

**CITY OF SANTA BARBARA  
CITY COUNCIL**

**Helene Schneider**  
*Mayor*  
**Randy Rowse**  
*Mayor Pro Tempore*  
**Grant House**  
*Ordinance Committee Chair*  
**Dale Francisco**  
*Finance Committee Chair*  
**Frank Hotchkiss**  
**Cathy Murillo**  
**Bendy White**



**James L. Armstrong**  
*City Administrator*

**Stephen P. Wiley**  
*City Attorney*

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

**MAY 14, 2013  
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:** In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

**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](http://www.citytv18.com) for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

## **ORDER OF BUSINESS**

- 11:00 a.m. - Special Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
- 12:00 p.m. - Special Ordinance Committee Meeting, Council Chamber
- 2:00 p.m. - City Council Meeting Begins
- 5:00 p.m. - Recess
- 6:00 p.m. - City Council Meeting Reconvenes

### **SPECIAL FINANCE COMMITTEE MEETING - 11:00 A.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)**

#### **1. Subject: Fiscal Year 2013 Third Quarter Review**

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2013;
- B. Accept the Fiscal Year 2013 Interim Financial Statements for the Nine Months Ended March 31, 2013; and
- C. Approve the proposed third quarter adjustments to Fiscal Year 2013 appropriations and estimated revenues as detailed in the attached schedule of Proposed Third Quarter Adjustments.

#### **2. Subject: Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015**

Recommendation: That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015, including the Recommended Budget for Fiscal Year 2014.

### **SPECIAL ORDINANCE COMMITTEE MEETING - 12:00 P.M. IN THE COUNCIL CHAMBER (120.03)**

#### **Subject: Municipal Code Amendments For Implementation Of The Average Unit-Size Density (AUD) Incentive Program**

Recommendation: That the Ordinance Committee consider proposed amendments to the Municipal Code for implementation of the Average Unit-Size Density Incentive Program.

**REGULAR CITY COUNCIL MEETING – 2:00 P.M.**  
**AFTERNOON SESSION**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**CEREMONIAL ITEMS**

- 1. Subject: Proclamation Declaring May 19-25, 2013, As National Public Works Week (120.04)**

**CHANGES TO THE AGENDA**

**PUBLIC COMMENT**

**CONSENT CALENDAR**

- 2. Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of April 23, 2013, and the special meetings of May 1 and 2, 2013.

- 3. Subject: Adoption Of Ordinance For Power Purchase Agreement (380.01)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the City of Santa Barbara Authorizing the Execution and Delivery of a California Renewable Energy Small Tariff Agreement with Southern California Edison, Inc., for the Purpose of Selling Electricity, Generated at the City's Conduit Hydroelectric Plant, and Authorizing Related Actions.

## CONSENT CALENDAR (CONT'D)

**4. Subject: Adoption Of Ordinance For Fire Management Memorandum of Understanding (440.02)**

Recommendation: That Council ratify the Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Fire Managers Association for the period of July 1, 2012, through June 30, 2015, by adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2012-2015 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara Fire Managers Association.

**5. Subject: Records Destruction For Airport Department (160.06)**

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

**6. Subject: Agreements With Martin & Chapman Company And Donna M. Grindey, CMC, For Election Services Related To The November 5, 2013, General Municipal Election (110.03)**

Recommendation: That Council:

- A. Authorize the Assistant City Administrator to execute a \$134,000 professional services agreement with Martin & Chapman Company for election services necessary concerning the City's November 2013 General Election, and to approve expenditures of up to \$20,100 for extra services that may result from necessary changes in the scope of work; and
- B. Authorize the Assistant City Administrator to execute a \$30,000 professional services agreement with Donna M. Grindey, CMC, for election services, and to approve expenditures of up to \$4,500 for extra services that may result from necessary changes in the scope of work.

**7. Subject: Representative Services Agreement With Carpi & Clay, Inc. (570.03)**

Recommendation: That Council authorize the Waterfront Director to execute a Representative Services Agreement between the City of Santa Barbara and Carpi & Clay, Inc., doing business as Carpi, Clay & Smith, for liaison and contact services with the United States Government, at a rate not to exceed \$1,600 per month, and in a total amount not to exceed \$38,400 for Fiscal Years 2014 and 2015.

## CONSENT CALENDAR (CONT'D)

### 8. **Subject: Authorization To Award A Purchase Order For The Airport Building 247 Demolition Project (560.04)**

Recommendation: That Council authorize the General Services Manager to issue a purchase order with Tryco Contracting Company, in their low bid amount of \$67,000 for the Airport Building 247 Demolition Project, Bid Number 3692, and approve expenditures of up to \$6,700 for extra services of Tryco Contracting Company that may result from necessary changes in the scope of work.

### 9. **Subject: Contract For Construction For The Chapala Street Bridge Replacement Project (530.04)**

Recommendation: That Council:

- A. Award a contract with Granite Construction Company in their low bid amount of \$1,411,510 for construction of the Chapala Street Bridge Replacement Project, Bid No. 3590;
- B. Authorize the Public Works Director to execute the contract in the amount of \$1,411,510 with Granite Construction Company and approve expenditures up to \$141,151 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;
- C. Authorize the Public Works Director to execute a contract with MNS Engineers, Incorporated, in the amount of \$478,596 for construction management services, and approve expenditures of up to \$16,404 for extra services of MNS Engineers that may result from necessary changes in the scope of work;
- D. Authorize the Public Works Director to execute a contract with Drake Haglan and Associates in the amount of \$45,080 for design support services during construction;
- E. Accept Federal Highway Administration Grant funding in the total amount of \$2,188,562 to cover the cost of construction;
- F. Increase appropriations and estimated revenues by \$2,188,562 in the Fiscal Year 2013 Streets Capital Fund for the Chapala Street Bridge Replacement Project funded by the Federal Highway Administration Grant;
- G. Authorize an appropriation of \$74,537 from available Streets Fund reserves to cover final City costs for the design and right-of-way phases as well as to cover the cost of work not eligible for reimbursement during the construction phase of this Project; and
- H. Increase appropriations and estimated revenues by \$2,000 in the Fiscal Year 2013 Streets Capital Fund for the Chapala Street Bridge Replacement Project from revenues from granting Crown Castle a utility easement.

## **CONSENT CALENDAR (CONT'D)**

**10. Subject: Tax Equity And Fiscal Responsibility Act Hearing for Covenant Retirement Communities, Inc. (Samarkand) Debt Issuance (280.01)**

Recommendation: That Council hold a public hearing and adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving a Tax-Exempt Bond Financing to be Issued by the California Statewide Communities Development Authority to Benefit Covenant Retirement Communities, Inc., and Certain Affiliates.

**11. Subject: Resolution Approving Application For Clean Beaches Initiative Grant (570.05)**

Recommendation: That Council adopt by reading of title only, A Resolution of the Council of the City of Santa Barbara, Authorizing the Public Works Director to Submit a Clean Beaches Initiative Grant Application in an Amount Not to Exceed \$675,000, and Execute an Agreement with the California State Water Resources Control Board Grant Program.

**12. Subject: Set A Date For Public Hearing Regarding Proposed Designation Of City Landmarks (640.06)**

Recommendation: That Council set the date of June 18, 2013, at 2:00 p.m. for a public hearing to consider the proposed designation of multiple buildings at El Encanto Hotel as a City historic district.

## **NOTICES**

13. The City Clerk has on Thursday, May 9, 2013, 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.**

**REPORT FROM THE FINANCE COMMITTEE**

**REPORT FROM THE ORDINANCE COMMITTEE**

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### **FINANCE DEPARTMENT**

#### **14. Subject: Fiscal Year 2013 Third Quarter Review (250.02)**

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2013;
- B. Accept the Fiscal Year 2013 Interim Financial Statements for the Nine Months Ended March 31, 2013; and
- C. Approve the proposed third quarter adjustments to Fiscal Year 2013 appropriations and estimated revenues as detailed in the schedule of Proposed Third Quarter Adjustments.

### **PUBLIC WORKS DEPARTMENT**

#### **15. Subject: Resolution To Place The Exchange Of A Leased Excess Portion Of MacKenzie Park On The Municipal Election Ballot In November 2013 (330.03)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Placement of a Measure on the November 2013 General Election Ballot to Obtain Voter Approval to Exchange 14,564 Square Feet of MacKenzie Park Property for 12,511 Square Feet of the Adjacent U.S. Army Reserve Center Property, as Required by City Charter Section 520.

### **PUBLIC HEARINGS**

#### **16. Subject: Appeal Of The Fire And Police Commission's Sixty (60) Day Suspension Of The Nightclub Dance Permit For Whiskey Richards (520.01)**

Recommendation: That Council deny the appeal of William (Bill) Clayton, owner of Whiskey Richards nightclub, upholding the Fire and Police Commission's decision to suspend the nightclub dance permit for Whiskey Richards for a period of 60 days.

### **COUNCIL AND STAFF COMMUNICATIONS**

### **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

## **CLOSED SESSIONS**

### **17. Subject: Conference With Labor Negotiator (440.05)**

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Bargaining Unit, Supervisors' Bargaining Unit, and the General Bargaining Unit, and regarding discussions with certain unrepresented managers about salaries and fringe benefits.

## **RECESS**

## **EVENING SESSION**

## **RECONVENE**

## **ROLL CALL**

## **PUBLIC COMMENT**

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### **CITY ADMINISTRATOR**

### **18. Subject: Request from Mayor Helene Schneider and Councilmember Bendy White for a Gang Injunction Informational Update (520.04)**

Recommendation: That Council, as requested by Mayor Schneider and Councilmember White, receive an overview and update on the gang injunction.

## **ADJOURNMENT**

CITY OF SANTA BARBARA  
**FINANCE COMMITTEE**  
SPECIAL MEETING AGENDA

DATE: May 14, 2013

Dale Francisco, Chair

TIME: 11:00 A.M.

Bendy White

PLACE: David Gebhard Public Meeting Room  
630 Garden Street

Cathy Murillo

James L. Armstrong  
City Administrator

Robert Samario  
Finance Director

**ITEMS TO BE CONSIDERED:**

**1. Subject: Fiscal Year 2013 Third Quarter Review**

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2013;
- B. Accept the Fiscal Year 2013 Interim Financial Statements for the Nine Months Ended March 31, 2013; and
- C. Approve the proposed third quarter adjustments to Fiscal Year 2013 appropriations and estimated revenues as detailed in the schedule of Proposed Third Quarter Adjustments.

(See Council Agenda Item No. 14)

**2. Subject: Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015**

Recommendation: That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015, including the Recommended Budget for Fiscal Year 2014.



# CITY OF SANTA BARBARA

## FINANCE COMMITTEE AGENDA REPORT

**AGENDA DATE:** May 14, 2013  
**TO:** Finance Committee  
**FROM:** Administration Division, Finance Department  
**SUBJECT:** Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015

### RECOMMENDATION:

That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015, including the Recommended Budget for Fiscal Year 2014.

### DISCUSSION:

On Tuesday, April 16, 2013, the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015 ("Proposed Plan") was submitted to Council. That day, the Finance Committee approved its budget review schedule for the Proposed Plan and the additional topics that it will review.

At today's meeting, scheduled from 11:00 a.m. to 1:45 p.m., the topics to be discussed are:

1. Enterprise Fund proposed adjustments to fees.
2. Long-term impacts of recently approved increases to retirement contribution rates, effective July 1, 2015.
3. Timing of Human Services Funding Decisions

The next date for the Committee's budget review is Tuesday, May 21, 2013, from 11:00 a.m. – 1:45 p.m. The complete approved Finance Committee budget review schedule is attached to this report.

**ATTACHMENT:** Approved Finance Committee Budget Review Schedule

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Proposed Finance Committee Review Schedule**  
**Two-Year Financial Plan for Fiscal Years 2014 and 2015**

Meeting Date and Time	Department
<b>Tuesday, April 16, 2013</b> 12:30 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Proposed Finance Committee Budget Review Schedule</li> </ul>
<b>Tuesday, April 30, 2013</b> 12:30 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ General Fund non-departmental revenues and assumptions</li> <li>➤ General Fund Multi-Year Forecast (updated)</li> <li>➤ March 31<sup>st</sup> Quarterly Investment Report (non-budget Item)</li> </ul>
<b>Tuesday, May 7, 2013</b> 11:30 a.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ General Fund departmental proposed fee changes               <ul style="list-style-type: none"> <li>- Community Development, Public Works, Parks &amp; Recreation, Police, Fire and Library</li> </ul> </li> <li>➤ Proposed sale of Water Fund Revenue Certificates of Participation (non-budget Item)</li> </ul>
<b>Tuesday, May 14, 2013</b> 11:00 a.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Enterprise fund proposed fee changes               <ul style="list-style-type: none"> <li>- Water, Wastewater, Waterfront, Solid Waste, Downtown Parking, Golf and Airport</li> </ul> </li> <li>➤ Impacts of CalPERS retirement contribution rate increases starting in fiscal year 2016</li> <li>➤ Discussion of timing of Human Services funding decisions</li> <li>➤ Fiscal Year 2013 Third Quarter Review (non-budget item)</li> </ul>
<b>Tuesday, May 21, 2013</b> 11:00 a.m. – 1:45 p.m.	<ul style="list-style-type: none"> <li>➤ Review of Citywide reserve balances and City Debt</li> <li>➤ Recap of unfunded liabilities (OPEB, Pension and Infrastructure)</li> <li>➤ Understanding how unfunded infrastructure liabilities have changed over the last 10-20 years</li> <li>➤ Staff recommended adjustments, if any</li> <li>➤ Finance Committee decisions/ recommendations</li> </ul>

CITY OF SANTA BARBARA

**ORDINANCE COMMITTEE MEETING**

SPECIAL MEETING AGENDA

DATE: May 14, 2013  
TIME: 12:00 p.m.  
PLACE: Council Chambers

Grant House, Chair  
Frank Hotchkiss  
Randy Rowse

Office of the City  
Administrator

Office of the City  
Attorney

Nina Johnson  
Assistant to the City Administrator

Stephen P. Wiley  
City Attorney

**ITEM FOR CONSIDERATION**

**Subject: Municipal Code Amendments for Implementation of the Average Unit-Size Density (AUD) Incentive Program**

Recommendation: That Ordinance Committee:

Consider proposed amendments to the Municipal Code for implementation of the Average Unit-Size Density Incentive Program.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Ordinance Committee

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Municipal Code Amendments for Implementation of the Average Unit-Size Density (AUD) Incentive Program

### **RECOMMENDATION:**

That the Ordinance Committee consider proposed amendments to the Municipal Code for implementation of the Average Unit-Size Density Incentive Program.

### **EXECUTIVE SUMMARY:**

The proposed Average Unit-Size Density (AUD) Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased density and development standard incentives. Housing types that provide housing opportunities to the City's workforce are encouraged and facilitated by the AUD Program.

The AUD Program ordinance amendments will be contained in a new Zoning Ordinance Chapter (28.20) to the Municipal Code. The ordinance amendments establish the parameters of the AUD Program, including purpose, definitions, density incentives, development incentives, and building height exception findings and process. The Program will be tested for a period of 8-years, or until 250 units are constructed in designated areas of the City, whichever occurs sooner. During the trial period, the existing Variable Density Program would be suspended. If at the end of the trial period (8 years or 250 units), the City Council does not extend or modify the AUD Program, the residential density standards will return to the standards in place before adoption of the 2011 General Plan.

### **DISCUSSION:**

#### **Background**

The AUD Program is directed by General Plan policies in the Land Use and Housing Elements. The Program is designed to encourage smaller units through the application of increased densities based on average unit sizes. The smaller the average unit size, the greater the densities allowed within the three designated density tiers: Medium-High, High, and Priority Housing Overlay. Increased densities would be allowed in most

multi-family and commercial zones under the Medium-High and High Density land use designations. Additional densities would be allowed for priority housing projects (i.e., rental, employer sponsored housing, and limited equity housing cooperatives) located in the Priority Housing Overlay area. The overlay applies in the High Density areas and C-M zoned properties located in the Haley/Cota corridor, as shown in the Average Unit-Size Density Incentive Program Map (Attachment 1, Exhibit A).

The AUD Program also allows reduction and/or flexibility in parking, setback, open space, distance between buildings and building height standards. These incentives are proposed to encourage development of smaller units and buildings, with particular emphasis on priority housing.

On April 10, 2012, the City Council initiated the Zoning Ordinance amendments to implement the AUD Program. Following adoption of the ordinance amendments, the AUD Program will be in effect for eight years, or until 250 units have been constructed in the High Density areas and applicable C-M zoned properties, whichever occurs sooner.

The existing Variable Density Program provisions would be suspended during the AUD Program trial period. Prior to the end of the 8-year trial period, the Council will consider whether to extend or modify the Program. If the Program is not extended or modified, the residential density will revert back to the Variable Density standards in place prior to adoption of the 2011 General Plan Update.

To further develop the AUD Program components, Staff sought feedback and direction from the Planning Commission, Design Review Boards, a technical advisory group of community members, and the public. In addition, a community forum was held with employers, developers and lenders to identify ways to create a viable and successful Employers Sponsored Housing Program.

On April 11, 2013, the Planning Commission reviewed the draft AUD Program Ordinance and unanimously voted to forward the ordinance with revisions to the Council Ordinance Committee for consideration (Attachment 2). The discussion below highlights the key comments and direction provided by the Planning Commission.

### **Housing Types**

A primary goal of the 2011 General Plan is to encourage the construction of housing that is more affordable to the City's workforce, with special emphasis on priority housing. This type of housing is considered a community benefit land use and is supported by numerous policies and programs in both the Land Use and Housing Elements, directing the implementation of the AUD Program.

The Planning Commission supports the basic premise of the AUD Program to allow higher densities in exchange for smaller units, especially for units intended to house the

City's workforce. While the Commission agrees with the parameters of the priority housing types, they recommended that the ordinance be clearer regarding the employer sponsored housing requirement that at least one person per household be employed in the south coast region of Santa Barbara County and that the units be restricted to primary residences. The Planning Commission also requested that language be added to the ordinance explicitly stating that employer sponsored housing projects offering market rate ownership units would not be subject to the City's inclusionary housing requirements.

Inclusionary units would continue to be required for market rate ownership units (excluding employer sponsored housing) developed under the AUD. This requirement promotes the City's goal of adding affordable housing units to the housing stock, as well as increasing the availability of units for middle and upper middle income households. Most Commissioners agreed with this requirement; however two Commissioners felt that imposing this provision on market rate housing developed under the AUD Program would increase the unit cost if the market rate housing were reduced by the inclusionary units. Also of concern was that counting inclusionary units would distort the 250 unit test results.

### **Unit Size**

As part of the 2011 General Plan adoption, the City Council approved density ranges for the Medium-High (15-27 du/ac), and High Density (28-36 du/ac) designations, as well as the Priority Housing Overlay (37-63 du/ac). The corresponding maximum average unit size for each density tier was later finalized by Staff with assistance from a technical advisory group. Subsequently, the unit size ranges were presented to the Planning Commission, Architectural Board of Review and Historic Landmarks Commission.

On April 11, 2013, the majority of the Planning Commission found that the maximum average unit size ranges were reasonable and appropriate. However, two Commissioners felt that the maximum average unit size range (805 SF to 1,450 SF) for the Medium-High density tier should be larger and suggested an increase from .50 FAR to .65 FAR to improve the marketability of these units.

### **Development Standards**

Policies contained in the Housing Element promote more flexibility in development standards to encourage and facilitate the construction of additional housing. In support of these policies, the AUD Program offers incentives and/or flexibility in the application of development standards related to parking, setbacks, open space, distance between buildings and building height. On April 11, 2013, the Planning Commission reviewed and accepted the proposed AUD Program development incentives with recommended revisions as described below.

