP ("I&G"). I&G is now transferring its interest in the Lease and agreements to its wholly-owned subsidiary, Paseo Nuevo Owner, LLC, a Delaware limited liability company. Because Paseo Nuevo Owner is wholly-owned and controlled by I&G, the Successor Agency's consent to the assignment is not required under the terms of the lease. However, I&G is seeking the Successor Agency's consent to release it from liability under the Lease which, under the terms of the Lease, requires that Agency consent. I&G is seeking release from liability under the lease because it is also

selling 20% of its interest in the Paseo Nuevo Owner LLC to Paseo Nuevo Pacific LLC. The new tenant, Paseo Nuevo Owner, has assumed all of the ground lessee's obligations under the Ground Lease and all related agreements.

Wells Fargo Bank is providing a new leasehold mortgage to the tenant. Well Fargo, together with I&G and the new Tenant, have requested that the Agency execute two estoppel certificates under which the Agency is asked to confirm certain existing facts relative to the Ground Lease and the Construction, Operation and Reciprocal Easement Agreement.

The Redevelopment Agency, as owner of the underlying property, was the landlord under the lease until the RDA dissolution in 2012. Upon dissolution, the property transferred by operation of law to the Successor Agency. On May 15, 2015, the California Department of Finance approved the Successor's Agency Long Range Property Management Plan ("LRPMP") for the Paseo Nuevo parcels. The LRPMP designates the transfer of the property to the City of Santa Barbara so that the City can fulfill the obligations of landlord under the lease. On September 18, 2015, the Oversight Board adopted Resolution No. 27 directing the Successor Agency to implement the LRPMP and transfer the property to the City. A joint Successor Agency/City Council meeting will be scheduled in the very near future in order for that action to occur.

Staff recommends the Agency Board acknowledge the assignments and consent to the release of liability of I&G and authorize the Executive Director to execute the Estoppel Certificates.

Successor Agency Agenda Report
Consent To Paseo Nuevo Lease Assignments And Authorize Execution Of Estoppel
Certificates
September 22, 2015
Page 3

PREPARED BY: **Brian Bosse, Waterfront Department Business Manager**

SUBMITTED BY: **Community Development Administration**

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AUTHORIZING THE EXECUTIVE DIRECTOR TO ACKNOWLEDGE ASSIGNMENT AND CONSENT TO RELEASE OF LIABILITY OF THE PASEO NUEVO GROUND LEASE AND RELATED AGREEMENTS AND TO ISSUE TWO ESTOPPEL CERTIFICATES RELATING TO THE PASEO NUEVO SHOPPING CENTER IN CONNECTION WITH A TRANSFER OF THE PASEO NUEVO GROUND LEASE AND RELATED AGREEMENTS FROM I&G DIRECT REAL ESTATE 3, LP, A DELAWARE LIMITED PARTNERSHIP, TO PASEO NUEVO OWNER LLC, A DELAWARE LIMITED LIABILITY COMPANY, ALL IN A FORM ACCEPTABLE TO THE AGENCY COUNSEL.

WHEREAS, the Redevelopment Agency of the City of Santa Barbara ("Agency") and Santa Barbara Associates entered into a Ground Lease Dated February 24, 1989, which Lease was amended by the First Amendment to the Ground Lease dated February 24, 1989, and the Second Amendment to the Ground Lease dated February 24, 1989 and further amended by the Third Amendment to Ground Lease, dated as of September 18, 1990 for that certain real property located in the City of Santa Barbara, County of Santa Barbara, State of California as described in an attachment to the memorandum of Ground Lease recorded in the official records of Santa Barbara County as Instrument No. 89-012335 on February 24, 1989 (collectively referred to herein as the "Paseo Nuevo Ground Lease") for the purpose of causing the development and operation of the Paseo Nuevo Shopping Center as a public redevelopment project within the City of Santa Barbara.

WHEREAS, the Paseo Nuevo Ground Lease was subsequently assigned, with the Agency's due consent, by Santa Barbara Associates to PNSC, L.P., pursuant to an Assignment dated June 7, 1991 and subsequently assigned, with the Agency's due consent, by PNSC, L.P., to Paseo Nuevo Associates pursuant to an Assignment dated June 27, 1996.

WHEREAS, the Paseo Nuevo Ground Lease was supplemented by the Supplement to Lease dated as of June 26, 1996 by and between PNSC, L.P., and the Redevelopment Agency.

WHEREAS, in connection with entering into the Paseo Nuevo Ground Lease and in the development and operation of the Paseo Nuevo Shopping Center, the Redevelopment Agency is a party to several related and collateral easements and agreements recorded against the real property which forms the basis of the Paseo Nuevo Ground Lease leasehold, as well as with respect to the adjacent real properties,

such as the Construction, Operation and Reciprocal Easement Agreement dated as of February 24, 1989 and recorded in the official records of Santa Barbara County as Instrument No. 89-012333.