### *Parking Requirements*

During the 2011 General Plan adoption, the City Council determined the parking requirement for AUD projects to be one parking space per unit and no requirement to provide guest parking. The AUD Program ordinance reflects the Council's direction. Please note that projects may choose to provide more than one parking space per residential unit; however, the reduction in parking is intended to assist with unit affordability as well as help decrease building mass. The Planning Commission did not recommend changes to this requirement.

### *Setback Requirements*

The setback requirements for AUD projects are intended to provide more flexibility, especially for 100% residential projects developed in commercial zones. Initially, the AUD Program ordinance included a provision to implement a 5' variable front setback for AUD mixed use projects developed in the C-2 and C-M zone districts (excluding State Street and first blocks of cross streets between Montecito and Sola Streets). Exclusively residential projects would apply the R-3/R-4 setback standards of the AUD Program ordinance. At the Planning Commission hearing of April 11, 2013, public comment was received from Santa Barbara for All (SB4All) requesting that development incentives related to front setbacks in commercial zones be applied similarly to mixed use and exclusively residential projects in order to incentivize residential units rather than commercial space (Attachment 3). The following describes SB4All's proposal:

- C-2 and C-M Zones: SB4All's proposal would require a 10' variable front setback for exclusively residential buildings or structures in the C-2 and C-M zones where ground floor residential units face the public street. Additionally, a variable front setback of 5' would apply for other uses within the structure (e.g., community center, parking structure). This would continue to allow community rooms, administrative office and parking garages associated with the residential use to meet the mixed use 5' variable setback requirement.
- All Other Zones: Similar to the C-2 and C-M front setback proposal described above, exclusively residential projects developed in HRC-2, R-O, C-P, C-L, C-1, and OC zones would apply a 10' variable setback for ground floor residential units facing the street. All other nonresidential uses associated with the residential use would apply a 5' variable setback.

The Planning Commission agreed with SB4All's proposal that both mixed use and exclusively residential projects in commercial zones should be further encouraged by requiring the same setback incentives. Staff concurs with the spirit of this approach, and proposes setback requirements for mixed use and exclusively residential projects in applicable commercial zones (R-O, C-P, C-L, C-1, C-2, C-M,) allow a 5' variable front setback. This helps to simplify the ordinance and provide uniformity in the application of setback requirements for all AUD projects developed in commercial zones. The HRC-2

and OC zones would continue to apply setback standards required by their respective zone until the Coastal Zone Map Amendment is completed.

### *Open Space Requirements*

There are two methods of applying outdoor living space requirements to multi-family or mixed use projects. Projects have the option of selecting one of the following methods:

1. Method A, Private Outdoor Living Space Method: Project's electing this method are required to provide the following:
  - A private outdoor living space for each dwelling unit (with specific requirements);
  - An on-grade open space area of not less than 10% of the net lot area; and
  - A common open area with minimum dimensions of 15' x 15'.

Staff initially recommended eliminating the 10% open space requirement for mixed use projects developing under the AUD Program. Exclusively residential AUD projects developed in commercial zones would be required to provide the 10% open space consistent with the R-3/R-4 standards. In an effort to further encourage 100% residential AUD projects in commercial zones, the Planning Commission supported SB4All's proposal to apply equivalent open space incentives to all AUD projects developed in commercial zones. This incentive will provide flexibility in project design, thus facilitating additional residential units as part of the project. Staff believes that offering this incentive is reasonable in order to gain additional affordable and workforce units.

2. Method B, Common Outdoor Living Space Method: Projects electing this method are required to provide a common outdoor living space of at least 15% of the net lot area, subject to the following:
  - The area must be on-grade;
  - The area may be provided on multiple locations;
  - At least one location must be a dimension of 20' x 20'; and
  - The area may include the interior and rear setbacks, but not the front yard.

Applying this method has been problematic for projects, especially those proposing at-grade parking garages. To accommodate the 15% common outdoor living space requirement on the ground projects must decrease floor area, which could result in fewer residential units. Staff proposes allowing the 15% common outdoor living space at grade or any floor of the building to help make possible more units in a project. In addition, AUD projects located within ¼ mile from a park may reduce the common outdoor living space requirement to 10%. The Planning Commission concurred with this reduction and further recommended that these incentives be applied to all AUD projects developed in commercial zones.

### **Building Heights/Findings/Process**

Implementation Action LG12.4 of the General Plan Land Use Element calls for special findings and a super majority (five affirmative votes) approval by the Planning Commission for Community Benefit projects that exceed 45' in height. To implement LG12.4, amendments to the C-2, C-M, M-1, and OM-1 zoning districts are proposed limiting building height to 45' or less unless the project is a Community Benefit project. Currently, these zones allow four stories, not to exceed 60' in height.

The Planning Commission would be the responsible body for reviewing and approving Community Benefit building heights exceeding 45'. The draft ordinance provides that a super majority vote and findings related to demonstrated need, architecture and design, livability, and sensitivity to context are required to approve these buildings. Building height decisions made by the Planning Commission would not be appealable to the City Council.

The Planning Commission discussed the process for building height exceptions and expressed concern regarding the super majority vote and the inability to appeal their decision to the City Council. During an informal straw vote, the Commission was split (3/3) that a super majority vote be required to approve building heights above 45'. Concern was voiced that this requirement is problematic when five affirmative votes are required and only four commissioners are present making it necessary to continue the item. Additionally, a majority of the Commission (4/2) was concerned with the provision that building height decisions would not be appealable to the City Council, stating that applicants should have the right to appeal this decision.

### **Recommendation**

Staff requests that the Committee review and comment on the policy basis for the ordinance as outlined above. The City Attorney will finalize the drafting of the ordinance to be considered at a subsequent Ordinance Committee meeting.

- ATTACHMENT(S):**
1. Planning Commission Staff Report, April 11, 2013
  2. Planning Commission Minutes & Resolution, April 11, 2013
  3. Letter from Santa Barbara for All, April 10, 2013

**PREPARED BY:** Irma Unzueta, Project Planner

**SUBMITTED BY:** Paul Casey, Assistant City Administrator/Community Development Director

**APPROVED BY:** City Administrator's Office



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** April 4, 2013  
**AGENDA DATE:** April 11, 2013  
**PROJECT TITLE:** Draft Zoning Ordinance Amendments Related to the Implementation of the Average Unit-Size Density Incentive Program  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
 Bettie Weiss, City Planner *BLW*  
 John Ledbetter, Principal Planner *JL*  
 Irma Unzueta, Project Planner *IU*

### I. RECOMMENDATION

That the Planning Commission review and forward a recommendation to the City Council regarding the draft Zoning Ordinance language for the Average Unit-Size Density (AUD) Incentive Program.

### II. BACKGROUND

The AUD Program is directed by policies in the Land Use and Housing Elements of the General Plan and Council Resolution No. 09-058, and is intended to replace the existing Variable Density Program. The existing Variable Density provisions would be suspended during the AUD Program trial period.

Projects developed or approved under the current variable density provisions prior to the adoption of the AUD Program would remain legal and conforming land uses. Projects developed using variable density standards would be permitted to add floor area if it does not result in additional units or bedrooms, unless such additions conform to base density. Existing variable density projects could convert to AUD units if all applicable standards of the AUD Program are met. However, existing variable density projects could not demolish and rebuild under Variable Density standards.

The AUD Program is proposed to encourage smaller, more affordable units through established unit sizes in selected areas of the City (Exhibit A). It allows increased residential density incentives and flexibility of development standards, such as reduced parking requirements, to facilitate the construction of smaller residential units, particularly priority housing. Priority housing includes rental, employer sponsored housing and limited equity housing cooperatives.

On April 10, 2012, the City Council initiated Zoning Ordinance amendments to implement the AUD Program. As directed by City Council, following adoption the AUD Program will be in effect for eight years, or once 250 units have been developed in the High Density areas, whichever occurs sooner. Prior to the end of the 8-year trial period, the Council will consider whether to extend or modify the Program. If the AUD Program is not extended or modified,

the residential density will revert back to the Variable Density standards in place prior to adoption of the 2011 General Plan Update.

To formulate the mechanics of the AUD Program, Staff collaborated with a technical advisory group of community members. Specific areas of collaboration included average unit size ranges, priority housing parameters, and flexibility in development standards, including setback, open space and parking requirements. The key components of the AUD Program and proposed ordinance amendments were then presented to the Planning Commission, Architectural Board of Review and Historic Landmarks Commission in July and August of 2012.

Interest in the City's proposed Employer Sponsored Housing Program prompted the City to hold a community forum on September, 12, 2012 to begin the necessary dialogue with employers, developers and lenders to identify what is needed to create a viable and successful program. The forum included a panel discussion with community representatives who have experience in the provision of workforce housing. The benefits and challenges of an Employer Sponsored Housing Program were discussed and recommendations on ways to facilitate the viability and success of this program were identified.

Because the success of this program is dependent on employer participation, the forum served as the initial discourse between the City and local businesses regarding the opportunities and benefits that could be derived by participating in the program. Potential challenges of the program were also discussed and ideas to reduce them were identified and recommended by the forum panel. Please refer to Exhibit B for a detailed account of the forum panel discussion and recommendations.

### **III. DISCUSSION**

The key components of the AUD Program have been presented to the Planning Commission, Architectural Board of Review and Historic Landmark Commission for discussion and feedback. A brief summary of this review and the related proposed ordinance text changes are provided below. The Draft Average Unit-Size Density Incentive Program Ordinance (Chapter 28.20) is included as Exhibit C.

#### **AVERAGE UNIT SIZE RANGES AND DENSITIES**

The Variable Density program calculates residential density based on the number of bedrooms. Because the program did not regulate the size of the units, the Variable Density program unintentionally resulted in larger units and buildings. The AUD Program would regulate residential density based on the average unit size, and is designed to produce smaller units and smaller buildings located primarily in and around the Downtown.

The AUD Program is proposed for the Medium-High and High Density designated areas of the City. The Priority Housing Overlay can be applied in the High Density areas and the C-M Zone (Commercial Manufacturing) for additional residential densities when the development qualifies as a Community Benefit housing project, including rentals, employer sponsored housing, and limited equity housing cooperatives.

As part of the General Plan Update adoption in December 2011, the City Council approved density ranges for the Medium-High (15-27 du/ac) and High Density (28-36 du/ac)

designations, as well as the Priority Housing Overlay (37-63 du/ac) with maximum average unit sizes for each density (Exhibit D). Please note that while each density range identifies a maximum average unit size (not to be exceeded), it does not preclude a project from proposing a lower average unit size. For example, a Medium High Density project proposing development at 25 du/ac may not exceed a maximum average unit size of 870 square feet, but could propose a lower maximum average unit size (e.g., 500 square feet).

Note that the base density for multi-family and commercial zones (where residential is allowed) will continue to be a range of 12-18 dwelling units per acre based on zoning standards. Projects that develop at the base density are exempted from the minimum density requirements of the Medium-High and High Density designations and are not subject to unit size limitations. However, such projects cannot apply the minimum one parking space per unit or other development standard incentives allowed by the AUD Program.

## **HOUSING TYPES**

One of the primary goals of the General Plan Update is to encourage the production of affordable workforce housing, specifically rental, employer sponsored housing, and limited equity housing cooperatives. Such housing is considered a community benefit land use and supported by numerous policies and programs in both the Land Use and Housing Elements. These types of multi-unit housing fall into two categories: market rate units and priority housing, which is achieved through the Priority Housing Overlay.

### **Market Rate Units**

Market rate units are permitted under the AUD Program. These units would likely be constructed in the Medium-High and High Density designated areas, and in exchange would be required to provide smaller unit sizes to qualify for the density and development standard incentives allowed under the program. Also, market rate units, excluding employer sponsored housing, would be subject to the inclusionary housing ordinance.

### **Priority Housing**

The primary objective of the Priority Housing Overlay is to encourage the construction of long-term affordable housing, with special emphasis on rental units, employer sponsored housing, limited equity housing cooperatives. This type of housing is considered a community benefit and therefore could be allowed increased densities of up to 63 dwelling units per acre under the AUD Program.

- **Rental Units:** Rental units developed under the AUD Program would not be price or income restricted. However, in order to qualify for the Priority Housing Overlay density incentives allowed under the AUD Program, the owner must agree to maintain the units as rental for the life of the project.
- **Employer Sponsored Housing:** This type of housing is developed by an employer or group of employers and the units dedicated to households that include at least one person who works on the south coast region (from the city of Carpentry, to, and including the City of Goleta) of Santa Barbara County. In order to qualify for the density and development standard incentives allowed under the AUD Program, the owner(s) must limit the

occupancy of the residential units to include at least one person who works on the south coast region of Santa Barbara County for the life of the project.

- **Limited Equity Housing Cooperative:** This type of housing is defined as shared ownership of the entire project where individuals occupy one unit and take part in management decisions. Limited equity housing cooperatives restrict resale price, which helps maintain a specified level of affordability to subsequent shareholders. In order to qualify for the density incentives allowed under the AUD Program, a limited equity housing cooperative must be affordable to households earning from 120% to 250% of the Area Median Income as defined in the City's Affordable Housing Policies and Procedures.

## DEVELOPMENT STANDARDS

### Parking Requirements

The City Council has authorized that projects developed under the AUD Program can provide a minimum of one parking space per residential unit and would not be required to provide guest parking. The intent is to facilitate unit affordability and help decrease building mass. Reduced parking requirements are consistent with policies of the Housing Element (H17 and H17.1) that support flexibility in development standards to facilitate additional housing.

### Variable Setbacks

Currently, the C-2 and C-M zones do not require a front setback. Implementation Action LG12.3 of the General Plan Land Use Element encourages the variation of building setbacks along street frontages as it would support the City's urban forest and help soften buildings. The AUD Program ordinance includes a provision to implement a 5-foot variable front yard setback for AUD mixed use projects developed in commercial zones in which there currently is no front yard setback required (excluding State Street and first blocks of cross streets between Montecito and Sola Streets). Exclusively residential developments would apply the R-3/R-4 setback requirements of the AUD Program ordinance. The ordinance would not have any effect on existing developments.

### Open Space Requirements

There are two methods of applying outdoor living space requirements to multi-family or mixed use projects. Projects have the option of selecting either one of these methods.

**Method A:** The Private Outdoor Living Space Method (SBMC § 28.21.081.A) requires projects to provide all three of the following:

- A private outdoor living space for each dwelling unit (with specific requirements);
- An on-grade open space area of not less than 10% of the net lot area; and
- A common open area with minimum dimensions of 15'x 15'

Staff recommends eliminating the 10% open space requirement for mixed use projects developing under the AUD Program. Offering this incentive will provide flexibility in project design, thus facilitating additional residential units as part of the project. Since the 10% open space requirement was originally intended for residential uses in the multi-family zones, not

mixed use projects in commercial zones, Staff believes that eliminating this requirement would be a reasonable incentive in order to gain additional affordable and workforce units.

In July and August 2012, Staff reviewed the proposed open space changes with the Planning Commission and Design Review Boards. Although concern was expressed that eliminating the 10% requirement might raise neighborhood compatibility issues, Staff views this as an appropriate incentive to encourage the construction of smaller, more affordable units intended for lower income and workforce households. In addition, the implementation of the proposed 5-foot variable setbacks along street frontages in the C-2 and C-M zones would help to offset the elimination of the 10% open space area requirement.

**Method B:** The Common Outdoor Living Space Method (SBMC § 28.21.081.B) requires projects to provide a common outdoor living space of at least 15 percent of the net lot area, adhering to the following requirements:

- The area must be on-grade;
- The area may be provided on multiple locations;
- At least one location must have a dimension of 20' x 20'; and
- The area may include the interior and rear yard setbacks, but not the front yard

Providing the 15% common outdoor living space on grade has been problematic for projects proposing at-grade parking garages. In order to accommodate the 15% common outdoor living space requirement on the ground, projects must decrease building square footage, which could result in a reduced number of residential units. Developments with fewer units do less to address the current jobs/housing balance, which is counter to a fundamental principle of *Plan Santa Barbara*, to encourage additional residential units, especially for lower income and workforce households.

In the past, the common outdoor living space requirement has been effectively met on upper floors through the use of zoning modifications. Therefore, Staff recommends that this requirement be modified to allow flexibility in the location where the common outdoor living space is provided for AUD mixed use projects applying this requirement. In addition, Staff is proposing that the 15% common outdoor living space requirement be reduced to 10% for projects developing under the AUD program, and within ¼ mile from a park. These amendments are supported by Housing Element Implementation Action H17.2 allowing flexibility in how, where and the extent of outdoor living space required for housing development in commercial zones.

#### **Distance Between Buildings**

Exclusively residential or mixed use AUD projects would be allowed to reduce the distance between buildings on the same lot requirement, from 15 feet to 10 feet. Reducing this requirement is intended to facilitate the construction of additional housing units.

#### **Building Height**

The recently adopted General Plan Update includes Implementation Action LG12.4 directing that zoning standards be amended to require special findings and super majority (five

affirmative votes) approval by the Planning Commission for Community Benefit projects that exceed 45 feet in height. Currently only the C-2, C-M, M-1 and OM-1 zones allow building heights over 45 feet. These zones permit a height of four stories, not to exceed 60 feet. Amendments to the building height provisions of these zoning districts are proposed to restrict building heights to 45 feet unless the project is a Community Benefit project. For the purposes of the AUD Program a Community Benefit housing project would include, Affordable units, rental units, employer sponsored housing, limited equity housing cooperatives, and transitional or special needs housing.

In addition, projects developing under the AUD Program, but not a Community Benefit housing project (e.g., market rate condominiums) would be permitted four stories, not to exceed 45 feet in height. These projects would likely be developed in the R-3 and R-4 zone, which currently restricts buildings to three stories and 45 feet in height.

### **Building Height Findings**

In addition to findings required of the project application, possible criteria to be used by the Planning Commission in approving AUD projects that exceed 45 feet in height include:

- ***Demonstrated Need:*** The applicant has demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, site constraints, or desired architectural qualities, as opposed to a purely financial justification.
- ***Architecture and Design:*** The project exhibits exemplary design and incorporates characteristics distinctive to the City of Santa Barbara.
- ***Sensitivity to Context:*** The project recognizes and complements the setting and character of the neighboring properties with superior sensitivity to adjacent federal, state, and City landmarks and other nearby designated historic resources, including City structures of merit, sites, or natural features.

## **IV. PERFORMANCE MEASURES**

Possible criterion to measure how successful the AUD Program has been during the trial period and also to gauge the program's long-term viability could include the following:

- Number of AUD units constructed
- Types of units constructed, especially priority housing units
- Location of constructed units
- Location of Employment (Downtown, South Coast Region, Other)
- Price point of rental and affordable ownership units. Are these units priced lower than those developed at base or Medium-High densities?
- Turnover of units/Vacancy rate

## **V. OTHER ZONING ORDINANCE AMENDMENTS**

As part of the AUD Program Ordinance Amendment package, Staff is proposing to amend applicable zoning districts to ensure consistency with the AUD Program ordinance. In

addition, minor changes to the municipal code are proposed in order to provide additional clarification and/or promote uniformity within the code. These amendments include:

**Building Heights:** Zoning Ordinance sections §28.66.050, §28.69.050, §28.72.050, and §28.73.050 are proposed to be amended to restrict building height to 45 feet unless the building is a Community Benefit project.

**Open Yard Encroachment:** Amend section §28.87.062.C in the General Provisions section of the Zoning Ordinance to clarify open yard encroachment requirements in the Single-Family, Two-Family (R-2), and Multi-Family (R-3/R-4) residential zones.