WHEREAS, the Paseo Nuevo Ground Lease was subsequently assigned, with the Agency's due consent, to I&G Direct Real Estate 3, LP, a Delaware Limited Partnership ("Tenant") pursuant to an Assignment dated May 30, 2002.

WHEREAS, Section 14.9 of the Paseo Nuevo Ground Lease and similar provisions of the related agreements provide for the Agency to issue estoppel certificates to the Tenant or the Tenant's designated assignee, under certain express circumstances, as more specifically provided for in the Paseo Nuevo agreements.

WHEREAS, Section Eight (8) of the Paseo Nuevo Ground Lease expressly provides for the assignment of the Paseo Nuevo Ground Lease to a new tenant under certain express circumstances and for the release from liability of the existing tenant with consent of the Agency and the new tenant's assumption of all lease obligations.

WHEREAS, I&G Direct Real Estate 3, LP, as the Tenant under the Paseo Nuevo Ground Lease, has recently advised the Successor Agency that it has assigned its interest in the Paseo Nuevo Ground Lease and Related Agreements to its wholly-owned subsidiary, Paseo Nuevo Owner LLC, a Delaware limited liability company, and I&G Direct Real Estate 3, LP, has requested the issuance of certain estoppel certificates and the release of I&G Direct Real Estate 3, LP from further liability under the Paseo Nuevo agreements.

WHEREAS, Pursuant to California Assembly Bill No. X1 26, as amended by Assembly Bill No. 1484 ("Dissolution Act"), the Agency dissolved on February 1, 2012 and the Successor Agency was former and succeeded to all of the authority, rights, powers, duties and obligations previously vested in the Agency ("Successor Agency").

WHEREAS, on April 26, 2013 the Successor Agency was issued a "Finding of Completion" by the California Department of Finance ("DOF") and on May 15, 2015, DOF approved the Second Amended Long Range Property Management Plan for the property subject to the Paseo Nuevo Agreements and the property transferred into the Community Redevelopment Trust Fund of the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, as follows:

1. The Successor Agency Executive Director is hereby authorized and directed to execute and deliver to I&G Direct Real Estate 3, LP (or to its designee, Paseo Nuevo Owner, LLC) as the Tenant and as the proposed assignee of the Paseo Nuevo Ground Lease and related agreements, certain requested estoppel certificates in connection with a transfer of the Paseo Nuevo Ground Lease leasehold and related

agreements, all as the Executive Director may deem proper and appropriate and all in a form deemed appropriate and acceptable to the Successor Agency Counsel.

2. The Successor Agency Executive Director hereby acknowledges the assignment of the Paseo Nuevo Ground Lease and related agreements including the Disposition and Development Agreement and consents to release I&G Direct Real Estate 3, LP from liability under said agreements provided that Paseo Nuevo Owner, LLC assumes all liability and obligations for the Paseo Nuevo Ground Lease and related agreements including, but not limited to, the Disposition and Development Agreement and the Construction, Operation and Reciprocal Easement Agreement in a manner consistent with and as required by the terms of Section Eight (8) of the Paseo Nuevo Ground Lease and as acceptable to the Successor Agency Counsel.

3. The Successor Agency Executive Director and Successor Agency Counsel are hereby authorized and directed, jointly and severally, to do any and all things which either may deem necessary or advisable in order to consummate the granting of the Successor Agency's consent and the issuance of appropriate estoppel certificates, which are and as may be authorized in the Paseo Nuevo Ground Lease or in any duly Successor Agency approved collateral Paseo Nuevo Easement or agreement, as well as to otherwise carry out, give effect to, or comply with the terms of the duly executed Paseo Nuevo agreements and this Resolution.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Consideration Of Funding Community Choice Aggregation Feasibility Study

RECOMMENDATION:

That Council authorize staff to transmit \$50,000 to the County of Santa Barbara for the purpose of funding the City's portion of a Community Choice Aggregation (CCA) Feasibility Study.

DISCUSSION:

The City was approached in spring 2015 by both the Community Environmental Council and the County of Santa Barbara to fund a portion of the costs for a feasibility study of a local CCA (locally referred to as Community Choice Energy – "CCE") program. CCAs allow California cities and counties the ability to aggregate the electric loads of residents, business and public buildings to facilitate the purchase and sale of electrical energy by becoming an energy purveyor. CCAs are able to essentially choose the source of electrical power for the community and negotiate purchase agreements for that power.

During the budget presentations, the Council discussed the request by the Community Environmental Council and directed staff to return with more information related to a potential scope of work, as well as identify the lead agency for the project. The County has agreed to serve as lead, and has established a framework for representation in the form of an Advisory Working Group. This Advisory Working Group will be responsible for the following tasks:

- Help develop the RFP for a Feasibility Study consultant;
- Select a qualified consultant from the proposals submitted;
- Define objectives for the study;
- Develop a communications plan;
- Review and comment on the feasibility study draft; and
- Receive ongoing updates regarding progress.