**Uncovered Balconies:** Amend §28.21.081.A.g to remove item number 1 stating, "*Uncovered balconies may encroach up to two (2) feet into any setback*". This provision is not appropriate for this section of the code and has made its application problematic. A similar provision is currently found in the General Provisions section of the Zoning Ordinance where its application is more appropriate.

**Open Space:** Amend sections §28.21.081.A.2.b (10) and §28.21.081.B.5.c. to include language consistent with §28.21.081.A.1.f. as follows, "...or other cantilevered architectural or building projections not providing additional floor area...".

**Common Open Area:** Amend §28.21.081.A.3 to clarify that the common open area requirement applies to lots developed with four or more dwelling units. Also, amend §28.21.081.A.3 and §28.21.081.B.4 to clarify that front setback (not the front yard) shall be excluded from the common open area.

## VI. ENVIRONMENTAL REVIEW

The Final Program Environmental Impact Report (FEIR) for the *Plan Santa Barbara* General Plan Update was certified by the Planning Commission September 2010 and by the City Council December 2011. The FEIR evaluated citywide effects on the environment from growth to the year 2030 under the proposed General Plan policies (up to 1.35 million feet of net additional non-residential and up to 2,800 additional housing units).

California Environmental Quality Act (CEQA) Statutes Section 21083.3 and CEQA Guidelines Section 15183 provide that projects which are consistent with the development density established by General Plan policies for which an EIR was certified, and rezoning consistent with the plan, shall not require additional environmental review except under specified instances.

The Average Unit-Size Density Incentive Program is within the scope of review for the General Plan Update and FEIR. The City Environmental Analyst has determined that the proposed implementing ordinance amendments for the Average Unit-Size Density Incentive Program policies do not trigger the additional environmental review requirements, for the following reasons: There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments; there is no new significant effects not addressed in the prior FEIR; and there is no new information since the FEIR that would involve more significant impacts than identified in the FEIR. Therefore, no further environmental review is required.

**NEXT STEPS**

- a. Planning Commission Review/Recommendation (April 11, 2013)
- b. Council Ordinance Committee Review (May/June 2013)
- c. Council Introduction and Adoption (June/July 2013)

Exhibits:

- A. Average Unit-Size Density Incentive Program Map
- B. Employer Sponsored Housing Forum Discussion Summary and Forum Flyer
- ~~C. Draft AUD Program Ordinance~~—Refer to Ordinance included in CAR, 5/14/13
- D. AUD Program Density Table





## **EMPLOYER SPONSORED HOUSING FORUM**

### **DISCUSSION SUMMARY**

An Employer Sponsored Housing Forum was held on September 12, 2012 and included a panel discussion with community members experienced and actively producing workforce housing. The discussion focused on identifying what is needed to achieve a viable and successful program, as well as challenges that a participating employer might face.

#### *Program Benefits*

The panel was asked to identify what aspects of an Employer Sponsored Housing Program would persuade or motivate local businesses to participate. Recruitment and retention, economic investment, and program simplicity were identified as key reasons to take part in the program. It was also acknowledged that implementing an Employer Sponsored Housing Program would offer simultaneous benefits for employers, employees and the community.

The shortage of affordable housing continues to make it difficult for local businesses to recruit and retain quality employees. High employee turnover and the inability to recruit the most qualified person due to high housing prices can in the long-term be costly to an employer. It is estimated that it costs approximately \$70,000 to train a new employee; therefore an employer should view the program as an economic investment, because creating housing for their workforce will ultimately result in a cost benefit to their business.

Benefits to employees include the ability to purchase affordable housing where they live, reduce commute time and cost, and increase time spent in the community and with their family resulting in greater productivity and loyalty.

#### *Program Challenges*

Land and development cost, financing capital, and lack of experience and expertise were identified as potential barriers that might prevent an employer from participating in this program. Employers, especially smaller businesses are not accustomed to the role of developer and/or lender. For some employers taking on this role may be too complex and prolonged. Thus, the lack of expertise in real estate development and inexperience in the City's permitting process could discourage participation in the program.

Land cost also poses a major factor and barrier to the development of workforce housing. Only a few local employers (e.g., UCSB Westmont College, Cottage Hospital) have been successful in producing employee housing, and all have owned the land. These employers tend to be larger, own the land, and have the financial capital needed to develop employee housing. Additionally, lack of expertise in real estate development and inexperience in permit processing can discourage an employer from providing housing for their workforce.

#### *Recommendations*

Local employers such as Cottage Hospital, Westmont, and UCSB have successfully produced employee housing. However, as pointed out at the community forum, these are large employers with land, financial capital, and the expertise needed to produce housing for their workforce. Consequently, without such resources smaller employers would find it difficult to participate in the program. With this in mind, ideas were offered by the panel to help minimize the obstacles

that might dissuade an employer from participating in the program. The following ideas were recommended:

**Program Model:** Provide a model or clearinghouse approach to help employers navigate through the development process. This would save time and effort and reduce costs. The model could offer:

- Sample covenants, development agreements
- Cost/benefit analysis of recruitment and retention
- Amount of upfront capital needed
- Sample project prototypes, such as those developed by the Design Charrette conducted by the AIA during the General Plan Update process

**Land Inventory:** Conduct an inventory of available public land suitable for workforce housing.

**Private Landowners:** Identify private landowners with excess land (e.g., churches) who would donate their land. These entities are often interested in producing affordable housing, but do not have the expertise or experience.

**Small Property Owners:** Allow small property owners to participate in the program as partners.

**AUD Program:** Implement the AUD Program to allow increased densities and flexibility in development standards, such as parking, which would help reduce development costs.

**City Review:** Expedite review of employer sponsored housing projects to help reduce development cost.

**Partnerships:** Enlist large employers and/or developers (consortium approach) to serve as partners making it easier for smaller employers to participate in the Program.

**Environmental Review:** Use the General Plan Update Environmental Impact Report (EIR) to shorten and simplify the review process for employer sponsored housing projects.

# COMMUNITY FORUM ON EMPLOYER SPONSORED HOUSING

**How can the City help Employers (big and small)  
develop housing for their workers?**

The City's new Employer Sponsored Housing Program offers higher densities and more flexible development standards as incentives for employers, either individually or as a consortium to help build below market rate housing to their employees.

Please join us and learn more about how this program can work for your business!

## **FORUM PANEL INCLUDES:**

- **Steve Amerikaner**, Brownstein Hyatt Farber Schreck (Moderator)
- **Ron Biscaro**, Cottage Health Systems
- **Detlev Peikert**, Peikert Group Architects
- **Rochelle Rose**, Peoples' Self-Help Housing
- **David Rowell**, City of Santa Barbara
- **Ed Soto**, Bank of America
- **Craig Zimmerman**, The Towbes Group, Inc.

**DATE: Wednesday, September 12**

**TIME: 7:30 – 9:30 a.m.**

**LOCATION: 630 Garden Street (David Gebhard Public Meeting Room)**

**Everyone welcome! A light breakfast will be provided.**

Please RSVP your attendance to Irma Unzueta, Project Planner at  
[iunzueta@SantaBarbaraCA.gov](mailto:iunzueta@SantaBarbaraCA.gov).



## Forum Panel Bios

**Steven A. Amerikaner**, partner with Brownstein Hyatt Farber Schreck, LLP, counsels developers, public agencies, businesses and homeowners on land development issues such as securing land use permits (including coastal permits and major general plan and zoning amendments). He is also General Counsel to a regional water agency and a local sanitary district and served as Santa Barbara City Attorney from 1982-1990. He is active in a number of community organizations, including the Board of Directors of the Santa Barbara Region Chamber of Commerce and the Coastal Housing Coalition.

**Brownstein | Hyatt  
Farber | Schreck**

**Ron Biscaro**, Vice President for Housing and Real Estate Development at Cottage Health Systems since 2003. He has overseen the development of Bella Riviera, a workforce housing project for Cottage Hospital employees. Mr. Biscaro has collaborated with architects, planners, City officials, and a Housing Task Force of the Cottage Board in developing the housing project. From 1986 and 2003, Mr. Biscaro served as Administrator at the St. Francis Medical. He received a Bachelor of Science degree in Biology from McGill University and a Master's in Health Administration from the University of Ottawa. He is a diplomat of the American College of Health Care Executives.



**Detlev Peikert**, AIA is principal and founder of Peikert Group Architects, LLP. He has worked in the field of architecture for more than 30 years, and has extensive experience with a wide variety of building types. He is knowledgeable in all aspects of architectural practice including design, project management and real estate development. In 1994, he founded the Sustainability Project, a nonprofit organization dedicated to implementing the principles of sustainability as applied to the built environment, and is actively engaged with a number of community organizations including the board of the Coastal Housing Coalition, an organization dedicated to advocating for workforce housing.



**Rochelle Rose**, CFRE is Development Director for Peoples' Self-Help Housing, a nonprofit community development organization that develops affordable housing for low income families, seniors, and other special needs groups in the tri-counties. Peoples' has developed and manages 1,350 affordable apartments and has helped over 1,100 low income households build and own their first home through their 'sweat equity' model. A UCSB graduate, she has led successful fundraising efforts at many nonprofits and has served on the boards of Girls inc., Association of Fundraising Executives and others. In 2007 she was awarded the AFP Professional Fundraiser of the Year for Santa Barbara and Ventura Counties. She currently serves on the boards of the Center for Successful Aging and the Coastal Housing Coalition.



**David Rowell** is a Housing Programs Specialist at the City of Santa Barbara. Previously he was President of Sage Point Real Estate Valuations and managed the design, customer contact, business transactions and quality control of their national service. Mr. Rowell was employed for over 18 years in the real estate finance industry at Fannie Mae. He has served as Director of the Western Regional Office and managed account teams in transacting billions of dollars of mortgage business. Prior to that, he was Senior Negotiator, Account Executive, Senior Underwriter and REO Manager. Mr. Rowell holds a BS from UCSB, an MS from the University of Oregon, and a Professional Designation in Real Estate from UCLA.



**Ed Soto** is a Sr. Mortgage Loan Officer with Bank of America. He has been in the mortgage lending industry for 22 years. He is a graduate of Westmont College and majored in Economics/Business. He has achieved one of the highest recognitions for his position with Bank of America as a Sr. Mortgage Loan Officer, earning the prestigious "Platinum Club" award several times. Ed is active with the Old Spanish Days Fiesta Parade and other events sponsored by Bank of America that give back to our community.



**Craig Zimmerman** is the President of The Towbes Group, Inc., a full service real estate company based in Santa Barbara that develops and manages both residential and commercial real estate. The Towbes Group manages more than 2,100 apartment units in Santa Barbara and Ventura County including several affordable, senior, Section 8 and workforce housing communities. He also serves as a Director on the Board of Montecito Bank & Trust. Mr. Zimmerman is active in the non-profit community serving on the boards of The Scholarship Foundation of Santa Barbara, Surf Development (County Housing Authority), Santa Barbara Middle School, UCSB Economic Forecast Project and The Towbes Foundation.



Exhibit C: Prior Draft of AUD Program Ordinance from Planning Commission Staff Report dated with Agenda date, April 11, 2013, is omitted.

**AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE**

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac
1,450	15	1,245	28	970	37
1,360	16	1,200	29	970	38
1,280	17	1,160	30	970	39
1,210	18	1,125	31	970	40
1,145	19	1,090	32	970	41
1,090	20	1,055	33	970	42
1,040	21	1,025	34	970	43
990	22	955	35	970	44
950	23	970	36	970	45
910	24			970	46
870	25			970	47
840	26			970	48
805	27			969	49
				960	50
				941	51
				935	52
				917	53
				901	54
				896	55
				880	56
				874	57
				859	58
				845	59
				840	60
				827	61
				825	62
				811	63



# City of Santa Barbara Planning Division

## PLANNING COMMISSION MINUTES

April 11, 2013

### **CALL TO ORDER:**

Chair Schwartz called the meeting to order at 1:00 P.M.

### **I. ROLL CALL**

Vice Chair Deborah L. Schwartz, Commissioners Bruce Bartlett, John P. Campanella, Sheila Lodge, June Pujo, and Addison Thompson.

**Absent: Commissioner Mike Jordan**

### **STAFF PRESENT:**

Bettie Weiss, City Planner  
John Ledbetter, Principal Planner  
Renee Brooke, Senior Planner  
David Rowell, Housing Program Specialist  
N. Scott Vincent, Assistant City Attorney  
Irma Unzueta, Project Planner  
Julie Rodriguez, Planning Commission Secretary

### **II. PRELIMINARY MATTERS:**

A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.

None.

B. Announcements and appeals.

Ms. Brooke made the following announcements:

1. There will be a Special Joint Meeting of the City Council and Planning Commission on April 17, 2013 in the David Gebhard Public Meeting Room at 630 Garden Street.
2. The Planning Commission meeting of April 18, 2013 has been cancelled.
3. There will be a Special Meeting of the Planning Commission on April 25, 2013 in City Council Chambers beginning at 1 P.M.

C. Comments from members of the public pertaining to items not on this agenda.

Chair Schwartz opened the public hearing at 1:03 P.M. and, with no one wishing to speak, closed the hearing.

**III. RECOMMENDATION TO CITY COUNCIL:**

**ACTUAL TIME: 1:03 P.M.**

**AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM**

On April 10, 2012, the City Council initiated amendments to the City's Zoning Ordinance to carry out policies in the Land Use and Housing Elements of the 2011 General Plan pertaining to the implementation of the Average Unit-Size Density Incentive Program (AUD). The purpose of the meeting is for the Planning Commission to review and forward recommendations to the City Council concerning adding Chapter 28.20 to the Santa Barbara Municipal Code implementing the Average Unit-Size Density Incentive Program. Amendments to various sections of the Municipal Code are also proposed related to building heights, outdoor living space standards and encroachments in open yards.

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Statutes Sections 21083.3 and Guidelines Section 15183.

Case Planner: Irma Unzueta, Project Planner  
Email: IUnzueta@SantaBarbaraCA.gov

Phone: (805) 564-5470, ext. 4562.

Irma Unzueta, Project Planner, gave the Staff presentation.

Chair Schwartz opened the public hearing at 1:22 P.M.

The following people commented on the AUD Program

1. Bonnie Freeman is supportive of the AUD Program and was curious as to how this plan would impact her single family home and the ability to add a unit to her property.
2. Trish Allen, Suzanne Elledge Planning and Permitting Services, was supportive of the program. Expressed concern that site-constrained properties could meet the program in unit sizes, but would not reach the lowest level of the density allowed for the medium high category of the program and could miss out on incentives.
3. Brian Nelson, Architect, wanted clarification on language that could impact his future developments. Submitted handouts showing his concerns with common outdoor living space and private outdoor living space restrictions as too restrictive.
4. Lisa Plowman, SB4All, submitted a letter, dated April 10, 2013, and suggested that residential projects in commercial zones have the same setbacks as mixed use, with the exception of ground floor residential units. Suggested similar requirement for both AUD mixed use and exclusively residential projects in commercial zones.

5. Detlev Peikert, SB4All, was also in support of the AUD Program and submitted suggested ordinance revisions related to setbacks, open space and building height findings.
6. Robert Burke would like the 45' limit to be the maximum, without exception.

With no one else wishing to speak, the public hearing was closed at 1:46 P.M.

Commissioner Lodge left the dais at 4:50 P.M. and returned at 4:53 P.M.

**MOTION: Pujo/Lodge**

**Assigned Resolution No. 007-13**

Support the AUD Ordinance and make the following recommendations to City Council

I. **HOUSING TYPES:**

- o Include Average Unit-Size Density Incentive Program definition
- o Clarify that under Employee Sponsored Housing, each residential unit shall include one person who works on the south coast region of Santa Barbara County.
- o Clarify language to include that each residential unit is a primary residence for occupants.
- o Clarify that inclusionary units are not required for employer sponsored housing projects.
- o Under section D. Employer Sponsored Housing, change language from “must” to “shall” record a written instrument against the real property.
- o Allow a mix of priority housing types within a project.
- o Change Limited-Equity Housing Cooperative to be affordable to households earning ‘up to’ 250% of the Area Medium Income” and specify that it is an entry only requirement.

II. **DEVELOPMENT STANDARDS:**

a. **Setbacks (Pages 12-14):**

- o Revise AUD Ordinance, section 28.20.070, to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to front setbacks.

b. **Outdoor Living Space (Pages 17 and 18):**

- o Revise AUD Ordinance to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to outdoor living space.

III. **BUILDING HEIGHTS AND FINDINGS:**

- o Under Building Heights, remove the language “as opposed to purely financial justification”.
- o Include and define the term “Livability” in the building Heights and Findings.
- o Include definition of “Distinctive”.
- o Under Livability, include a reference to the quality of materials and amenities and proximity to goods and services.

IV. REVIEW AND APPROVAL PROCESS:

- o Under finding 3 for Community Benefit Projects, change the word "other" to "any" nearby designated historic resources.
- o Suggested that Performance Measures be included in the Ordinance.
- o Under Performance Measures, include definitions of turnover and vacancy rates.
- o Provide periodic updates to Planning Commission.

This motion carried by the following vote:

Ayes: 6 Noes: 0 Abstain: 0 Absent: 1 (Jordan)

With respect to requests for building height exceptions, Commissioners were split 3-3 on agreement for a required Super Majority vote. The Commission's straw poll for the ability to appeal the decision to City Council was 4-2 to allow an appeal.

While most Commissioners agreed with the proposed AUD Ordinance, Commissioners Campanella and Bartlett felt that the inclusionary housing requirement should not be applied to the high density market rate housing allowed under AUD Ordinance due to increased unit cost and would be counted toward the 250 unit test. Stated that the average unit sizes allowed under the Medium-High density tier should be larger and suggested that the .65 net floor area per acre seemed reasonable.

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 5:05 P.M.

D. Committee and Liaison Reports.

1. Staff Hearing Officer Liaison Report

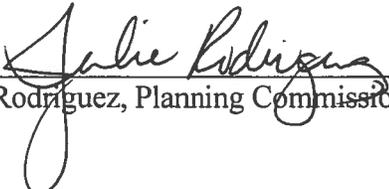
None was given.

2. Other Committee and Liaison Reports

- a. Commissioner Lodge reported on the Historic Landmarks Commission meeting of April 9, 2013.
- b. Commissioner Schwartz reported on the Downtown Parking Committee she attended earlier in the day.

V. ADJOURNMENT

Chair Schwartz adjourned the meeting at 5:08 P.M.  
Submitted by,

  
\_\_\_\_\_  
Julie Rodriguez, Planning Commission Secretary



# City of Santa Barbara California

## CITY OF SANTA BARBARA PLANNING COMMISSION

### RESOLUTION NO. 007-13

#### CITY-WIDE

#### RECOMMENDATION TO CITY COUNCIL ON

APRIL 11, 2013

### AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM

On April 10, 2012, the City Council initiated amendments to the City's Zoning Ordinance to carry out policies in the Land Use and Housing Elements of the 2011 General Plan pertaining to the implementation of the Average Unit-Size Density Incentive Program. The purpose of the meeting is for the Planning Commission to review and forward recommendations to the City Council concerning adding Chapter 28.20 to the Santa Barbara Municipal Code implementing the Average Unit-Size Density Incentive Program. Amendments to various sections of the Municipal Code are also proposed related to building heights, outdoor living space standards and encroachments in open yards.

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Statutes Sections 21083.3 and Guidelines Section 15183.

**WHEREAS**, the Planning Commission has held the required public hearing on the above application, and the Applicant was present.