The Advisory Working Group will provide updates to the Council Sustainability Committee and/or City Council as needed. It is expected that the scope and cost will not be entirely known until the proposal development and review process is complete, but is estimated to be about \$225,000. However, it is expected to include the following:

- Definition of objectives and study areas;
- Pro-forma analysis to assess the cost-benefit potential;
- Risk analysis (pre- and post-implementation);
- Emission impacts;
- Economic impacts including job creation;
- Load data analysis and demand forecast;
- Rate/price modeling and analysis;
- Power supply scenarios for the region's CCE;
- Sensitivity analysis reflecting changes such as marketing prices for conventional and renewable energy, utility surcharges and fees, and energy policy changes.

BUDGET/FINANCIAL INFORMATION:

\$50,000 has been appropriated in the Fiscal Year 2016 Water Fund budget for the study.

SUSTAINABILITY IMPACT:

Other communities are reporting that their CCA programs are demonstrating an ability to provide an energy mix with higher percentages of renewable generation and lower associated emissions. The feasibility study will include emission impacts, load/demand, and financial analysis to determine not only if feasible, but sustainable into the future.

ATTACHMENTS: 1. Letter from County of Santa Barbara dated August 17, 2015
2. Letter from Community Environmental Council dated April 8, 2015

PREPARED BY: Pamela Antil, Assistant City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office

County Of Santa Barbara

Mona Miyasato
County Executive Officer



105 East Anapamu Street, Room 406
Santa Barbara, California 93101
805-568-3400 • Fax 805-568-3414
www.countyofsb.org

Executive Office

August 17, 2015

Mr. Paul Casey
City Manager
City of Santa Barbara
735 Anacapa St.
Santa Barbara, CA

E-mail: pcasey@santabarbaraca.gov

Re: Scope of Activities for Community Choice Energy (CCE) Contribution

Dear Mr. Casey:

Thank you for confirming that the City of Santa Barbara has appropriated \$50,000 towards a local Community Choice Energy (CCE) study. Per your request, this letter provides additional details on the scope of activities that the City's contribution will support.

Background

On June 9, 2015 the Santa Barbara County Board of Supervisors approved \$400,000 in FY 2015-2016 towards the initial phase of evaluating the formation of a Community Choice Energy (CCE) program in Santa Barbara County. The technical feasibility study consultant was estimated to cost \$225,000, which was anticipated to be offset by at least \$100,000 in contributions from other agencies. As detailed below, those local agencies that contribute may have representation on an advisory working group and will be included in the study area defined for the Feasibility Study.

Representation on Advisory Working Group

Local agencies that contribute will be asked to appoint representatives to collaborate with Santa Barbara County on an advisory working group. This advisory working group will be responsible for the following:

- Help develop the RFP for a Feasibility Study consultant
- Select a qualified consultant from the proposals submitted
- Define objectives for the study
- Develop a communications plan
- Review and comment on the feasibility study draft
- Receive ongoing updates regarding progress

Renée E. Bahl
Assistant County Executive Officer
rbahl@co.santa-barbara.ca.us

Terri Maus-Nisich
Assistant County Executive Officer
tmaus@countyofsb.org

Inclusion in Feasibility Study

While the exact scope and costs of the feasibility study will not be known until a contract for services is complete, CCE feasibility studies typically evaluate the following aspects of a CCE program:

- Definition of objectives and study areas
- Pro-forma analysis to assess the cost-benefit potential
- Risk analysis (pre and post implementation)
- Emission impacts
- Economic impacts included job creation
- Load data analysis and demand forecast
- Rate/price modeling and analysis
- Power supply scenarios for CCE
- Sensitivity analysis reflecting changes such a market prices for conventional and renewable energy, utility surcharges and fees, and energy policy changes

Submitting Contributions

In preparation for soliciting proposals for the feasibility study, we are asking that all non-repayable contributions to Santa Barbara County be received by October 15, 2015 so that all sources of funds are known prior to Santa Barbara County authorizing a contract with a consultant to complete the feasibility study. As a reminder, to allow the County to include your City in the study, we will be requesting your release of applicable electricity load data within the coming weeks.

If you or your Council should require additional details in order to release the expenditure, please feel free to contact me or Energy and Sustainability Initiatives Division Chief, Angie Hacker, at ahacker@co.santa-barbara.ca.us.

Sincerely,



 Mona Miyasato
County Executive Officer

cc: Renée Bahl, Assistant County Executive Officer
George Chapjian, Community Services Department Director
Angie Hacker, Energy and Sustainability Initiatives Manager



April 8, 2015

Santa Barbara City Council
735 Anacapa Street
Santa Barbara, CA 93101

RE: Budget Allocation Request: Community Choice Aggregation Feasibility Study

Mayor and Council Members:

In the last five years, Community Choice Aggregation (CCA) has emerged as a powerful tool to help California Cities and Counties reduce greenhouse gas (GHG) emissions while providing residents and businesses a choice in their energy providers. Existing CCAs, such as Sonoma Clean Power and Marin Clean Energy, have demonstrated that Community Choice programs can provide an energy mix with higher percentages of renewable generation and lower associated emissions. Not only have these CCAs provided a cleaner energy mix, they have done so at cheaper rates than the existing utility - to the benefit of ratepayers, the environment and the local economy.

A local Santa Barbara Community Choice program would provide many of the same benefits and help the City meet the targets identified in its Climate Action Plan (15% of the CAP target reductions (21,000 MT CO2e) are attributed to CCA). CCA could also effectively mitigate the emissions associated with reactivating the desalination plant. A feasibility study is a key first step in evaluating the potential benefits available to the City and its residents. A feasibility study would help project consumer electricity prices, net economic impact and potential GHG reductions that may be achieved through a local CCA.

The Community Environmental Council (CEC) believes that a comprehensive feasibility study, which could include neighboring jurisdictions, could be completed for \$100,000 or less. CEC thus requests that the City allocate \$50,000 in its recommended 2015/2016 budget towards a feasibility study. Neighboring jurisdictions also interested in CCA could provide the remaining balance.

More than 60 California cities and seven California counties have passed resolutions to evaluate CCA - it is time Santa Barbara follow suit and earnestly explore the benefits of a local Community Choice program.

Sincerely,

Dave Davis
President / CEO

Cc:
Mayor Helene Schneider
Mayor Pro Tempore Gregg Hart
Councilmember Cathy Murillo
Councilmember Randy Rowse
Councilmember Dale Francisco
Councilmember Frank Hotchkiss
Councilmember Bendy White

Paul Casey, City Administrator
Jim Dewey, Energy Manager
George Buell, Community Development Dir.
Nina Johnson, Asst. to the City Administrator
Alelia Parenteau, Energy Analyst
Maggie Campbell, Exec Director, Downtown SB
Ken Oplinger, President/CEO, SB Chamber

Board of Directors

Dave Davis
President/CEO

Laura Capps
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Karl Hutterer
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Secretary

Jeff Carmody

Adam Green

Chris Hahn

Bruce Kendall

Kim Kimbell

Adam Rhodes

Stan Roden

John H. Steed

Marc McGinnes - *Emeritus*

Paul Relis - *Emeritus*

Selma Rubin - *In Memoriam*

Partnership Council

Megan Birney

Pauline S. Chandler

Neil Dipaola

Gillian V. Grant

Krista Harris

Bryan Henson

Dana Jennings

Dr. Barbara S. Lindemann

Eric Lohela

Ruth Loomer

Laura McGlothlin

Russ McGlothlin

Dawn Mitcham

Susan Owens

Bret A. Stone

Jacob Tell

Elizabeth Wagner

Randy Weiss

Jules Zimmer



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department
Administration Division, Parks and Recreation Department

SUBJECT: Potential Acquisition Of Vacant Land (APNs 047-010-064, 047-010-065, And 047-061-026) Along Lower Arroyo Burro (Former Veronica Meadows Development Site)

RECOMMENDATION: That Council:

- A. Hear presentations from The Trust for Public Land (TPL) and City staff on the potential acquisition of vacant land along lower Arroyo Burro;
- B. Appropriate \$2.7 million from Creeks Restoration and Water Quality Improvement Fund reserves to cover a portion of the \$4 million purchase price; and
- C. Authorize the City Administrator, or his designee, to execute documentation necessary to accept title to the property from TPL for future creek restoration and open space park purposes, subject to final approval of form by the City Attorney.

DISCUSSION:

The Trust for Public Land (TPL), a non-profit land conservation organization, is working to acquire a 14.74-acre parcel of undeveloped land in the lower Arroyo Burro watershed. The subject property was the site of the proposed "Veronica Meadows" development project. TPL is planning to purchase the parcel and turn it over to the City for creek restoration and open space park purposes. TPL provided a report to the City Council on the status of the acquisition on April 7, 2015. TPL is now requesting that Council appropriate \$2.7 million to cover the balance of the purchase price and that the City accept title to the property. A copy of the TPL request letter is attached to this report.

The property includes valuable and environmentally sensitive riparian, aquatic and avian habitat. Acquisition offers a significant opportunity for creek restoration and water quality improvement as well as public open space. The property, which includes approximately 1,600 linear feet of creek frontage on lower Arroyo Burro, fits very well into City and County efforts to protect open space and natural resources in the Las Positas Valley and the Arroyo Burro watershed. It is directly adjacent to a six-acre open space parcel owned by the City, across from Elings Park, and just upstream of the

Arroyo Burro Estuary restoration project, Douglas Family Preserve, Arroyo Burro County Beach Park, and the Watershed Resource Center.

The Parks and Recreation Commission and Creeks Advisory Committee held a joint special meeting on August 19, 2015, to discuss the proposed acquisition. The Commission (6/0) and Committee (6/1) recommended that City Council appropriate up to \$2.7 million from available reserves in the Creeks Restoration and Water Quality Improvement Fund to pay for a portion of the \$4 million purchase price, and accept title to the property from TPL for future creek restoration and open space park purposes. The draft joint meeting minutes are attached to this report.