**WHEREAS**, 6 people appeared to speak in favor of the program, and no one appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, April 4, 2013.
2. Correspondence received in support of the project:
  - a. Lisa Plowman, SB4ALL, Santa Barbara, CA
3. Correspondence received in opposition to the project:
  - a. Paula Westbury, Santa Barbara, CA

**NOW, THEREFORE BE IT RESOLVED** that the City Planning Commission:

- I. Approved recommendation of the Average Unit-Size Density Incentive Program to City Council making the following recommendations:
  - I. HOUSING TYPES:
    - o Include Average Unit-Size Density Incentive Program definition
    - o Clarify that under Employee Sponsored Housing, each residential unit shall include one person who works on the south coast region of Santa Barbara County.
    - o Clarify language to include that each residential unit is a primary residence for occupants.
    - o Clarify that inclusionary units are not required for employer sponsored housing projects.
    - o Under section D. Employer Sponsored Housing, change language from "must" to "shall" record a written instrument against the real property.
    - o Allow a mix of priority housing types within a project.

- Change Limited-Equity Housing Cooperative to be affordable to households earning 'up to' 250% of the Area Medium Income" and specify that it is an entry only requirement.

II. DEVELOPMENT STANDARDS:

a. Setbacks (Pages 12-14):

- Revise AUD Ordinance, section 28.20.070, to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to front setbacks.

b. Outdoor Living Space (Pages 17 and 18):

- Revise AUD Ordinance to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to outdoor living space.

III. BUILDING HEIGHTS AND FINDINGS:

- Under Building Heights, remove the language "as opposed to purely financial justification".
- Include and define the term "Livability" in the building Heights and Findings.
- Under Livability, include a reference to the quality of materials and amenities and proximity to goods and services.
- Include definition of "Distinctive".

IV. REVIEW AND APPROVAL PROCESS:

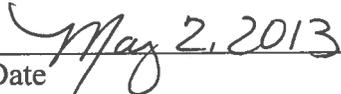
- Under finding 3 for Community Benefit Projects, change the word "other" to "any" nearby designated historic resources.
- Suggested that Performance Measures be included in the Ordinance.
- Under Performance Measures, include definitions of turnover and vacancy rates.
- Provide periodic updates to Planning Commission.

This motion was passed and adopted on the 11th day of April, 2013 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0 ABSENT: 1 (Jordan)

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

  
\_\_\_\_\_  
Julie Rodriguez, Planning Commission Secretary

  
\_\_\_\_\_  
Date

## S A N T A B A R B A R A F O R A L L



April 10, 2013

Honorable Planning Commission Members  
 City of Santa Barbara  
 735 Anacapa Street  
 Santa Barbara, CA 93101

Via email

Re: Proposed Average Unit Density Incentive Program

Honorable Planning Commission Members,

Santa Barbara For All (SB4ALL), a coalition of citizens and civic groups, has been involved in Plan Santa Barbara since 2007 advocating for policies and implementation strategies that will ensure a sustainable and healthy future for our community, affordable housing for our local workforce, and protection of Santa Barbara's historic and environmental resources.

SB4ALL endorsed the original concept of PlanSB developed to improve the jobs/housing balance; to reduce long distance commuting and its associated air pollution, energy use and regional traffic; and to effectively reduce motor vehicle trips. While this document has undergone many changes in the adoption process, the concept of directing future growth towards the urban center and adjacent neighborhoods – as opposed to further development of foothills and outer City edges – has remained the core of the Plan.

Overall we are very supportive of the Draft AUD Program. We do, however, have a few comments that we believe will make the program more flexible and successful in achieving its goal – to produce a greater number of housing that is affordable to the workforce.

We respectfully submit the following comments:

1. Setbacks in the Commercial Zone District: Staff is recommending that mixed use project be required to provide a variable 5 foot front setback because of the inclusion of residential uses. The proposed AUD program would require exclusively residential projects in commercial zone districts to meet the R-3/R-4 setback requirements.

Historically, residential projects in commercial zones that wanted greater setback flexibility, would add a small office or commercial space and this would afford them the commercial setback standards – in most cases zero. This is not necessarily a desirable outcome – particularly if this program is designed to incentivize residential units rather than commercial space. Thus, we recommend that exclusively residential projects in commercial zone districts be required to provide the same setbacks as mixed use projects with the following exception: a 10 foot variable setback would be provided where ground floor residential units face the public street. This proposal is designed to allow community rooms/administrative offices and parking garages to meet the mixed use setback, while also ensuring that there is adequate space between the public realm and the ground floor units.

By revising this language, residential projects would be less likely to add unwanted commercial space to avoid setback requirements. In addition, a comfortable setback would be provided for residential uses, unnecessarily large setbacks would not be required for non-residential uses, and the variability of the setback would provide design flexibility.

2. Outdoor Living Space: Staff is recommending changes to the Outdoor Living Space requirements for mixed use projects to create incentives. For example, a mixed use project that uses the Private Outdoor Living Space method would not be required to provide 10% open space. We suggest that the incentives provided for mixed use projects also be provided to exclusively residential projects in commercial zone districts. Like the setback issue discussed above, if this incentive is limited to mixed use projects it could also compels applicants to add unwanted or unneeded commercial space to take advantage of the incentive. Again, if the goal of the AUD program is to create a greater number of residential units we believe they should be able to avail themselves of a similar incentive package.
3. Building Height: The proposed AUD program includes an exemption to the 45 foot height limitation imposed by the new General Plan for Community Benefit projects and Community Benefit Housing projects where the Planning Commission can make a series of findings with a super majority vote (five votes). As stated now, the exemption cannot be extended for “purely financial reasons”. We are concerned about this limitation. The very purpose of the Design Charrette, which was the genesis of the experimental AUD program, was to demonstrate what type of projects would be financially feasible. This restriction could be problematic for future Community Benefit Housing projects. For example, if a strict 45 foot height limit makes an apartment project financially infeasible this would seem to be counterproductive to one of the key goals of the program – providing more rental housing stock. A project that exceeds the 45 foot height requirement by a few feet would still need to be reviewed and approved by the Planning Commission (5 votes) and would still be required to undergo design review. As such, we believe that the mechanisms are in place to provide rigorous oversight of this

exemption. We recommend that the findings be revised to allow financial infeasibility to be a valid reason to increase the height of a Community Benefit Housing project.

The citizens and civic groups that constitute SB4ALL appreciate the opportunity to help shape the AUD program. We all share the same goal of developing a successful program that will produce a variety of affordable housing opportunities for our workforce.

We've attached our suggested revisions to the draft AUD program.

Sincerely,



Lisa Plowman



Detlev Peikert

Attachment 1: Proposed Policy Revisions

XC: Bettie Weiss, City Planner

## Section 28.20.070 Development Incentives

### B. Setbacks (Pages 12-14)

#### 1. C-2 and C-M Zones

##### a. Front Setback

iii. Lots Developed Exclusively with Residential Uses. Any lot developed exclusively with residential buildings or structures shall ~~provide the R-3/R-4 setback distance as required by Section 28.20.070. B.2. of this chapter~~ observe the following setback: A front setback of ten (10) feet shall be provided where residential units face the public right of way. A front setback of five (5) feet shall be provided for other uses within the structure (e.g. community center, parking garage). A portion of a structure may be located within the required front setback provided the footprint area of the portion of the structure that intrudes into the required front setback is compensated by an equal or greater area that is not covered by any building or structure outside of and adjacent to the same front setback and the setback line. The compensating area shall not be located farther from the adjacent front lot line than one half of the length of the front lot line.

#### 3. All other Zones

b. Lots Developed Exclusively with Residential Uses. Any lot developed exclusively with residential buildings or structures shall ~~provide the R-3/R-4 setback distance as required by Section 28.20.070. B.2. of this chapter~~ observe the following setback: A front setback of ten (10) feet shall be provided where residential units face the public right of way. A front setback of five (5) feet shall be provided for other uses within the structure (e.g. community center, parking garage). A portion of a structure may be located within the required front setback provided the footprint area of the portion of the structure that intrudes into the required front setback is compensated by an equal or greater area that is not covered by any building or structure outside of and adjacent to the same front setback and the setback line. The compensating area shall not be located farther from the adjacent front lot line than one half of the length of the front lot line.

### E. Outdoor Living Space. (Pages 17 and 18)

1. Mixed use projects or exclusively residential projects in commercial zone districts electing to provide outdoor living space pursuant to the private Outdoor Living Space Method specified in

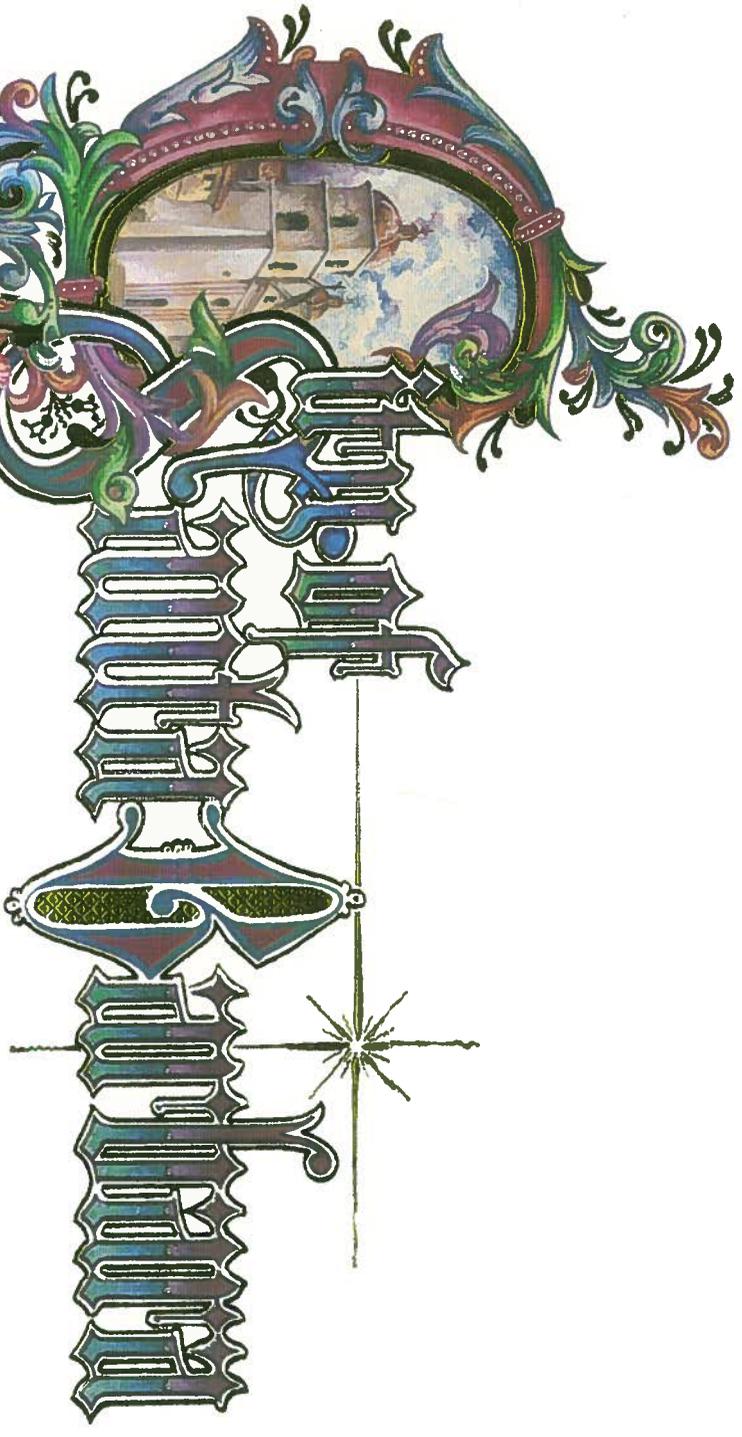
Subsection A of Section 28.21.081 are required to provide the Private Outdoor Living Space as specified in Section 28.21.081.A.1 and the Common Open Area Section 28.21.081.A.3. Mixed use projects or exclusively residential projects in commercial zone districts developed under the Average Unit-Size Density Incentive Program that elect to provide outdoor living space pursuant to the Private Outdoor Living Space Method may, but are not required to, provide the Open Space specified in Section 28.21.081.A.2.

2. Mixed use projects or exclusively residential projects in commercial zone districts electing to provide outdoor living space pursuant to the Common Outdoor Living Space Method specified in Subsection B; however, if the lot is located within one quarter (1/4) mile of a park, the project may reduce the fifteen percent (15%) common outdoor living space requirement to ten percent (10%) of the net lot area. In addition, for projects developed in accordance with the Average Unit-Size Density Incentive Program, the required common outdoor living space may be located at grade or on any floor of the building(s), amending Section 28.21.081.B.4.

### **Section 28.66.050 Building Height**

#### **B. Community Benefit Projects**

1. Demonstrated Need. The application has demonstrated a need for the project to exceed 45 feet in building height ~~that is related to the project's benefit to the community, due to site constraints, or desired architectural qualities, as opposed to a purely financial justification~~ or financial feasibility.



## PROCLAMATION

### NATIONAL PUBLIC WORKS WEEK

May 19 - 25, 2013

*WHEREAS, public works services are integral to our everyday lives, as the health, safety, and comfort of this community greatly depends on these facilities and services; and*

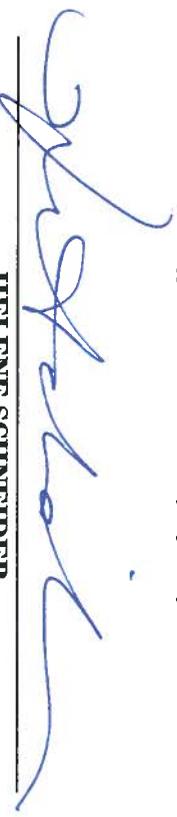
*WHEREAS, the City's public works systems and programs meet the needs of the public, providing cost effective, dependable and specialized support to the City's water, sewers, streets, bridges and public buildings; and*

*WHEREAS, we are able to have clean water, safe streets and neighborhoods, efficient traffic, and safe, clean communities, all of which exemplifies the American Public Works Association, National Public Works Week current theme, "Because of Public Works;" and*

*WHEREAS, the Public Works Department operates in the public's best interest to provide environmentally responsible, sustainable solutions to bring our community the highest possible quality of life within a framework of environmental, social, and economic responsibility.*

*NOW, THEREFORE, I, HELENE SCHNEIDER, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, California, do hereby proclaim May 19 - 25, 2013, as NATIONAL PUBLIC WORKS WEEK and call upon all citizens and civic organizations to recognize the issues involved in providing our public works, and to recognize the contributions made daily to our health, safety, comfort, and quality of life.*

*IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 19th day of May 2013.*



**HELENE SCHNEIDER**  
Mayor





# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## SPECIAL MEETING May 2, 2013 COUNCIL CHAMBER, 735 ANACAPA STREET

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### CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 1:00 p.m.

### PLEDGE OF ALLEGIANCE

Mayor Schneider.

### ROLL CALL

Councilmembers present: Dale Francisco (1:04 p.m.), Frank Hotchkiss, Grant House (1:05 p.m.), Cathy Murillo, Randy Rowse, Bendy White (1:06 p.m.), Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, City Clerk Services Manager Gwen Peirce.

### PUBLIC COMMENT

No one wished to speak.

### NOTICES

The City Clerk has on Thursday, April 25, 2013, 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.

### CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

#### FINANCE DEPARTMENT

**Subject: Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015 (230.05)**

Recommendation: That Council hear presentations from the Community Development and Library departments on their recommended budgets as contained in the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015. (Cont'd)

## **Subject: Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015 (Cont'd)**

### Documents:

- May 2, 2013, report from the Finance Director.
- May 2, 2013, PowerPoint presentations prepared and made by Staff.

### Public Comment Opened (Continued from May 1, 2013):

1:02 p.m.

### Speakers:

- Staff: Assistant City Administrator Paul Casey, Community Development Business Manager Sue Gray, City Planner Bettie Weiss.
- Single Family Design Board: Members Brian Miller and Paul Zink.
- Santa Barbara County Arts Commission: Director Ginny Brush.

### Discussion:

Community Development Business Manager Sue Gray presented an overview of the Community Department's organization, staffing, proposed budget changes, including fee increases and additional requests for funding. City Planner Bettie Weiss spoke regarding a proposed Zoning Ordinance Update that is scheduled to be completed over the next three years. Ms. Gray also spoke regarding key performance objectives for Fiscal Year 2014 for Planning, Building & Safety, Administration & Community Development and Rental Housing Mediation. Ms. Gray provided information on revenues, expenditures and key objectives for Fiscal Year 2014 for the Redevelopment Agency Retirement Obligation Fund, Affordable Housing Fund, HOME and Community Development Block Grant Funds. Staff responded to the Councilmembers' questions.

### Speakers:

- Staff: Library Director Irene Macias, Library Services Manager Scott Love, Library Services Manager Margaret Esther.
- Members of the Public: Bessie Condos; Susan Shields; Deborah Pontifex, Friends of the Santa Barbara Public Library.

Library Director Irene Macias presented an overview of the Library's organization, statistics and benchmarks. Library Services Manager Scott Love presented the Library's General Fund budget, detailing programs, key revenue and fee changes, capital improvement projects, and Fiscal Year 2014 key objectives. Library Services Manager Margaret Esther made a presentation on the County Library Fund, describing programs, funding sources, proposed budget and program changes, and Fiscal Year 2014 key objectives. Ms. Macias then presented Fiscal Year 2013 accomplishments and outlined the Department's requests for unfunded service enhancements. Staff responded to the Councilmembers' questions.

By consensus, the hearing was continued to May 6, 2013, at 2:00 p.m.

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 2:36 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

ATTEST:

\_\_\_\_\_  
GWEN PEIRCE, CMC  
CITY CLERK SERVICES MANAGER



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING April 23, 2013 COUNCIL CHAMBER, 735 ANACAPA STREET

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### CALL TO ORDER

Mayor Pro Tempore Randy Rowse called the meeting to order at 2:01 p.m. (The Ordinance Committee met at 12:30 p.m., and the Finance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

### PLEDGE OF ALLEGIANCE

Mayor Pro Tempore Rowse.

### ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House, Cathy Murillo, Bendy White, Mayor Pro Tempore Rowse.

Councilmembers absent: Mayor Helene Schneider.

Staff present: Acting City Administrator Paul Casey, City Attorney Stephen P. Wiley, Deputy City Clerk Deborah L. Applegate.

### CEREMONIAL ITEMS

- 1. Subject: Proclamation Declaring April 21-27, 2013 As National Crime Victim's Rights Week**

Action: Proclamation was read.

## CHANGES TO THE AGENDA

### Item Removed from Agenda

Acting City Administrator Paul Casey stated that the following item was being removed from the agenda:

**10. Subject: Contract For Construction Management Services For The Punta Gorda Street Bridge Replacement Project (530.04)**

Recommendation: That Council:

- A. Authorize the Public Works Director to execute a City Professional Services contract with Filippin Engineering in the amount of \$330,674 for construction management support services for the Punta Gorda Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$33,067 for extra services that may result from necessary changes in the scope of work;
- B. Authorize the Public Works Director to execute a City Professional Services contract with Penfield & Smith in the amount of \$13,060 for engineering (design) support services for Lower Sycamore Creek Channel Widening, and authorize the Public Works Director to approve expenditures of up to \$1,306 for extra services that may result from necessary changes in the scope of work;
- C. Authorize the Public Works Director to execute a City Professional Services contract with Drake Haglan and Associates in the amount of \$50,000 for engineering (design) support services for the Punta Gorda Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$5,000 for extra services that may result from necessary changes in the scope of work; and
- D. Authorize the Public Works Director to execute a City Professional Services contract with Cardno ENTRIX in the amount of \$90,881 for environmental coordination and biological monitoring services for the Punta Gorda Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$9,088 for extra services that may result from necessary changes in the scope of work.

## PUBLIC COMMENT

Speakers: Mike Jordan; Ottto Layman; Steve Price; K8 Longstory SOS Advocacy Group.

## **CONSENT CALENDAR (Item Nos. 2 – 8)**

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

Motion:

Councilmembers House/Hotchkiss to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Mayor Schneider).

### **2. Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of April 9, 2013.

Action: Approved the recommendation.

### **3. Subject: Records Destruction For Public Works Department (160.06)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Public Works Department in the Fleet Management Division.

Action: Approved the recommendation; Resolution No. 13-021 (April 23, 2013, report from the Public Works Director; proposed resolution).

### **4. Subject: Adoption Of Ordinance For Granting Of Easements On City Property At Chapala And Yanonali Streets (330.03)**

Recommendation: That Council Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving the Granting of Easements for Public Utilities In and Under the City-Owned Property at Chapala and Yanonali Streets.

Action: Approved the recommendation; Ordinance No. 5617; Agreement Nos. 24,485 – 24,488.

### **5. Subject: Parma Park Trust Funds For The Maintenance Of Parma Park (570.05)**

Recommendation: That Council increase appropriations and estimated revenues by \$73,529 in the Parks and Recreation Department Fiscal Year 2013 Miscellaneous Grants Fund for maintenance of Parma Park.

Action: Approved the recommendation (April 23, 2013, report from the Parks and Recreation Director).

**6. Subject: Award Of Professional Services Agreement For Document Printing And Mailing Services To Infosend, Inc. (210.01)**

Recommendation: That Council authorize the Finance Director to execute a professional services agreement with InfoSend, Inc. for a term of three years with an optional two-year extension as additional one (1) year increments.

Action: Approved the recommendation; Agreement No. 24,482 (April 23, 2013, report from the Finance Director).

**7. Subject: Appropriation Of Asset Forfeiture Funds For The Council On Alcoholism And Drug Abuse Criminal Justice Early Identification Specialist Position And "Kids Fight Drugs" Calendar (210.01)**

Recommendation: That Council increase appropriations and estimated revenues by \$52,000 in the Fiscal Year 2013 Police Department Police Asset Forfeiture and Grants Fund for continued funding for the Council on Alcoholism and Drug Abuse (CADA) Criminal Justice Early Identification Specialist position (\$47,000) and the City of Santa Barbara's share of the cost for the "Kids Fight Drugs" calendar (\$5,000).

Action: Approved the recommendation (April 23, 2013, report from the Police Chief).

NOTICES

8. The City Clerk has on Thursday, April 18, 2013, 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 concluded the Consent Calendar.

**REPORT FROM THE ORDINANCE COMMITTEE**

Ordinance Committee Chair Grant House reported that the Committee received a presentation from staff regarding the status of the Environmental Impact Report prepared by BEACON for the model draft Single-Use Bag Ordinance. The draft City Single-Use Bag Ordinance will be referred to the entire Council at a future meeting.

## CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

### ADMINISTRATIVE SERVICES DEPARTMENT

#### **9. Subject: Recommendation To Conduct Vote-By-Mail General Municipal Election (110.03)**

Recommendation: That Council authorize the City Clerk to conduct the November 5, 2013 General Municipal Election as a Vote-By-Mail Election.

Documents:

- April 23, 2013, report from the Assistant City Administrator.
- PowerPoint presentation prepared and presented by Staff.

Speakers:

Staff: City Clerk Services Manager Gwen Peirce.

Motion:

Councilmembers White/House to approve the staff recommendation with additional direction to Staff to: 1) open City Hall on the Saturday prior to Election Day, between the hours of 8:00 a.m. – 5:00 p.m., as a ballot drop off location; and 2) return to Council with a recommendation for an additional drop off center to be located on the City's westside.

Vote:

Unanimous roll call vote.

### **RECESS**

Mayor Pro Tempore Rowse recessed the meeting at 2:50 p.m. in order for the Council to reconvene in closed session for Agenda Item Nos. 12 and 13, with no reportable action anticipated.

### **CLOSED SESSIONS**

#### **12. Subject: Conference With Legal Counsel - Pending Litigation (160.03)**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. Pending litigation considered is a workers' compensation claim: *David Gomez v. City of Santa Barbara*, WCAB case numbers ADJ1197775, ADJ1136460 & ADJ1982772.

Scheduling: Duration, 10 minutes; anytime

Report: None anticipated

**12. (Cont'd)**

Documents:

April 23, 2013, report from the Finance Director.

Time:

2:50 p.m. – 3:07 p.m.

No report made.

**13. Subject: Conference With Legal Counsel - Pending Litigation (160.03)**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. Pending litigation considered is a workers' compensation claim: *Michael Moses v. City of Santa Barbara*, WCAB case number ADJ7552390.

Scheduling: Duration, 10 minutes; anytime

Report: None anticipated

Documents:

April 23, 2013, report from the Finance Director.

Time:

3:07 p.m. – 3:15 p.m.

No report made.

**RECESS**

3:15 p.m. – 3:31 p.m. Mayor Schneider was present when the Council reconvened.

PUBLIC WORKS DEPARTMENT

**11. Subject: Contract For Conceptual Design Of The Union Pacific Railroad Bridge Over Cabrillo Boulevard (530.04)**

Recommendation: That Council:

- A. Authorize the City Administrator to enter into a Memorandum of Understanding, approved as to form by the City Attorney, with the Santa Barbara County Association of Governments for the Conceptual Design of the Union Pacific Railroad Bridge over Cabrillo Boulevard;
- B. Authorize the Public Works Director to execute a City Professional Services contract with HDR Engineering, Inc., in the amount of \$90,085, in a form of agreement approved by the City Attorney, for conceptual design services for the Union Pacific Railroad Bridge over Cabrillo Boulevard, and authorize the Public Works Director to approve expenditures of up to \$9,000 for extra services of HDR Engineering, Inc., that may result from necessary changes in the scope of work; and
- C. Increase appropriations and estimated revenues in the Streets Capital Fund by \$99,105 for the Conceptual Design of the Union Pacific Railroad Bridge over Cabrillo Boulevard funded from a payment from the Santa Barbara County Association of Governments.

Documents:

- April 23, 2013, report from the Public Works Director.
- PowerPoint presentation prepared and made by staff.

Speakers:

- Staff: Assistant Public Works Director/City Engineer Pat Kelly, Principal Transportation Planner Rob Dayton.
- Santa Barbara County of Association of Governments: Fred Luna.

Motion:

Councilmembers House/Rowse to approve the recommendations; Agreement Nos. 24,483 and 24,484.

Vote:

Unanimous voice vote.

## **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

### Information:

- Mayor Schneider commended the Community Environmental Council and everyone involved in sponsoring Earth Day, which drew over 35,000 visitors to the festival. She also reported on her attendance at Santa Barbara's Founding Day celebration, sponsored by the Santa Barbara Trust for Historic Preservation, where they honored the founding of the Presidio 231 years ago.
- Councilmember Rowse reported on the recent Downtown Parking Committee meeting he attended; the Committee will be presenting their budget to the Council for ratification in the near future.
- Councilmember Murillo reported on her attendance at a luncheon sponsored by the Santa Barbara Lodging and Restaurant Association. The presentation focused on new laws and legislation pertaining to the restaurant and hotel industry.
- Councilmember House reported on presentation by the Beach Erosion Authority for Clean Oceans and Nourishment (BEACON) to the Ordinance Committee regarding the Environmental Impact Report for the proposed Single-Use Bag Ordinance.
- Councilmember Hotchkiss reported that the Arts Commission Symposium was being held this Friday, April 26, 2013, at the Canary Hotel; he also spoke about his attendance at the Arts Advisory Committee meeting.

## **ADJOURNMENT**

Mayor Schneider adjourned the meeting at 4:04 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

ATTEST:

\_\_\_\_\_  
DEBORAH L. APPLGATE  
DEPUTY CITY CLERK

\_\_\_\_\_  
RANDY ROWSE  
MAYOR PRO TEMPORE



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## SPECIAL MEETING MAY 1, 2013 COUNCIL CHAMBER, 735 ANACAPA STREET

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### **CALL TO ORDER**

Mayor Helene Schneider called the meeting to order at 3:01 p.m.

### **PLEDGE OF ALLEGIANCE**

Mayor Schneider.

### **ROLL CALL**

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, Deputy City Clerk Deborah L. Applegate.

### **PUBLIC COMMENT**

No one wished to speak.

### **NOTICES**

The City Clerk has on Thursday, April 25, 2013, 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.

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### **FINANCE DEPARTMENT**

**Subject: Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015 (230.05)**

Recommendation: That Council hear presentations from several General Fund departments on their recommended budgets as contained in the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015.

#### Documents:

- May 1, 2013, report from the Finance Director.
- PowerPoint presentation prepared and made by Staff.

#### Speakers:

- Staff: Finance Director Robert Samario, City Administrator James Armstrong, Assistant to City Administrator Nina Johnson, Assistant City Administrator/Administrative Services Director Marcelo Lopez, Human Resources Manager Barbara Barker, Information Systems Manager Tom Doolittle, Accounting Manager Julie Nemes, Risk Manager Mark Howard.
- Santa Barbara Chamber of Commerce: President Zoe J. Taylor.

#### Discussion:

Assistant to City Administrator Nina Johnson presented a recommended budget for Fiscal Year 2014-2015 for the City Administrator's and Mayor and Council's Offices. Assistant City Administrator/Administrative Services Director Marcelo Lopez, Information Systems Manager Tom Doolittle, and Human Resources Manager Barbara Barker presented a recommended budget for Fiscal Year 2014-2015 for the Administrative Services Department. Finance Director Robert Samario and Accounting Manager Julie Nemes presented a recommended budget for Fiscal Year 2014-2015 for the Finance Department.

## **ADJOURNMENT**

Mayor Schneider adjourned the meeting at 4:44 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

ATTEST: \_\_\_\_\_  
DEBORAH L. APPLGATE  
DEPUTY CITY CLERK

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF SANTA BARBARA  
AUTHORIZING THE EXECUTION AND DELIVERY OF A  
CALIFORNIA RENEWABLE ENERGY SMALL TARIFF  
AGREEMENT WITH SOUTHERN CALIFORNIA EDISON, INC.,  
FOR THE PURPOSE OF SELLING ELECTRICITY GENERATED  
AT THE CITY'S CONDUIT HYDROELECTRIC PLANT, AND  
AUTHORIZING RELATED ACTIONS

WHEREAS, the City received United States Bureau of Reclamation License and Agreement No. 20-07-20-L2148 (City Agreement No. 11,539), dated July 15, 1982, which permitted the construction, operation and maintenance of the City's Hydroelectric Plant on United States land adjacent to Lauro Reservoir; and

WHEREAS, the City's hydroelectric plant produced clean, renewable power from 1985 through 1998; and

WHEREAS, the City decommissioned the hydroelectric plant in 1998, when it was determined that project operation, maintenance, permit, and regulatory costs exceeded project revenues; and

WHEREAS, on November 2, 2010, the City Council adopted Resolution No. 10-086 to demonstrate the City's desire to resume operations at the hydroelectric plant, and to demonstrate intent by Council to accept ownership of the underlying land, if conveyed to the City by Reclamation; and

WHEREAS, the City Council has been presented with the form of a California Renewable Energy Small Tariff Agreement, and the City Council has examined and approved such document and desires to authorize and direct the execution of such documents, subject to minor changes; and

WHEREAS, on October 17, 2012, City staff filed an application for a California Renewable Energy Small Tariff Agreement with Southern California Edison, Inc., for the Purpose of Selling the City's Hydroelectric Conduit Plant Power;

WHEREAS, on January 7, 2013, the U.S. General Services Administration (GSA) issued a Notice that it had determined the land beneath the City's hydroelectric plant "to be Government surplus and available for disposal"; and

WHEREAS, on March 19, 2013, the City Council adopted Resolution No. 13-015 Authorizing Christine F. Andersen, Public Works Director, to Act on Behalf of the City in the Negotiated Purchase of the Real Property Beneath the City's Hydroelectric Plant and Verifies that Funds Have Been Budgeted for the Purchase, which will be based upon an Appraisal by a State Certified Appraiser; and

NOW, THEREFORE, THE CITY 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 agreement between the City of Santa Barbara and Southern California Edison, Inc., which provides for the sale of power from the City's Hydroelectric Conduit Power Plant for a period of 20 years, is hereby approved.

Section 2. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the agreement herein authorized and otherwise to carry out the terms and intent of this Ordinance.

Section 3. All actions heretofore taken by the officers, employees and agents of the City with respect to the agreement set forth above are hereby approved, confirmed and ratified.

Section 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance, once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.

**CERTIFICATE OF CITY CLERK**

I, Gwendolynn B. Peirce, City Clerk Services Manager of the City of Santa Barbara, do hereby certify as follows:

That the foregoing is a full, true and correct copy of Ordinance No. \_\_\_\_, which was duly introduced at a regular meeting of the City Council of the City of Santa Barbara duly and regularly and legally held at the regular meeting place thereof on April 9, 2013, of which meeting all of the members of the City Council of said City had due notice and at which a quorum was present, and which was thereafter duly adopted at a regular meeting of the City Council of the City Council of the City of Santa Barbara duly and regularly and legally held at the regular meeting place thereof on April \_\_, 2013, of which meeting all of the members of the City Council of said City had due notice and at which a quorum was present.

That an agenda of each of said meetings was posted at least 72 hours before said meeting at 740 Anacapa Street, Santa Barbara, California, a location freely accessible to members of the public, and a brief description of said Ordinance appeared on said agenda.

That I have carefully compared the foregoing copy with the original minutes of said April \_\_, 2013 meeting on file and of record in my office; that said copy is a full, true and correct copy of the original Ordinance adopted at said meeting and entered in said minutes; and that said Ordinance has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2013

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Gwendolynn B. Peirce  
City Clerk Services Manager

[SEAL]

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE COUNCIL OF THE CITY OF  
SANTA BARBARA ADOPTING THE 2012-2015  
MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CITY OF SANTA BARBARA AND THE SANTA BARBARA  
FIRE MANAGERS ASSOCIATION

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 Santa Barbara Fire Managers Association entered into as of July 1, 2012 and attached hereto and incorporated herein by reference as Exhibit "A" is hereby adopted.

SECTION 2. During the term of the agreement, the City Administrator is hereby authorized to implement the terms of the Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Fire Managers Association without further action by the City Council, unless such further action is explicitly required by state or federal law. This authorization shall include, but not be limited to, the authority to implement employee salary increases and publish changes to the salary schedule(s) adopted with the annual operating budget.

**CITY OF SANTA BARBARA  
AND  
SANTA BARBARA FIRE MANAGEMENT ASSOCIATION  
2012-2015 MEMORANDUM OF UNDERSTANDING**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF SANTA BARBARA  
AND THE  
SANTA BARBARA CITY FIRE MANAGERS ASSOCIATION**

THIS AGREEMENT IS ENTERED INTO AS OF \_\_\_\_\_, BETWEEN THE CITY OF SANTA BARBARA, HEREINAFTER REFERRED TO AS THE "CITY," AND THE SANTA BARBARA CITY FIRE MANAGERS ASSOCIATION, HEREINAFTER REFERRED TO AS THE "ASSOCIATION."

Pursuant to Section 3.12 of the Municipal Code of the City of Santa Barbara and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the City and the duly authorized representatives of the Association, having met and conferred in good faith concerning wages, hours, and terms and conditions of employment of Unit employees, declare their agreement to the provisions of this Memorandum of Understanding.

**FOR THE CITY:**

**FOR THE ASSOCIATION:**

\_\_\_\_\_  
Kristine Schmidt  
Employee Relations Manager

\_\_\_\_\_  
Lee Waldron, Fire Battalion Chief  
President

\_\_\_\_\_  
James McCoy, Fire Battalion Chief  
Vice President

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**1. Scope of Representation**

A. The Association represents the following management job classifications:

Fire Battalion Chief  
Fire Division Chief (Prevention)

B. "Shift personnel" as used in this Agreement refers to those managers in the above classifications assigned by the Fire Chief to a 56 hour per week shift schedule.

**2. Base Salaries**

A. Base salaries will be increased as follows:

<u>Effective Date</u>	<u>Increase</u>
July 14, 2012	2.0%
January 12, 2013	1.0%
January 11, 2014	2.5%
January 10, 2015	2.0%

B. Upon receipt of 30 days written notice from the Association to the City, effective not earlier than November 5, 2014, parties will meet and confer in good faith regarding the sole issue of a possible additional January 10, 2015 salary increase.

**3. Overtime**

A. Overtime for non-emergency situations is limited to when a member is assigned by the Fire Chief to backfill another employee's shift as the assigned Suppression Battalion Chief on that shift. Such overtime will be paid at straight time only.

B. Overtime will be accrued or paid to Fire Safety Management at straight time only when assigned to emergency suppression or prevention duties.

C. In an effort to address compensation compaction within the fire service, the City will begin moving toward premium pay for overtime. Effective July 13, 2014, such overtime will be paid at a premium rate of 110% of the employee's regular rate of pay.

D. Overtime shall be accrued or paid out at the rate of time and one-half when providing mutual aid for which the City is reimbursed at the rate of time and one half.

E. Overtime will not be accrued for performing administrative duties.

- F. Overtime may be accrued in a bank of hours (compensatory time) not to exceed 48 hours.

#### **4. Cafeteria Plan Contribution**

- A. Employees will receive a monthly contribution to the cafeteria plan for the purchase of health and welfare benefits and/or optional cash-out. The cafeteria plan contribution will be \$1,560.00 per month.

Effective January 1, 2013, the cafeteria plan amount will be increased by \$116.00 per month, to \$1676.00 per month. In the first year of this increase, the 2013 plan year, such equivalent increase shall be allocated over the remaining pay periods in the cafeteria plan year following ratification of this Agreement. The City shall not be obligated to conduct an additional open enrollment related to this increase to the cafeteria plan amount.

- B. Information about the benefits available and their cost will be distributed to all employees at the beginning of each benefit year (i.e. calendar year).
- C. The City retains full and complete control over the selection, approval and administration of the City's group insurance program.
- D. The benefits will be subject to the following rules:
  - 1. Benefit selections must be made prior to the beginning of each benefit year. Employee changes in benefit plan selections, such as adding or deleting coverage and/or dependents, may only be made in accordance with Section 125 of the Internal Revenue Code and City policy.
  - 2. All benefits selected from the cafeteria plan must be paid for in full from the maximum benefit provided except when the maximum is insufficient to cover all insurance coverage selected. In such cases, the premium amount not funded by the City-provided benefit will be paid through an employee deduction applied against the medical premiums.
  - 3. No unexpended dollar amounts associated with selected benefits may be disbursed to a terminating employee.
  - 4. All benefit selections are subject to State and Federal rules, regulations, and laws regarding employee benefits and tax status. No guarantee is made regarding the tax-exempt status of any and all benefits presented or selected.
  - 5. Employees will be eligible for benefits coverage and the monthly cafeteria plan contribution, on the first day of the month following their hire date.

#### **5. Domestic Partnership Benefits**

The cafeteria plan allowance can be used toward same sex and opposite sex domestic partner dependent coverage under the medical, dental, and vision plans, and any other plan where such coverage is allowed. In order to receive this benefit, domestic partners must be registered with the City Clerk's Office and/or the Secretary of State of

California, and the employee must provide proof of registration. The affected employee(s) will be responsible for all tax consequences of this benefit.