BUDGET/FINANCIAL INFORMATION:

In 2014, TPL hired an independent appraiser to determine the fair market value of the property. The appraisal determined the value to be \$4 million, and TPL entered into an option agreement to purchase the property for that price by the end of 2015.

TPL thoroughly explored all potential opportunities for grant funding to raise funds for the purchase. TPL received grant awards from the California Coastal Conservancy (\$500,000), the California Natural Resources Agency (\$500,000), and Santa Barbara County's Coastal Resource Enhancement Fund (\$300,000). The total grants awarded for the acquisition equal \$1.3 million.

TPL still needs \$2.7 million to close the funding gap. In the past, Measure B reserve funds have been used to acquire key creekside properties. This property's location, connectivity to other publicly owned open space parcels, and opportunity for significant restoration and water quality improvement, are unique within the City of Santa Barbara. Acquisition of this property is consistent with the Measure B Funding Guidelines, and there are sufficient Measure B reserve funds available to purchase the property.

SUSTAINABILITY IMPACT:

Acquisition and restoration of the 14.74-acre site will improve water quality and wildlife habitat as well as enhance public open space in the lower Arroyo Burro watershed.

ATTACHMENTS:

1. TPL Request Letter dated August 26, 2015.
2. Draft Minutes from the August 19, 2015, Special Joint Meeting – Site Visit of the Creeks Advisory Committee and the Parks and Recreation Commission.

PREPARED BY: Cameron Benson, Creeks Restoration/Clean Water Manager

SUBMITTED BY: Jill E. Zachary, Acting Parks and Recreation Director

APPROVED BY: City Administrator's Office



August 26, 2015

Mayor Helene Schneider and
City Councilmembers
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

**RE: Status Update and Request by The Trust for Public Land Regarding
the 14.74-Acre Veronica Meadows Property**

Dear Mayor Schneider and City Councilmembers:

Since my presentation to you on April 7, 2015, I am pleased to report that The Trust for Public Land (TPL) has made meaningful progress on the potential acquisition of the “Veronica Meadows” property along Arroyo Burro Creek. I am happy to provide you with the status update below regarding this project, together with a funding request in order to complete the acquisition of the property in a timely manner.

TPL now has \$1,300,000 in public funding committed to the acquisition price of \$4,000,000 from three separate sources: California Natural Resources Agency’s Environmental Enhancement and Mitigation Program (\$500,000), State Coastal Conservancy (\$500,000) and Santa Barbara County’s Coastal Resources Enhancement Fund (\$300,000). After research and thorough experience, it is TPL’s opinion that these programs represent all applicable sources of funding for the acquisition of the Veronica Meadows property. We have come to this conclusion after an exhaustive search of potential funding programs, a list of which is enclosed with this letter. It should be noted that many of these funding sources — while not applicable to the acquisition of the property — do provide funding for post-closing activities such as upland and creek restoration, as well as trail planning and construction.

The appraisal TPL received from James W. Hammock, MAI detailing the fair market value of the property (\$4,000,000) was recently approved by the California Department of General Services. This means that the State’s funding can be released once all other funding for the acquisition has been secured.

To this end, TPL is formally requesting the City of Santa Barbara consider two action items at an upcoming City Council meeting:

- Approving \$2,700,000 for the purchase of the Veronica Meadows property (this amount represents the balance needed for the acquisition);



- Accepting title to the property from TPL.

If you support these two items, TPL will continue our work on the remaining due diligence items necessary to insure that all legal, title, and environmental conditions of the property meet TPL and the City's standards and goals. TPL can then ensure that a closing occurs prior to our option to acquire the property expires.

I hope to move this acquisition towards completion with your support and very much appreciate the substantial amount of time and energy your talented staff have committed to this project thus far.

Thank you for your consideration.

Sincerely Yours,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Alex Size
Project Manager

Enclosures; Veronica Meadows Funding Research Chart

| PROGRAM NAME | AGENCY | APPLIED FOR ACQUISITION? | IF NO, REASON? | PROVIDES FUNDING FOR RESTORATION? |
|---|----------------------------------|--------------------------|---|-----------------------------------|
| Environmental Enhancement and Mitigation Program (EEMP) | Natural Resources Agency | Yes | | Yes |
| Central Coast Proposition Funds | State Coastal Conservancy | Yes | | Yes |
| Coastal Resource Enhancement Fund | Santa Barbara County | Yes | | Yes |
| River Parkways | Natural Resources Agency | No | Can't combine EEMP and River Parkways funding for same project | Yes |
| Urban Greening | Natural Resources Agency | No | Program is no longer active | Yes |
| Discretionary Funds | CA Wildlife Conservation Board | No | Property not eligible: not within LAE, CAPP or HCP | Yes |
| Urban Streams Restoration Program | CA Department of Water Resources | No | Acquisitions not a priority for program, mostly restoration funding | Yes |
| CA-Habitat Conservation Fund | CA State Parks | No | Reimbursements ineligible, non-profits can't apply, grant cycle not open yet, timing issues w/ contract | Yes |
| Land and Water Conservation Fund | CA State Parks | No | Federally funded program with long wait time for funding (2+ years) | Yes |
| Watershed Restoration Grant Program (Prop 1) | CA DFW | No | Focus is on restoration | Yes |
| Proposition 1 Grant Program | State Coastal Conservancy | No | Focus is on restoration | Yes |
| Streamflow Enhancement Grant Guidelines (Prop 1) | WCB | No | Property not connected to large drinking water source | Yes |



**CITY OF SANTA BARBARA
CREEKS RESTORATION/WATER QUALITY IMPROVEMENT
CITIZENS ADVISORY COMMITTEE AND
PARKS AND RECREATION COMMISSION MINUTES**

SPECIAL JOINT MEETING – SITE VISIT

August 19, 2015

Parks & Recreation Office, 620 Laguna Street

CALL TO ORDER

Parks and recreation Commission Chair Lesley Wiscomb called the meeting to order at 5:48pm.

ROLL CALL

Committee members present: Chair Danielle De Smeth, Vice Chair Lee Moldaver, Paul Bullock, Natasha Lohmus, Betsy Weber, Penny Owens, James Hawkins

Committee members absent:

Liaison members present: Parks and Recreation Commissioner Jim Heaton

Liaison members absent: Planning Commissioner June Pujo, Council Member Gregg Hart

Parks and Recreation Commission members present: Chair Lesley Wiscomb, Vice Chair Mark Rincon-Ibarra, Beebe Longstreet, Jim Heaton, LeeAnne French, Ed Cavazos

Parks and Recreation Commission members absent: Nichol Clark

Staff present: Acting Parks and Recreation Director Jill Zachary, Creeks Restoration and Clean Water Manager Cameron Benson, Creeks Administrative Specialist Jen Hollywood, Creeks Restoration Planner George Thomson, Parks Manager Santos Escobar

PUBLIC COMMENT

None

COMMITTEE MEMBER AND STAFF COMMUNICATIONS

None

1. SITE VISIT

Potential Acquisition of Vacant Land Along Lower Arroyo Burro (Former Veronica Meadows Development Site) – For Action

Recommendation:

That the Commission and Committee:

- A. Hear presentations from the Trust for Public Land (TPL) and City staff on the potential acquisition of vacant land along lower Arroyo Burro,

- B. Recommend that City Council appropriate up to \$2.7 million from the Creeks Fund Reserve to pay for a portion of the \$4 million purchase price; and
- C. Recommend that City Council accept title to the property from TPL for future creek restoration and open space park purposes.

Documents:

Staff Report – August 2015

Speakers:

Alex Size - Trust for Public Land
Cameron Benson - Creeks Restoration/Clean Water Manager
Jill Zachary – Acting Parks and Recreation Director

Committee Questions/Discussion:

Committee members and Commissioners asked questions regarding the length of time the contract with TPL was valid, the previous purchase price of the parcel, if corporate sponsorship is a possibility, whether TPL will take a commission from the purchase, how the purchase will affect the Creeks Fund Reserve, whether a new restoration plan will be established, whether the purchase of this property would affect the Division's ability to respond to future emergencies; and whether there was any organized opposition to the purchase.

Mr. Size reported that if TPL does not purchase the property, within months the property would need to be placed back on the market, that the property was purchased 16 years prior for an unknown amount, that only public funds had been solicited at the time; and, that TPL receives no commission.

Mr. Benson stated that the Creeks Division has reserve funds available for this purchase and has surplus funds budgeted to replenish the reserve to target levels by the end of FY 17, that the existing restoration plan will be reviewed and adjusted as necessary, that the Creeks Division will continue to have funds to provide repair of any Division projects which might sustain damage during an emergency; and, that there has been no organized opposition to the acquisition.

Public Comment:

Steve Boner from Stonecreek Home Owners Association spoke in favor of the acquisition.

Dan McCarter from Friends of Arroyo Burro Creek spoke in favor of the acquisition.

Parks and Recreation Commission Motion:

Longstreet/Cavazos to recommend that City Council appropriate up to \$2.7 million from the Creeks Fund Reserve to pay for a portion of the \$4 million purchase price, and accept title to the property from TPL for future creek

restoration and open space park purposes.

Voice vote: 6/0 (Clark absent)

Creeks Advisory Committee Motion:

Moldaver/Lohmus to recommend that City Council appropriate up to \$2.7 million from the Creeks Fund Reserve to pay for a portion of the \$4 million purchase price, and accept title to the property from TPL for future creek restoration and open space park purposes.

Voice vote: 6/1 (Bullock opposed)

ADJOURNMENT

Parks Commission Chair Wiscomb adjourned the meeting at 6:25 p.m.

Respectfully submitted,

Cameron Benson
Creeks Restoration/Clean Water Manager



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Stage Three Drought Update

RECOMMENDATION:

That Council receive an update on the status of the current drought, drought-response capital projects, and continuing conservation efforts.