Additionally, Domestic Partners who are registered with the City Clerk's Office and/or the Secretary of State of California are treated the same as spouses under all City policies related to employees' families.

**6. Life Insurance**

Life Insurance will be provided equal to an amount of one times annual salary. An equal amount will be provided for accidental death and dismemberment (ADD) coverage. This amount will not be counted against the cafeteria plan allowance.

**7. Long Term Disability**

Each employee will receive City-paid coverage under a long term disability insurance program. This amount will not be counted against the cafeteria plan allowance.

**8. Short Term Disability**

Employees will be eligible to participate in an optional Short-term Disability plan at their own cost.

**9. Accident/Critical Illness Insurance**

Employees will be eligible to participate in an optional Supplemental Accident and Critical Illness insurance plan at their own cost.

**10. Tax-Qualified Expense Accounts**

The City will continue to offer several tax-qualified arrangements to allow employees to set aside money to pay for eligible expenses on a pre-tax basis. These include:

- Medical Flexible Spending Account
- Dependent Care Account

**11. Vacation**

A. Members will be eligible to accrue vacation as follows:

Years Service	Days	Hours (Non-shift)	Hours (Shift Personnel)
0-2	15	120	180
3-5	20	160	240
6-7	25	200	300
8+	28	224	336

- B. The maximum vacation accrual for non-shift employees will be 352 hours (44 days). For shift personnel, the maximum vacation accrual will be 528 hours (44 days x 12 hours/day).
- C. A member whose vacation balances exceed the maximum accrual will not be eligible to accrue further vacation until such time as the manager has reduced his or her accrued leave balances through time off, catastrophic leave donation, or buy-back ("cash out"), to below the maximum accrual. There is no retroactive grant of vacation compensation for the period of time the vacation compensation was at the cap.
- D. The maximum vacation accrual may be waived if scheduled vacations are cancelled by the City for emergencies or cancelled by the manager due to the illness, injury, or personal emergency. The manager will submit to the City Administrator, via the Department Head, a memo requesting approval for the accrual beyond the maximum. The City Administrator may establish a deadline by which the manager must reduce the vacation accrual to at or below the maximum, or be subject to the accrual discontinuance provisions outlined herein.
- E. A manager, other than shift personnel, who has taken a minimum of eighty (80) hours of vacation and/or management leave in the payroll year may request to be paid in full for up to 120 hours of accrued vacation in any one payroll year during the vacation cash-out period established by the City. Shift personnel may request vacation cash-out only if they take a minimum of one hundred twenty (120) hours of vacation in the payroll year and they may request to be paid in full for up to 168 hours of accrued vacation in any one payroll year during the vacation buy-back period established by the City.

**12. Vacation & Sick Leave Advanced Credit Upon Hire**

- A. An employee who is appointed from outside City of Santa Barbara government service within one (1) year of leaving employment with either the City of Santa Barbara or another city, county, state agency, federal agency or special district and who, in the opinion of the Human Resources Manager, possesses government experience directly related to the position to which he or she has been appointed, may be offered credit for years of prior service with the City of Santa Barbara and/or his or her immediate previous government employer in the following ways:
  - i. Vacation Accrual: At the discretion of the Human Resources Manager, the employee may be offered credit for up to the total number of prior full years of service at the City of Santa Barbara and/or his or her immediate previous government employer toward the initial vacation accrual rate. The employee will not be eligible to progress to a higher accrual rate until employee has the normal required minimum amount of City of Santa Barbara service for that accrual rate.

- ii. Sick bank: At the discretion of the Human Resources Manager, the employee may be credited with up to 96 hours of sick leave. Thereafter, employee will accrue sick leave at the normal rate.

- B. A former City of Santa Barbara employee reemployed within one year under Santa Barbara Municipal Code Section 3.16.320 will automatically qualify for the full vacation accrual credit under (i), above, for his or her prior City of Santa Barbara service. However, under no circumstance will prior accrued vacation balances cashed out to the employee upon termination be reinstated.

**13. Holidays and Personal Leave**

- A. Members on a regular 40 hour shift will be eligible for legal holidays and personal leave under the same terms as other Group II Managers under the citywide Management Performance and Compensation Plan.

Following ratification of this Agreement, holidays and personal leave for the July 2012 through June 2013 Fiscal Year will be restored to these levels.

- B. Shift personnel will accrue holidays and personal leave days at the combined rate of one twelve (12) hour day per month.

Following ratification of this Agreement, holiday accruals for the July 2012 through June 2013 Fiscal Year will be restored to these levels.

- C. If an employee's accrued holiday bank exceeds 156 hours, the City shall have the option either to require the employee to take the excess holiday time off or to pay the employee for the excess hours at straight time. The option of time off or pay in lieu of holiday hours shall be at the sole discretion of the City.

Employees who are bargaining unit members on the date of ratification of the 2012-2015 Agreement shall not be subject to the holiday accrual cap. The maximum holiday accrual for these employees will be the number of hours that they had in their respective banks effective the end of the first full pay period after ratification.

**14. Sick Leave**

Non-shift members are eligible for regular sick leave accrual on the same basis as other Group II Managers under the citywide Management Performance and Compensation Plan.

For shift personnel, regular days of sick leave will accrue at 12 hours per month.

All employees shall be subject to a maximum regular sick leave accrual, not including non-replenishable sick leave Under Article 15 of this Agreement, of 2160 hours.

**15. Non-Replenishable Sick Leave**

- A. After five (5) years of continuous service, a non-shift employee may accumulate additional “non-replenishable” sick leave at the rate of sixteen (16) hours at full salary for each additional year of continuous service. The maximum accumulation is two hundred and forty (240) hours and is not replenishable.
- B. For shift personnel, after five (5) years of continuous service, an employee may accumulate additional “non-replenishable” sick leave at the rate of twenty four (24) hours at full salary for each additional year of continuous service. The maximum accumulation is three hundred and sixty (360) hours and is not replenishable.
- C. Non-replenishable sick leave hours may only be used after the employee’s entire regular sick leave bank is exhausted.

**16. Catastrophic Leave**

Employees will be eligible to donate vacation time to the applicable leave banks of full-time and part-time employees who are incapacitated due to a catastrophic illness or injury or who must care for a spouse or child who has a catastrophic illness or injury under the same terms and conditions as other Group II Managers.

**17. Leaves of Absence**

- A. Employees may request a medical leave of absence of up to one year under the City’s FMLA/CFRA Family Medical Leave Policy, the Leave without Pay (Medical Reasons) Policy, the Maternity Leave Policy, and/or the Parental Leave Policy.
- B. The City Administrator may grant an extra leave of absence, in addition to that provided under the various sick leave policies to an employee who has been continuously employed by the City for five (5) years or more. When all sick leave has been exhausted, the employee can make a request, in writing, for extra leave and attach a report from his/her medical doctor stating the extent of the illness and the approximate time required for recovery. If approved the request shall be based on the following schedule:

Service in Years (active & continuous)	Maximum # of Months of Extra Leave Allowable
5- 10	3
10-15	6 (including the 3 above)
15-20	9 (including the 6 above)
20 +	12 (including the 9 above)

During such period of extra leave, the employee shall receive an amount equal to 50% of his/her regular salary

- C. Non-Medical Leave: Employees may also request a personal leave of absence of up to one year for non-medical reasons under the City's Leave of Absence Without Pay (Non-medical reasons) Policy. A sabbatical may constitute a reason for a leave of absence. An approved leave of absence without pay will not constitute a break in continuous service.

**18. PERS Retirement**

- A. Employees will be covered under the Fire Safety contract under the Public Employees' Retirement System (PERS) with a 3% at age 50 benefit formula.
- B. Employees shall contribute toward PERS Retirement as follows:
  - 1. Effective July 1, 2012 employees will continue to pay 2.98% of salary to CalPERS under Government Code Section 20516(a) (Cost Sharing). The City will continue to contribute the entire required employee portion of the PERS contribution rate equal to 9% of pensionable income on behalf of bargaining unit members as Employer Paid Member Contributions (EPMC), which shall be credited to the individual member's account.
  - 2. Effective January 12, 2013, existing employees will contribute a portion of the required employee contribution equal to 2.25% of pensionable income and the City's Employer Paid Member Contributions (EPMC) will be reduced accordingly to 6.75% of pensionable income. If retroactivity for the January 12, 2013 employee contribution increase cannot be achieved, a higher amount will be temporarily implemented to achieve similar City savings to the January 12, 2013 implementation date.
  - 3. Effective June 29, 2013 payments under Government Section 20516(a) will end and employees will contribute 4.5% of pensionable income or one-half of the normal member contribution. The City's Employer Paid Member Contributions will be reduced accordingly to 4.5% of pensionable income.
  - 4. Effective January 11, 2014 employees will contribute a member contribution an amount equal to 7% of pensionable income and the City's Employer Paid Member Contributions (EPMC) will be reduced accordingly to 2% of pensionable income.
  - 5. Effective January 10, 2015 employees will pay the entire member contribution equal to 9% of pensionable income.
- C. Until January 9, 2015, The City shall report the value of any Employer Paid Member Contributions (EPMC) to PERS as compensation earnable pursuant to Government Code Section 20636(c)(4). Effective January 10, 2015, the City will rescind resolutions for paying and reporting the value of Employer Paid Member

Contributions to PERS as compensation pursuant to Government Code Section 20636(c)(4) for all employees.

- D. Notwithstanding Sections A through C, above, effective January 1, 2013, new members as defined by California Public Employees' Pension Reform Act of 2013 (hereinafter "AB 340") will be covered under the 2.7% at 57 retirement formula, with a final compensation measurement period of the average of the highest three (3) consecutive years, as well as all other statutory requirements of AB 340. Effective January 1, 2013, new employees and/or members as defined by AB 340 shall contribute half the normal cost for benefits, as defined by AB 340; the City will not pay any portion of these employees' required contributions.
- E. Employees will also have the option, at their own expense, to receive PERS service credit for any military service time or other service time eligible for service credit purchase under the PERS Fire Safety plan.
- F. Employees may convert unused accumulated sick leave to additional PERS service credit at the time of retirement. (Government Code Section 20965).

**19. Deferred Compensation**

In addition to the City's retirement plans, employees may elect to participate in a tax-qualified Section 457 government defined contribution retirement program.

**20. Retiree Medical Insurance Contribution**

- A. This provision is applicable to employees who retire from City service and
  - 1. Have 10 or more years of classified or unclassified service; or
  - 2. Retire from the City with an industrial disability retirement.
- B. The City will contribute \$10.50 per month, per year of service, toward the purchase of retiree medical insurance, up to a maximum of 35 years (i.e. \$315 per month).
- C. The retiree is not limited to the purchase of a City sponsored plan, provided however, that if the retiree purchases another insurance plan, the retiree must supply the City with adequate proof of insurance coverage prior to any contribution from the City. Proof of such coverage will be provided to the City on a periodic basis, as reasonably determined by the City.
- D. The City will continue to make its contribution until the retiree reaches age 65 or dies, whichever occurs first, provided however, that if the retiree dies before reaching the age of 65 and there is a surviving spouse or registered domestic partner, the City's contribution will cease when the retiree would have reached 65. Thereafter, the spouse may remain on the insurance plan, at his/her cost, subject to the conditions set forth by the insurance company.

**21. Uniform Allowance**

Members will receive an annual uniform allowance equal to the amount established for a Firefighter per the Fire Unit evaluation in effect at the time.

**22. Educational Reimbursement Programs**

The Citywide Educational Reimbursement Policy and the Management Master's Degree Program were suspended effective July 1, 2009. Employees will not be eligible for these benefits until such time as the program has been reinstated by the City Administrator Citywide.

**23. City Rights**

- A. The City shall retain, whether exercised or not, solely and exclusively, all express and inherent rights and authority pursuant to law, except to the extent such authority is explicitly waived by the express terms of this agreement.
- B. The City's rights shall include the right to determine the level of, and the manner in which, the City's activities are conducted, managed, and administered. The Association recognizes the exclusive right of the City to establish and maintain rules and procedures for the administration of its departments. Such rights include, but are not limited to, the exclusive right to: determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of economic reasons or for cause as provided in Section 1007 of the City Charter; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.
- C. The Association recognizes that the City Administrator retains, whether exercised or not, exclusive management decision-making authority over matters within the rights of the City.

**24. Term, Waiver, and Severability**

- A. The term of this agreement shall be thirty six (36) months commencing July 1, 2012 and ending at midnight on June 30, 2015. The term of this agreement may be extended by mutual agreement.
- B. The Association and the City each acknowledges that it had the unlimited right to bargain with regard to issues within the scope of representation. For the term of

this Agreement, unless otherwise provided in this Agreement, neither the Association nor the City shall be further obligated to meet and confer. All terms and conditions of employment within the Association's scope of representation not covered by this agreement shall continue to remain in full force and effect.

- C. If any provision of this Agreement is declared by judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of state, federal or local laws or regulations, such part of the provision will be suspended and superseded by the applicable law or regulation and the remainder of this Agreement shall remain in full force and effect for the duration of this Agreement.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Airport Department

**SUBJECT:** Records Destruction For Airport Department

### **RECOMMENDATION:**

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Airport Department in the Administration Division.

### **DISCUSSION:**

The City Council adopted Resolution No. 12-008 on February 14, 2012, approving the City of Santa Barbara Records Management Policies and Procedures Manual. The Manual contains the records retention and disposition schedules for all City departments. The schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice.

Pursuant to the Manual, the Airport Director submitted a request for records destruction to the City Clerk Services Manager to obtain written consent from the City Attorney. The City Clerk Services Manager agreed that the list of records proposed for destruction conformed to the retention and disposition schedules. The City Attorney has consented in writing to the destruction of the proposed records.

The Airport Director requests the City Council to approve the destruction of the Airport Department records in the Administration Division listed on Exhibit A of the resolution without retaining a copy.

### **SUSTAINABILITY IMPACT:**

Under the City's Sustainability Program, one of the City's goals is to increase recycling efforts and divert waste from landfills. The Citywide Records Management Program outlines that records approved for destruction be recycled, reducing paper waste.

Council Agenda Report  
Records Destruction For Airport Department  
May 14, 2013  
Page 2

**SUBMITTED BY:** Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RELATING TO THE DESTRUCTION OF RECORDS HELD BY THE AIRPORT DEPARTMENT IN THE ADMINISTRATION DIVISION

WHEREAS, the City Council adopted Resolution No. 12-008 on February 14, 2012, approving the City of Santa Barbara Records Management Policies and Procedures Manual;

WHEREAS, the City of Santa Barbara Records Management Policies and Procedures Manual contains the records retention and disposition schedules for all City departments. The records retention and disposition schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice;

WHEREAS, Government Code section 34090 provides that, with the approval of the City Council and the written consent of the City Attorney, the head of a City department may destroy certain city records, documents, instruments, books or papers under the Department Head's charge, without making a copy, if the records are no longer needed;

WHEREAS, the Airport Director submitted a request for the destruction of records held by the Airport Department to the City Clerk Services Manager to obtain written consent from the City Attorney. A list of the records, documents, instruments, books or papers proposed for destruction is attached hereto as Exhibit A and shall hereafter be referred to collectively as the "Records";

WHEREAS, the Records do not include any records affecting title to real property or liens upon real property, court records, records required to be kept by statute, records less than two years old, video or audio recordings that are evidence in any claim or pending litigation, or the minutes, ordinances or resolutions of the City Council or any City board or commission;

WHEREAS, the City Clerk Services Manager agrees that the proposed destruction conforms to the City's retention and disposition schedules;

WHEREAS, the City Attorney consents to the destruction of the Records; and

WHEREAS, the City Council of the City of Santa Barbara finds and determines that the Records are no longer required and may be destroyed.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA that the Airport Director, or her designated representative, is authorized and directed to destroy the Records without retaining a copy.

Airport Department  
Administration Division

Records Series

Dates

General Files

1970 – 2001

Work Orders

2010 – 2012

Administration Financial Files

2007 -2009



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** City Clerk's Office, Administrative Services Department

**SUBJECT:** Agreements With Martin & Chapman Company And Donna M. Grindey, CMC, For Election Services Related To The November 5, 2013 General Municipal Election

**RECOMMENDATION:** That Council:

- A. Authorize the Assistant City Administrator to execute a \$134,000 professional services agreement with Martin & Chapman Company for election services necessary concerning the City's November 2013 General Election, and to approve expenditures of up to \$20,100 for extra services that may result from necessary changes in the scope of work; and
- B. Authorize the Assistant City Administrator to execute a \$30,000 professional services agreement with Donna M. Grindey, CMC, for election services, and to approve expenditures of up to \$4,500 for extra services that may result from necessary changes in the scope of work.

**DISCUSSION:**

The City's next general municipal election to fill the Mayor's and three City Council seats and to decide one ballot measure will be held on Tuesday, November 5, 2013. On April 23, 2013, Council authorized staff to conduct a Vote-By-Mail Election. At this point in the election planning process, staff is requesting that Council authorize contracting with Martin & Chapman Company and Donna M. Grindey, CMC, for professional services related to the administration of the November 5, 2013 Vote-By-Mail General Municipal Election.

Martin & Chapman Company and Donna Grindey specialize in and have provided comprehensive election services to local municipalities, including the City of Santa Barbara.

Martin & Chapman Company, located in Anaheim, California, was established in 1956 and provides election supplies, services and consultation to over 400 cities, counties and associations in the states of California and Nevada. Martin & Chapman satisfactorily provided stand-alone election services to the City in 2007, 2009 and 2011.

Additionally, the Company has provided limited consultant services to the City of Santa Barbara related to ballot measures, initiatives and elections for the past 20 years. Martin & Chapman serves as the primary election consultant for cities in the California counties of Ventura, Santa Barbara, San Luis Obispo, Los Angeles, Orange, San Bernardino, Riverside, San Diego, and Imperial.

Martin & Chapman will provide the following supplies and services to the City of Santa Barbara:

- Nomination, mail ballot and precinct supplies;
- Voter identification reports;
- Vote by mail tracking program;
- Sample ballot/voter information pamphlets;
- Official ballots and supplies;
- Ballot counting, including equipment, and election night supplies;
- Translation services; and
- Qualified staff member availability by telephone or in person.

Donna M. Grindey is a retired City Clerk who specializes in election consulting services. Ms. Grindey will provide assistance with all aspects of the election process, especially focusing on the vote-by-mail process. As a City Clerk, Ms. Grindey successfully held seven stand-alone elections for the cities of Santa Clarita and Lancaster. Ms. Grindey has satisfactorily previously provided stand-alone election consultant services to several tri-county cities, including the City of Santa Barbara in 2007, 2009 and 2011.

Ms. Grindey will provide the following consulting services:

- Supervision of all aspects of the vote-by-mail process;
- Training of vote-by-mail board members and preparation of reports;
- Preparation and review of election materials;
- Training of City staff on various aspects of the election process; and
- Assistance with training, procedures and design for central counting place.

Staff plans to return to Council on June 4, 2013, to request Council adoption of the following resolutions necessary to schedule the City's general municipal election:

- Calling for the Election;
- Authorizing a Vote-By-Mail Election;
- Adopting regulations pertaining to candidates' statements;
- Directing the City Attorney to prepare impartial analyses of any ballot measures or Charter Amendments; and
- Setting priorities for filing written arguments for ballot measures or Charter Amendments.

At the June 4, 2013 meeting, staff will also provide Council with an update on the locations of the drop-off centers, as requested by Council at the April 23, 2013 meeting.

**BUDGET/FINANCIAL INFORMATION:**

The City Clerk's Office included \$300,000 in the Fiscal Year 2014 proposed budget to cover the costs of the November 5, 2013, general municipal election, including the services outlined in this report .