DISCUSSION:

On February 11, 2014, Council declared a Stage One Drought Condition and set a goal to reduce customer water use by 20 percent. Council requested that staff provide a monthly status update on the City's water supplies, conservation efforts, and current work efforts. On May 20, 2014, Council declared a Stage Two Drought Condition in response to a third consecutive year of below-average rainfall and the critical need to achieve a 20 percent reduction in water usage. On May 5, 2015, in response to the driest consecutive four-year period on record, Council declared a Stage Three Drought Emergency, increased the community's water conservation target to 25 percent, and adopted new water use regulations by resolution on May 12, 2015.

This report will cover the following items:

- Water Supply Outlook/Weather Forecast
- Drought Response Capital Projects
- Conservation Efforts

Water Supply Outlook

Rainfall for the last four years has averaged less than half of the long-term average. Consistent with the City's Long Term Water Supply Plan (LTWSP), depleted surface water supplies have been replaced with increased groundwater production and purchases of supplemental water. This strategy has been successful in securing supplies sufficient to meet demand for the 2015 and 2016 water years, assuming there is a 25 percent reduction in customer water use. In order to ensure adequate supplies to

meet demand, supply projections must recognize the potential for the current dry weather pattern to continue. Accordingly, staff's supply projections beyond 2016 assume no significant deliveries from Gibraltar Reservoir, no additional Cachuma entitlement, and insufficient rainfall in Northern California to allow for dependable supplemental water purchases or state water deliveries. By 2017, the primary remaining potable supply would be groundwater, which has a limited production capacity, and the City's Charles E. Meyer Desalination Plant (Desalination Plant), is scheduled to be reactivated by fall 2016.

Recent media reports have discussed an increased potential for strong El Niño conditions in Water Year 2016. Such conditions are often associated with significant rainfall. However, there have also been years with strong El Niño conditions that have produced drier than average years. Given the unpredictable nature of El Niño events, this phenomenon cannot be counted on to improve the City's water supply.

Drought Response Capital Projects

Work at the new Alameda Well is now complete, and the well is back in production at approximately 420 gallons per minute. The new well has a higher production capacity than the previous well, and we are anticipating roughly 480 acre feet per year. Efforts to bring the High School Well back online continue as planned. Construction is nearing completion on the installation of nearly 3,500 feet of water main necessary to bring the raw water to the Ortega Groundwater Treatment Plant. Staff is nearing completion of the final design to the well head improvements; the well is expected to be online by Summer 2016.

The rehabilitation of the City's Recycled Water Treatment Plant (RWT Plant) is anticipated for completion in October 2015. Recycled water customers will continue to be asked to reduce their water usage until the RWT Plant is in service. Staff will be contacting all recycled water customers when the new RWT Plant is officially back online.

On July 21, 2015, Council took the final steps in approving the reactivation of the Desalination Plant. The contractor has been busy planning and designing the necessary efforts needed to bring the plant back online by September 2016. Work on site will begin in September with the demolition and removal of all unnecessary equipment. The current plant reactivation will produce 3,125 acre feet annually for City water customers, which is approximately 30 percent of our current demand. Staff will be providing an update on the status of the Desalination Subsurface Intake and Potable Reuse Feasibility Study under a separate agenda item.

Conservation Efforts

Under the state's current regulations, adopted in May 2015, mandated water use reductions for urban water suppliers range from 4 to 36 percent, depending on residential per-capita water use. For Santa Barbara, the state-mandated water use

reduction is 12 percent below 2013 water usage, based on our summer 2014 residential water use of 79.6 gallons per person per day. However, the severity of the drought's impact on local water supplies requires a citywide 25 percent reduction target to ensure the City has adequate supplies for the 2016 water year.

The City's water conservation numbers for July and August 2015 show a reduction of 36 percent and 35 percent respectively, when compared to 2013 water demands. Calendar year 2013 is the state's baseline for comparison and reporting on statewide water conservation efforts. Santa Barbara has been one of the few water providers statewide that has consistently met and exceeded the state's water use reduction targets and mandated conservation standard. The City finished Fiscal Year 2015 with 26 percent cumulative average conservation.

With the Stage Three Drought declaration and the need for a 25 percent reduction, the Water Conservation Program has continued its enhanced public information campaign of targeted outreach to specific user types, 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 training and workshops.

Since declaring a Stage Three Drought Emergency in May, the community has been very responsive, exceeding the 25 percent conservation goal. At this time, it does not appear that any additional water use regulations or development restrictions are necessary for the foreseeable future. Staff will continue to monitor conservation efforts and water supplies and report to Council any changes that may require further water use regulations.