**PREPARED BY:** Gwen Peirce, CMC, City Clerk Services Manager

**SUBMITTED BY:** Marcelo A. López, Assistant City Administrator

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Business Division, Waterfront Department

**SUBJECT:** Representative Services Agreement With Carpi & Clay, Inc.

**RECOMMENDATION:**

That Council authorize the Waterfront Director to execute a Representative Services Agreement between the City of Santa Barbara and Carpi & Clay, doing business as Carpi, Clay & Smith, for liaison and contact services with the United States Government, at a rate not to exceed \$1,600 per month, and in a total amount not to exceed \$38,400 for fiscal years 2014 and 2015.

**DISCUSSION:**

The Waterfront Department retained Carpi, Clay & Smith (formerly E. Del Smith and Company) beginning in Fiscal Year 1989-1990 to assist in dealing with significant issues regarding federal assistance in the Waterfront, including the successful return of the Naval Reserve Center to the City and continued maintenance dredging of the Harbor by the U.S. Army Corps of Engineers. Funding for ongoing maintenance dredging of the Santa Barbara Harbor continues in large part due to the coordination and assistance of Carpi, Clay & Smith.

Although Waterfront Department staff continues to work directly with federal officials and the California Marine Affairs and Navigation Conference (CMANC), the retention of Carpi, Clay & Smith provides a more direct and continuous approach to our federal representatives in Washington, D.C. Funds for this contract were included in the Department's two-year financial plan for Fiscal Years 2014 and 2015.

**PREPARED BY:** Brian J. Bosse, Waterfront Business Manager

**SUBMITTED BY:** Scott Riedman, Waterfront Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Airport Department

**SUBJECT:** Authorization To Award A Purchase Order For The Airport Building 247 Demolition Project

**RECOMMENDATION:** That Council:

Authorize the General Services Manager to issue a purchase order with Tryco Contracting Company, in their low bid amount of \$67,000, for the Airport Building 247 Demolition Project, Bid Number 3692, and approve expenditures of up to \$6,700 for extra services of Tryco Contracting Company that may result from necessary changes in the scope of work.

**DISCUSSION:**

**PROJECT DESCRIPTION**

Airport Building 247 was constructed as part of the Marine Corps Air Station in early 1942. The 20,000 square foot building was constructed as an aircraft hangar. However, it has not been used as an aircraft hangar for over forty years. Generally it has been rented to multiple airport tenants for storage uses.

In 1997 the Santa Barbara Airport Industrial Area Specific Plan was approved and included the demolition of a number of buildings including Building 247 in anticipation of the then-proposed Gateway Center Project. The demolition of Hangar 247 was analyzed in the 1997 Santa Barbara Airport Industrial Area Specific Plan Environmental Impact Report. The required mitigation, which consisted of large scale photo documentation by a qualified architectural historian consistent with the City's MEA Cultural Resources policy, was completed in 1998.

More recently, the building structural system has deteriorated resulting in two of the eight bottom chords in the roof truss systems breaking. This has resulted in the failure of the roof system, as well as causing the entire building to lean. Accordingly, the Building Department has ordered the building to be demolished or repaired. Repairs are

not an option as the building is dangerous and would have to have extensive demolition in order to make the repairs. The building would also need to be brought up to code to meet today's building codes which are more stringent than those in place over sixty years ago when constructed.

#### CONTRACT BIDS

A total of seven bids were received for the subject work, ranging as follows:

	<b>BIDDER</b>	<b>BID AMOUNT</b>
1.	Tryco Contracting Simi Valley	<i>\$67,000</i>
2.	Unlimited Environmental Signal Hill	<i>\$67,750</i>
3.	Peter Lapidus Carpinteria	<i>\$75,240</i>
4.	Cushman Contracting Goleta	<i>\$82,000</i>
5.	Standard Industries Saticoy	<i>\$97,721</i>
6.	A.J. Diani Construction Santa Maria	<i>\$122,535</i>
7.	Bob's Backhoe Goleta	<i>\$128,388</i>

The low bid of \$67,000, submitted by Tryco Contracting Company, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$6,700, or ten percent, is typical for this type of work and size of project.

#### FUNDING

This project is funded by the Airport Capital Fund. There are sufficient funds in the Airport Capital Fund to cover the cost of this Project.

The following summarizes the expenditures recommended in this report:

**CONSTRUCTION CONTRACT FUNDING SUMMARY**

	<b>Basic Contract</b>	<b>Change Funds</b>	<b>Total</b>
Tryco Contracting	\$67,000	\$6,700	\$73,700
<b>TOTAL RECOMMENDED AUTHORIZATION</b>			<b>\$73,700</b>

**PREPARED BY:** Leif Reynolds, Project Engineer

**SUBMITTED BY:** Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Contract For Construction For The Chapala Street Bridge Replacement Project

**RECOMMENDATION:** That Council:

- A. Award a contract with Granite Construction Company in their low bid amount of \$1,411,510 for construction of the Chapala Street Bridge Replacement Project, Bid No. 3590;
- B. Authorize the Public Works Director to execute the contract in the amount of \$1,411,510 with Granite Construction Company and approve expenditures up to \$141,151 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;
- C. Authorize the Public Works Director to execute a contract with MNS Engineers, Incorporated, in the amount of \$478,596 for construction management services, and approve expenditures of up to \$16,404 for extra services of MNS Engineers that may result from necessary changes in the scope of work;
- D. Authorize the Public Works Director to execute a contract with Drake Haglan and Associates in the amount of \$45,080 for design support services during construction;
- E. Accept Federal Highway Administration Grant funding in the total amount of \$2,188,562 to cover the cost of construction;
- F. Increase appropriations and estimated revenues by \$2,188,562 in the Fiscal Year 2013 Streets Capital Fund for the Chapala Street Bridge Replacement Project funded by the Federal Highway Administration Grant;
- G. Authorize an appropriation of \$74,537 from available Streets Fund reserves to cover final City costs for the design and right of way phases as well as to cover the cost of work not eligible for reimbursement during the construction phase of this Project; and
- H. Increase appropriations and estimated revenues by \$2,000 in the Fiscal Year 2013 Streets Capital Fund for the Chapala Street Bridge Replacement Project from revenues from granting Crown Castle a utility easement.

## **EXECUTIVE SUMMARY:**

Six bids were received for the Chapala Street Bridge Replacement Project (Project), with the lowest bidder being Granite Construction Company (Granite). To complete the construction phase of the Project, staff recommends that Council authorize the Public Works Director to accept the low bid and enter into a contract with Granite. Staff also recommends that Council authorize the Public Works Director to enter into contracts with MNS Engineers (MNS) and Drake Haglan and Associates (Drake Haglan) for professional services during construction.

## **DISCUSSION:**

### **PROJECT DESCRIPTION**

The work consists of demolishing the existing 4,655-square foot bridge deck and replacing it with a 2,740 square-foot bridge deck. The south side of the new bridge deck will be supported on piles and a foundation behind the existing sandstone abutment. The north side of the new bridge will be supported by a new abutment that will be located in the same location as the existing sandstone wall. In consensus with Creeks and Transportation staff recommendations, and as approved by the Planning Commission, the new bridge will be reduced in width and still be able to provide one vehicular lane in each direction and a five-foot sidewalk on each side. The Project also includes native landscaping and new street lighting.

The northerly bridge abutment will be immediately adjacent to the proposed Lower Mission Creek Flood Control Project bypass box culvert. The box culvert will be constructed by the Santa Barbara County Flood Control District in 2014.

### **SCHEDULE AND TEMPORARY TRAFFIC CONTROL**

The local utility companies will be performing utility relocations during May 2013, in preparation for the replacement of the bridge.

Construction is scheduled to begin in June 2013, and will be completed by winter 2014. Since the bridge runs across the full width of Chapala Street and Yanonali Street, construction work will require that the intersection be closed to thru-traffic for approximately seven months. Detours for pedestrians, bicycles, and vehicles will be in place.

## CONTRACT BIDS

A total of six bids were received for the subject work, ranging as follows:

	<b>BIDDER</b>	<b>BID AMOUNT</b>
1.	Granite Construction Company Santa Barbara	\$1,411,510.00
2.	Brough Construction, Incorporated Arroyo Grande	\$1,559,635.50*
3.	C.A. Rasmussen, Incorporated Valencia	\$1,583,723.50
4.	Whitaker Construction Group, Incorporated Paso Robles	\$1,665,392.55
5.	Lash Construction, Incorporated Santa Barbara	\$1,695,801.00
6.	Specialty Construction, Incorporated San Luis Obispo	\$2,194,060.00

\*corrected bid total

The low bid of \$1,411,510, submitted by Granite, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$141,151, or 10 percent, is typical for this type of work and size of project.

## CONSTRUCTION PHASE CONTRACT SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with MNS in the amount of \$478,596 for construction management services, and approve expenditures of up to \$16,404 for extra services of MNS Engineers that may result from necessary changes in the scope of work. MNS was selected by a Request for Proposals process in which they were ranked the highest, based on their qualifications and experience on similar projects.

Staff recommends that Council authorize the Public Works Director to execute a contract with Drake Haglan in the amount of \$45,080 for design support services during

construction. Drake Haglan was the design engineer, and their services will need to be retained during the construction phase.

#### COMMUNITY OUTREACH

Staff is currently working on a community outreach strategy with Ayars & Associates for the construction phase of the project. Anticipated outreach methods include a preconstruction mailing, project fact sheet, preconstruction community meeting, road signs, project website, hotline, and a ribbon cutting ceremony for the completed bridge.

#### FUNDING

Federal Highway Administration (FHWA) grant funds have been authorized to pay for 100 percent of eligible project construction costs, with the City contributing ineligible costs (e.g. utility undergrounding). The FHWA grant is administered through Caltrans.

The construction phase of this project totals \$2,215,099. The FHWA grant will cover eligible costs of \$2,188,562, with the balance of \$26,537 payable by the City for ineligible costs. There is an additional \$50,000 required to cover final City costs not covered by the grant during the design and right of way phases for a total City funding need of \$76,537.

To satisfy the City funding need, staff recommends appropriations of \$74,537 from Streets Fund Measure A reserves and \$2,000 from revenues from an easement to be granted to Crown Castle across the Depot Triangle.

The following summarizes the expenditures recommended in this report:

#### CONSTRUCTION CONTRACT FUNDING SUMMARY

	<b>Basic Contract</b>	<b>Change Funds</b>	<b>Total</b>
Granite	\$1,411,510	\$141,151	\$1,552,661
MNS	\$478,596	\$16,404	\$495,000
Drake Haglan	\$45,080	\$0	\$45,080
<b>TOTAL RECOMMENDED AUTHORIZATION</b>			<b>\$2,092,741</b>

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

**ESTIMATED TOTAL PROJECT COST**

*\*Cents have been rounded to the nearest dollar in this table.*

	FHWA Share	City Share	Total Cost
Design (by Contract)	\$513,087	\$66,476	\$579,563
Other Design Costs (by Contract)	\$90,510	\$11,726	\$102,236
City Staff Costs	\$237,438	\$123,950*	\$361,388
Temporary and Permanent Construction Easements	\$7,675	\$0	\$7,675
Permits	\$0	\$7,934	\$7,934
Special Supplies and Expenses	\$0	\$441	\$441
<b><i>Design Subtotal</i></b>	<b>\$848,710</b>	<b>\$210,527</b>	<b>\$1,059,237</b>
Construction Contract	\$1,411,510	\$0	\$1,411,510
Construction Change Order Allowance	\$141,151	\$0	\$141,151
Construction Management/Inspection (by Contract)	\$495,000	\$0	\$495,000
Design Support	\$45,080	\$0	\$45,080
<b><i>Construction Contracts</i></b>	<b>\$2,092,741</b>	<b>\$0</b>	<b>\$2,092,741</b>
Pre-Construction Services (construction management and community outreach by separate contracts)	\$49,885	\$0	\$49,885
Project Management (by City Staff)	\$45,936	\$11,484	\$57,420
Utility Underground Conduit Installation through Depot Triangle Property (by Purchase Order)	\$0	\$10,053	\$10,053
Miscellaneous Expenses	\$0	\$5,000	\$5,000
<b><i>Miscellaneous Construction</i></b>	<b>\$95,821</b>	<b>\$26,537</b>	<b>\$122,358</b>
<b><i>Construction Subtotal</i></b>	<b>\$2,188,562</b>	<b>\$26,537</b>	<b>\$2,215,099</b>
<b>TOTAL PROJECT COST</b>	<b>\$3,037,272</b>	<b>\$237,064</b>	<b>\$3,274,336</b>

\* Includes \$50,000 in additional City funding need for a total of \$76,537 including construction.

**SUSTAINABILITY IMPACT:**

The Project was designed to replace the Chapala Street Bridge to provide for all forms of transportation while protecting the historical sandstone channel walls and improving visibility of Mission Creek. The Project also includes the use of native plants that require less water, and street lights that are energy efficient. The concrete, asphalt, and steel that is removed during demolition, will be recycled.

**PREPARED BY:** Linda Sumansky, Principal Engineer/AH/mj  
**SUBMITTED BY:** Christine F. Andersen, Public Works Director  
**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Finance Department

**SUBJECT:** Tax Equity And Fiscal Responsibility Act Hearing for Covenant Retirement Communities, Inc. (Samarkand) Debt Issuance

### RECOMMENDATION:

That Council hold a public hearing and adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving a Tax-Exempt Bond Financing to be Issued by the California Statewide Communities Development Authority to Benefit Covenant Retirement Communities, Inc. and Certain Affiliates.

### DISCUSSION:

The California Statewide Communities Development Authority (Authority) is a joint exercise of powers authority formed to assist local governments and non-profits with their financing needs. The City is a member of the Authority.

The Authority is assisting Covenant Retirement Communities, Inc. (Covenant) with a debt issuance in an amount not to exceed \$40 million. Covenant owns and operates several continuing care retirement communities in California. Among the Covenant facilities, one is located at 2550 Treasure Drive in Santa Barbara.

Covenant Retirement Communities, Inc., an Illinois not for profit corporation, has requested that the Authority issue bonds to finance the renovation of their long term care facilities. One of these facilities is located in the City of Santa Barbara.

Under federal and state law, the governing body of any local entity within which bond proceeds are to be spent must: (1) conduct a public hearing and (2) approve the issuance of the debt. Therefore, because the new bond financing will benefit the Covenant property, which is located within the City of Santa Barbara, the City Council must hold a public hearing and adopt a resolution approving the debt issuance. Council has held numerous such TEFRA (Tax Equity and Fiscal Responsibility Act) hearings, most recently for the issuance of bonds by California Statewide Communities Development Authority for the benefit of the American Baptist Homes of the West (Valle Verde), which was approved by City Council on January 26, 2010.

It is important to understand that the City is in no way associated with the debt issuance and is not obligated to make debt service payments on the bonds. In addition, holding a public hearing and adopting a resolution in no way makes the City a party to the debt issuance. Federal laws governing these types of hearings recognized that non-profit agencies typically do not have the facilities to conduct their own public hearings; therefore, the local jurisdictions were allowed to loan their facilities and process to hold public hearings for the benefit of the issuing agency.

Staff recommends the City hold the public hearing and adopt the resolution approving the issuance of bonds by the Authority.

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SANTA BARBARA APPROVING A TAX-EXEMPT BOND  
FINANCING TO BE ISSUED BY THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT  
AUTHORITY TO BENEFIT COVENANT RETIREMENT  
COMMUNITIES, INC. AND CERTAIN AFFILIATES

WHEREAS, Covenant Retirement Communities, Inc., an Illinois not for profit corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") issue bonds in one or more series in an aggregate principal amount not to exceed \$40,000,000 (the "Bonds"), up to \$5,000,000 of which will be used to, among other things, finance or reimburse the cost of the acquisition, construction, remodeling, renovation and equipping (the "Financing") of certain long-term care facilities, including, without limitation, the (i) acquisition, construction, equipping, remodeling and renovation of independent living and health care facilities owned or operated by the Corporation or Covenant Retirement Communities West (d/b/a The Samarkand, Brandel Hall and The Smith Health Care Center) (the "Facilities") located in the City of Santa Barbara (the "City"), (ii) fund a debt service reserve fund if deemed necessary or advisable by the Corporation or the Authority, (iii) provide working capital to the Corporation if deemed necessary or advisable by the Corporation or the Authority, (iv) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation or the Authority, and (v) pay certain expenses incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Facilities are located within the territorial limits of the City;

WHEREAS, the City Council of the City (the "Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code;

WHEREAS, the Authority has requested that the Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Santa Barbara as follows:

Section 1. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council that this Resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Facilities are to be located, in accordance with said Section 147(f) and (b) Section 9 of the Agreement.

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 14th day of May, 2013.

Approved as to form:

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John F. Bibby, Jr., as  
Bond Counsel to the Authority

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Assistant City Attorney

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Santa Barbara at a regularly scheduled meeting thereof, held on the 14th day of May, 2013 by the following vote of the Council:

AYES:

NOES:

ABSENT:

---

City Clerk



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Resolution Approving Application For Clean Beaches Initiative Grant

### **RECOMMENDATION:**

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara, Authorizing the Public Works Director to Submit a Clean Beaches Initiative Grant Application in an Amount Not to Exceed \$675,000, and Execute an Agreement with the California State Water Resources Control Board Grant Program.

### **DISCUSSION:**

The Clean Beaches Initiative Grant Program was initiated by the State Water Resources Control Board to provide funding for projects that promote water quality and environmental protection of coastal waters, estuaries, bays, and near-shore waters. In particular, 38 California beaches have been identified as Priority Beaches for grant projects, including East Beach at Mission Creek, Leadbetter Beach, and Arroyo Burro Beach.

The Public Works Department is conducting the Wastewater Main Rehabilitation Project (Project) in the Laguna Watershed. The Project consists of rehabilitating wastewater pipeline to prevent possible pipe leakage from collection system pipes which could filter through soils and enter storm drain pipes. Cured-in-place resin or plastic liner will be used to line the pipes. Sewer pipes that cross directly above a storm drain pipe, or are within five meters and above a storm drain pipe, are designated for rehabilitation or repair. Adoption of a resolution authorizing application for the grant is a required part of the grant application.

Staff anticipates applying for a grant award amount of \$675,000. If awarded, the City is required to provide a 75% funding match for the Project consisting of capital costs for design and construction. This amounts to \$2,700,000. The grant will offset costs for project work that is currently in design. Adequate funding is available in the Wastewater Fund.

**SUSTAINABILITY IMPACT:**

The Project will identify and rehabilitate wastewater lines that have the potential to leak. Lining these pipes will proactively eliminate the opportunity for leakage that could reach storm drains and subsequently Santa Barbara's beaches.

**PREPARED BY:** Rebecca Bjork, Water Resources Manager/TL/mh

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SUBMIT A CLEAN BEACHES INITIATIVE GRANT APPLICATION IN AN AMOUNT NOT TO EXCEED \$675,000, AND EXECUTE AN AGREEMENT WITH THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD GRANT PROGRAM

WHEREAS, the California State Water Resources Control Board (SWRCB) has enacted the Clean Beaches Initiative Grant Program to support projects that promote water quality and environmental protection of coastal waters, estuaries, bays, and near-shore waters;

WHEREAS, the City is in support of projects that promote water quality and maintenance of sewer infrastructure; and

WHEREAS, the City proposes to enter into an agreement with the SWRCB to meet all established deadlines for the purposes of the grant program.