PREPARED BY: Joshua Haggmark, Water Resources Manager/MW/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: Public Works Department, Water Resources Division

SUBJECT: Contract To Provide A Desalination Subsurface Intake Initial Screening Analysis And A Potable Reuse Feasibility Study

RECOMMENDATION:

That Council authorize the Public Works Director to execute a Professional Services Agreement with Carollo Engineers, Inc., in the amount of \$610,947 to provide a Desalination Subsurface Intake Initial Screening Analysis and a Potable Reuse Feasibility Study, and approve expenditures of up to \$61,095 for extra services of Carollo Engineers, Inc., that may result from necessary changes in the scope of work, for a total contract amendment amount of \$672,042.

BACKGROUND

At its meeting of September 23, 2014, Council directed Staff to return to Council with a plan to consider the feasibility, cost, and timeline associated with converting the existing offshore intake to a subsurface intake (SSI) for the desalination plant and evaluating opportunities, feasibility, and costs for potable reuse.

On January 30, 2015, the Regional Water Quality Control Board (RWQCB) adopted an Amendment to the City's El Estero Wastewater Treatment Plant National Pollutant Discharge Elimination System Permit (NPDES Permit) that incorporated Council's direction to staff and added two milestones: submittal of a Feasibility Study Work Plan (Work Plan) to the RWQCB by August 31, 2015; and report the findings of the Feasibility Study to the RWQCB at a public meeting, no later than June 30, 2017.

On May 5, 2015, Council approved a contract with Carollo Engineers, Inc. in the not-to-exceed amount of \$343,925 to develop the Work Plan. The Work Plan was submitted to the RWQCB in August 2015. The contract under consideration is for an SSI Initial Screening Analysis and a Potable Reuse Feasibility Study that were included in the Work Plan.

DISCUSSION:

In order to meet Council's and the RWQCB's directives most effectively, three separate contract phases are necessary:

- Phase 1: Creating a Work Plan - Completed under a contract approved by Council on May 5, 2015 with Carollo Engineers, Inc., (Carollo), and submitted to the RWQCB in August 2015;
- Phase 2: Setting basic parameters for the SSI Design And Initial Screening Analysis and The Potable Reuse Feasibility Study; and
- Phase 3: Providing a study of SSI alternatives that successfully passed through an initial screening analysis.

At this time, Phase 1 has been completed, and staff is requesting approval of a contract with Carollo to move forward with Phase 2 as described below. If the Desalination SSI Initial Screening Analysis and/or the Potable Reuse Feasibility Study result in any viable options, staff will return to Council for approval of a Phase 3 contract. The preliminary cost estimate for the Phase 3 work is approximately \$1,100,000.

Phase 1 (Completed) – Work Plans for Desalination SSI and Potable Reuse Feasibility Studies:

The Work Plans for Phase 1 are on file for review at the City Clerk's Office and in the Mayor and Council Reading File.

Phase 1 included one public panel workshop for input on the Work Plan for both the Desalination SSI and the Potable Reuse Feasibility Studies before they were finalized. Subsequent phases will also have public panel workshops.

Phase 2 (Proposed Contract) – Desalination SSI Initial Screening Analysis and Potable Reuse Feasibility Study:

Desalination SSI Initial Screening Analysis:

- Perform preliminary geophysical studies (tsunami hazard, sea level rise and sediment transport analyses) on the SSI. The studies will assist in the Initial Screening Analysis, and the results will be documented in a report;
- Determine the required SSI capacity and candidate sites for SSIs and supporting facilities, which will pass through an initial screening based on set technical criteria. A preliminary groundwater modeling analysis will assist with the Initial Screening Analysis;
- Regulatory and permit requirements for the Desalination SSI Project will be documented in a technical memorandum.
- A draft of the Initial Screening Analysis will be reviewed by a technical advisory panel with public comment; and
- Complete the Initial Screening Analysis by Spring 2016.

Potable Reuse Feasibility Study:

- Provide a summary of regulatory and permit requirements, and review of up to 20 potable reuse project alternative concepts, along with an estimated schedule and cost for each alternative. Summarize the information in a technical memorandum.
- Compare the preferred potable reuse alternatives to the City's current Drought Plan (i.e., the Desalination Project).
- Draft a Potable Reuse Feasibility Report, which will be reviewed by a technical advisory panel with public comment.
- Complete the Potable Reuse Feasibility Report by Summer 2016.

Project costs associated with Phase 2 are estimated at \$672,042, which includes 10 percent for extra services that may result from changes in the scope of work.

BUDGET/FINANCIAL INFORMATION:

Staff was successful in securing a \$55 million State Revolving Fund loan for the Desalination Project and related work. The anticipated loan proceeds (estimated revenues) and appropriations were established in the Water State Revolving Loan Fund in connection with Council's approval of the loan documents between the City and the State. The \$55 million in appropriations include the costs of all three phases associated with these studies. Therefore, no additional appropriation authority is needed.

At its meeting on September 14, 2015, the Water Commission reviewed this item and voted in concurrence with the Council Report recommendations.

Work Plans for Phase 1 are on file for review at the City Clerk's Office and in the Mayor and Council Reading File

PREPARED BY: Joshua Haggmark, Water Resources Manager/RLR/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office