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

The Public Works Director, or her designee, is hereby authorized and empowered to submit a grant application to the SWRCB Clean Beaches Initiative Grant Program, execute in the name of the City of Santa Barbara all necessary applications, contracts, payment requests, agreements and amendments hereto for the purpose of securing grant funds, and to implement and carry out the project identified in the grant application.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013  
**TO:** Mayor and Councilmembers  
**FROM:** Accounting Division, Finance Department  
**SUBJECT:** Fiscal Year 2013 Third Quarter Review

**RECOMMENDATION:** That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2013;
- B. Accept the Fiscal Year 2013 Interim Financial Statements for the Nine Months Ended March 31, 2013; and
- C. Approve the proposed third quarter adjustments to Fiscal Year 2013 appropriations and estimated revenues as detailed in the schedule of Proposed Third Quarter Adjustments.

**DISCUSSION:**

Each month, staff presents the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the third quarter budget analysis, staff is bringing forward recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2012. Attachment 3 includes the proposed adjustments to the current year budget. A discussion of each is presented below.

### **General Fund**

#### Fire Department

The Fire Department incurred \$46,430 in overtime, tuition and travel costs to send firefighters to off-site training courses during fiscal year 2013. These costs were

reimbursed through a training grant administered by the County of Santa Barbara. Staff is requesting an increase to estimated revenues and appropriations by \$46,430 to cover the costs associated with the off-site training courses.

#### Public Works Department

The Public Works Department is currently performing a soil remediation project at 101 State Street. During the excavation process, the scope of work was increased due to unanticipated contamination in the street surrounding utilities which are scheduled to be replaced by the La Entrada Project in May 2013. The increase in the scope of work requires additional funding beyond the original project budget. Staff is requesting an increase in appropriations of \$70,000 in the General Fund from a transfer of available reserves in the Utility Undergrounding Fund for the Environmental Compliance Program.

#### Community Development Department

In Fiscal Year 2006, the City Redevelopment Agency received an in-lieu mitigation fee, hereafter referred to as Overnight Accommodation Mitigation funds, for the loss of previously existing lower cost overnight visitor accommodation services at the California Hotel. The funds are intended to be used to subsidize or encourage the development of new, or the maintenance or preservation of existing, lower cost visitor-serving accommodations. Upon dissolution of the City Redevelopment Agency in Fiscal Year 2012, the Overnight Accommodation Mitigation funds were transferred into the Successor Agency Fund and subsequently transferred to the City Affordable Housing Fund. Staff has determined that these funds are better accounted for in the General Fund and reserved for the aforementioned purpose. Therefore, staff recommends transferring the \$1,224,867 balance in the Overnight Mitigation Fund account, and moving the year-to-date revenues and expenditures related to this account in the amount of \$28,219 and \$58,687, respectively, to the General Fund (Community Development Department).

#### General Government

The City has received a total of \$3,496,581 in one-time, unbudgeted revenues in the General Fund through April 30, 2013. Of this total, \$1,130,771 represents a reimbursement from the County of Santa Barbara for property tax administration fees overcharged from Fiscal Years 2006 through 2011. The balance of \$2,365,810 is the City's share of property tax increment funds previously held by the former City Redevelopment Agency that were paid to the County and allocated to all taxing agencies within the City.

On February 2012, Council approved the use of \$277,000 of the \$2,365,810 one-time property tax revenues to pay for estimated design costs for the 9-11 Call Center Project, leaving a balance of \$2,088,810.

In the summer, staff will be returning to Council to discuss the potential use, such as for capital, of these and other anticipated one-time revenues. As such, staff recommends transferring the property tax administration fees and the balance of the property tax revenues, totaling \$3,219,581, to the General Fund Capital Outlay Fund.

### **Utility Undergrounding Fund and Streets Fund**

#### Public Works Department

1. There are \$11,535 in available reserves and \$26,539 in appropriated but unspent capital funds, for a total of \$38,074, in the Utility Undergrounding Fund. Public Works intends to close the Fund at the end of Fiscal Year 2013. Therefore, staff is requesting that these funds be transferred to the Streets Fund for the Zone 6 Pavement Preparation contract.
2. During the third quarter, Staff identified the completed Cabrillo/Anacapa Intersection Improvement Project in the Streets Fund with remaining appropriations totaling \$52,824. Staff recommends these remaining appropriations be transferred to the new HSIP Traffic Signal Safety Project in the Streets Fund to cover design costs and the City's matching portion of the project costs. The project will receive grant funding from the Highway Safety Improvement Program in Fiscal Year 2014.

### **Streets Grant Capital Fund**

The Public Works Department applied for additional grant funding from the Federal Highway Administration (FHWA) to fund several current projects and two new projects. During Fiscal Year 2013, Public Works received notification from FHWA of grant approval in the amount of \$2,302,300. As such, Staff is recommending that the \$2,302,300 in grant funds be appropriated to the following two new projects and four existing projects in the Streets Grants Capital Fund:

1. The New Bridge Preventative Maintenance Project – Phase II - \$82,072
2. The New Anapamu Street Bridge Replacement Project - \$700,000
3. The Cota Street Bridge Replacement Project - \$597,578
4. The Cabrillo at Mission Creek Bridge Project - \$480,000
5. The De La Guerra Street Bridge Replacement Project - \$221,325
6. The Gutierrez Street Bridge Replacement Project - \$221,325

### **Measure D and Measure A Funds**

The Public Works Department will begin a significant project to perform pavement maintenance in the City, referred to as the Zone 6 Pavement Preparation and Maintenance contract. In anticipation of this contract, the department has identified unused capital project funds, additional revenues and reserves in Measure D and Measure A Funds that are available for use. Staff is requesting to appropriate \$124,911, of which \$12,493 would be funded from revenues and \$112,418 from available reserves, to the Zone 6 Pavement Preparation and Maintenance contracts in the Measure D Fund. Staff is also requesting to appropriate \$725,463 from reserves in the Measure A Fund for the Zone 6 Pavement Preparation and Maintenance contracts.

### **Golf Course Capital and Fleet Replacement Funds**

1. The Parks and Recreation Department has identified the need for golf course maintenance equipment, such as mowers and light utility vehicles, in the amount of \$350,000 to replace aging and broken equipment. The replacement of the maintenance equipment will reduce annual maintenance and repair costs and improve staff efficiencies with regard to golf course maintenance.

Due to limited reserves in the Golf Course Operating and Capital Funds, staff has requested a loan from the Fleet Replacement Fund in the amount of \$275,000 to provide the necessary additional funds to purchase the maintenance equipment in the current fiscal year. The Golf loan will have a term of 5 years at 3% interest with repayments scheduled to begin in fiscal year 2014. Staff is requesting approval of the loan and an adjustment to both the Golf Course and Fleet Replacement Funds' budgets for this loan.

2. An existing Parking Enforcement Officer (PEO) scooter that was scheduled and budgeted for replacement in Fiscal Year 2014 has been experiencing technical difficulties requiring costly repairs. Staff recommends an additional appropriation of \$35,000 for the purchase of the Parking Enforcement Office scooter in Fiscal Year 2013 from reserves in the Fleet Replacement Fund.

As the \$35,000 is budgeted in Fiscal Year 2014, staff will recommend adjusting the Fiscal Year 2014 budget prior to adoption for this change.

### **Water and Wastewater Capital Funds**

The Public Works Department has analyzed individual capital project needs in the Water and Wastewater Funds to determine the need for any adjustments. Staff is recommending the transfer of \$741,769 of unspent appropriations in the Rehab Aeration Basin Project in the Water Capital Fund to the same project in the Wastewater Capital Fund. This project was originally budgeted in both funds as it benefits both the

Wastewater and Water utilities; however, the requested transfer will enable staff to better manage and track expenditures out of one fund.

### **Airport Capital and Airport Grants Funds**

The Federal Aviation Authority (FAA) awards Airport Improvement Program (AIP) grant funds based on bid after the completion of the design and permitting process. As a result, the costs to design, permit and bid FAA capital projects are budgeted and spent out of the Airport Capital Fund. Once FAA grant funding is received for construction of the project into the Airport Grants Fund, the Airport Capital Fund is reimbursed for the expended design, permitting and bidding costs. During the current fiscal year, the Airport Grants Fund received FAA funding in the amount of \$109,530 which Staff is requesting be used to reimburse the Airport Capital Fund, resulting in an increase in appropriations and revenues of \$109,530 in the Airport Capital Fund.

### **Waterfront Harbor Preservation Capital and Waterfront Capital Funds**

During the third quarter of Fiscal Year 2013, the Waterfront Department identified three projects in the Waterfront Capital Fund that incurred additional costs due to either an increase in the scope of work for each project or unanticipated needs. Staff is recommending the following increase in appropriations for capital projects in the Waterfront Capital Fund from a transfer in available reserves in the Waterfront Harbor Preservation Capital Fund:

1. \$14,000 for the Stearns Wharf Annual Repair Program to provide for dive inspections of Stearns Wharf piles in support of the CIP Heavy Timber Replacement Project.
2. \$70,000 for the Harbor Restroom Remodel Project for engineering and construction work to address significant structural defects identified during the project that compromise public safety.
3. \$13,000 for the Seawall ADA Handrail and Sidewalk Replacement Project for added sidewalk replacement work and upgraded utility service to Waterfront business tenants.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Nine Months Ended March 31, 2013
  2. Interim Financial Statements for the Nine Months Ended March 31, 2013 (Narrative Analysis)
  3. Schedule of Proposed Third Quarter Adjustments

**PREPARED BY:** Julie Nemes, Accounting Manager

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenditures**  
**Summary by Fund**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>GENERAL FUND</b>					
Revenue	106,560,556	75,208,344	-	31,352,212	70.6%
Expenditures	106,879,618	80,119,103	1,402,520	25,357,995	76.3%
<i>Addition to / (use of) reserves</i>	<u>(319,062)</u>	<u>(4,910,759)</u>	<u>(1,402,520)</u>		
<b>WATER OPERATING FUND</b>					
Revenue	36,392,362	29,542,581	-	6,849,781	81.2%
Expenditures	35,143,747	23,088,489	2,303,575	9,751,683	72.3%
<i>Addition to / (use of) reserves</i>	<u>1,248,615</u>	<u>6,454,092</u>	<u>(2,303,575)</u>		
<b>WASTEWATER OPERATING FUND</b>					
Revenue	20,257,200	15,962,840	-	4,294,360	78.8%
Expenditures	17,369,170	10,865,909	1,254,754	5,248,508	69.8%
<i>Addition to / (use of) reserves</i>	<u>2,888,030</u>	<u>5,096,931</u>	<u>(1,254,754)</u>		
<b>DOWNTOWN PARKING</b>					
Revenue	7,163,539	5,761,966	-	1,401,573	80.4%
Expenditures	7,905,307	5,635,791	256,935	2,012,582	74.5%
<i>Addition to / (use of) reserves</i>	<u>(741,768)</u>	<u>126,175</u>	<u>(256,935)</u>		
<b>AIRPORT OPERATING FUND</b>					
Revenue	14,774,556	11,352,776	-	3,421,780	76.8%
Expenditures	16,334,202	10,508,926	493,804	5,331,472	67.4%
<i>Addition to / (use of) reserves</i>	<u>(1,559,646)</u>	<u>843,849</u>	<u>(493,804)</u>		
<b>GOLF COURSE FUND</b>					
Revenue	1,872,903	1,258,259	-	614,644	67.2%
Expenditures	1,923,510	1,502,405	10,224	410,881	78.6%
<i>Addition to / (use of) reserves</i>	<u>(50,607)</u>	<u>(244,146)</u>	<u>(10,224)</u>		
<b>INTRA-CITY SERVICE FUND</b>					
Revenue	5,957,600	4,092,152	-	1,865,448	68.7%
Expenditures	6,634,278	4,262,754	928,236	1,443,288	78.2%
<i>Addition to / (use of) reserves</i>	<u>(676,679)</u>	<u>(170,602)</u>	<u>(928,236)</u>		

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenditures**  
**Summary by Fund**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>FLEET REPLACEMENT FUND</b>					
Revenue	2,549,018	1,918,252	-	630,766	75.3%
Expenditures	2,596,624	871,232	1,313,954	411,437	84.2%
<i>Addition to / (use of) reserves</i>	<u>(47,606)</u>	<u>1,047,020</u>	<u>(1,313,954)</u>		
<b>FLEET MAINTENANCE FUND</b>					
Revenue	2,441,918	1,843,369	-	598,549	75.5%
Expenditures	2,586,089	1,849,426	179,793	556,870	78.5%
<i>Addition to / (use of) reserves</i>	<u>(144,171)</u>	<u>(6,057)</u>	<u>(179,793)</u>		
<b>SELF INSURANCE TRUST FUND</b>					
Revenue	6,101,986	4,555,444	-	1,546,542	74.7%
Expenditures	5,949,472	4,323,353	154,733	1,471,386	75.3%
<i>Addition to / (use of) reserves</i>	<u>152,514</u>	<u>232,091</u>	<u>(154,733)</u>		
<b>INFORMATION SYSTEMS ICS FUND</b>					
Revenue	2,358,079	1,768,696	-	589,383	75.0%
Expenditures	2,933,492	1,960,060	125,310	848,122	71.1%
<i>Addition to / (use of) reserves</i>	<u>(575,413)</u>	<u>(191,364)</u>	<u>(125,310)</u>		
<b>WATERFRONT FUND</b>					
Revenue	12,072,564	9,475,105	-	2,597,459	78.5%
Expenditures	13,162,748	9,379,886	478,901	3,303,961	74.9%
<i>Addition to / (use of) reserves</i>	<u>(1,090,184)</u>	<u>95,218</u>	<u>(478,901)</u>		
<b>TOTAL FOR ALL FUNDS</b>					
Revenue	218,502,281	162,739,784	-	55,762,496	74.5%
Expenditures	219,418,257	154,367,335	8,902,739	56,148,183	74.4%
<i>Addition to / (use of) reserves</i>	<u>(915,977)</u>	<u>8,372,449</u>	<u>(8,902,739)</u>		

*\*\* It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.*

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Budgeted and Actual Revenues**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
<b>TAXES</b>					
Sales and Use	19,933,931	14,152,711	5,781,220	71.0%	13,114,287
Property Taxes	24,904,503	13,910,255	10,994,248	55.9%	12,804,564
Utility Users Tax	7,015,200	5,204,714	1,810,486	74.2%	5,368,565
Transient Occupancy Tax	14,489,200	10,955,881	3,533,319	75.6%	10,268,916
Business License	2,220,780	1,992,075	228,705	89.7%	1,756,821
Real Property Transfer Tax	356,180	493,951	(137,771)	138.7%	273,771
<i>Total</i>	<u>68,919,794</u>	<u>46,709,587</u>	<u>22,210,207</u>	<u>67.8%</u>	<u>43,586,924</u>
<b>LICENSES &amp; PERMITS</b>					
Licenses & Permits	208,988	138,319	70,669	66.2%	162,057
<i>Total</i>	<u>208,988</u>	<u>138,319</u>	<u>70,669</u>	<u>66.2%</u>	<u>162,057</u>
<b>FINES &amp; FORFEITURES</b>					
Parking Violations	2,382,621	1,866,283	516,338	78.3%	1,787,651
Library Fines	120,331	93,936	26,395	78.1%	82,029
Municipal Court Fines	162,352	77,487	84,865	47.7%	83,308
Other Fines & Forfeitures	305,000	201,748	103,252	66.1%	163,548
<i>Total</i>	<u>2,970,304</u>	<u>2,239,454</u>	<u>730,850</u>	<u>75.4%</u>	<u>2,116,536</u>
<b>USE OF MONEY &amp; PROPERTY</b>					
Investment Income	729,077	582,647	146,430	79.9%	564,250
Rents & Concessions	453,827	302,605	151,222	66.7%	284,882
<i>Total</i>	<u>1,182,904</u>	<u>885,252</u>	<u>297,652</u>	<u>74.8%</u>	<u>849,131</u>
<b>INTERGOVERNMENTAL</b>					
Grants	521,134	685,963	(164,829)	131.6%	168,033
Vehicle License Fees	-	48,265	(48,265)	100.0%	-
Reimbursements	14,040	16,536	(2,496)	117.8%	1,323
<i>Total</i>	<u>535,174</u>	<u>750,764</u>	<u>(215,590)</u>	<u>140.3%</u>	<u>169,356</u>
<b>FEES &amp; SERVICE CHARGES</b>					
Finance	848,301	653,751	194,550	77.1%	629,069
Community Development	4,495,945	3,226,742	1,269,203	71.8%	3,062,282
Recreation	2,441,584	1,780,199	661,385	72.9%	1,604,067
Public Safety	555,980	416,367	139,613	74.9%	439,269
Public Works	5,407,003	4,082,840	1,324,163	75.5%	3,832,541
Library	673,140	626,390	46,750	93.1%	641,694
Reimbursements	4,271,753	3,252,784	1,018,969	76.1%	4,398,931
<i>Total</i>	<u>18,693,706</u>	<u>14,039,073</u>	<u>4,654,633</u>	<u>75.1%</u>	<u>14,607,853</u>
<b>OTHER REVENUES</b>					
Miscellaneous	1,688,908	1,966,037	(277,130)	116.4%	1,438,615
Franchise Fees	3,509,700	2,714,122	795,578	77.3%	2,523,299
Indirect Allocations	5,841,852	4,381,389	1,460,463	75.0%	4,583,864
Operating Transfers-In	3,009,226	1,384,347	1,624,879	46.0%	1,350,046
<i>Total</i>	<u>14,049,686</u>	<u>10,445,896</u>	<u>3,603,790</u>	<u>74.3%</u>	<u>9,895,824</u>
<b>TOTAL REVENUES</b>	<u>106,560,556</u>	<u>75,208,344</u>	<u>31,352,212</u>	<u>70.6%</u>	<u>71,387,681</u>

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>GENERAL GOVERNMENT</b>						
<u>Mayor &amp; City Council</u>						
MAYOR	737,693	557,640	515	179,538	75.7%	
<i>Total</i>	737,693	557,640	515	179,538	75.7%	536,178
<u>City Attorney</u>						
CITY ATTORNEY	2,011,215	1,573,244	8,325	429,646	78.6%	
<i>Total</i>	2,011,215	1,573,244	8,325	429,646	78.6%	1,473,223
<u>Administration</u>						
CITY ADMINISTRATOR	1,551,018	1,138,691	515	411,812	73.4%	
CITY TV	473,554	353,097	24,600	95,857	79.8%	
<i>Total</i>	2,024,572	1,491,788	25,114	507,669	74.9%	1,455,513
<u>Administrative Services</u>						
CITY CLERK	461,229	328,828	9,169	123,232	73.3%	
HUMAN RESOURCES	1,258,017	903,224	9,321	345,472	72.5%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	14,447	5,260	-	9,187	36.4%	
<i>Total</i>	1,733,693	1,237,312	18,490	477,891	72.4%	1,420,882
<u>Finance</u>						
ADMINISTRATION	241,585	218,395	2,871	20,319	91.6%	
TREASURY	530,592	387,957	14,600	128,034	75.9%	
CASHIERING & COLLECTION	438,330	333,886	-	104,444	76.2%	
LICENSES & PERMITS	446,773	333,359	-	113,414	74.6%	
BUDGET MANAGEMENT	434,881	329,059	1,400	104,422	76.0%	
ACCOUNTING	493,940	352,871	45,160	95,909	80.6%	
PAYROLL	286,604	216,253	-	70,351	75.5%	
ACCOUNTS PAYABLE	218,948	164,214	-	54,734	75.0%	
CITY BILLING & CUSTOMER SERVICE	647,851	483,068	-	164,783	74.6%	
PURCHASING	698,481	432,320	2,381	263,779	62.2%	
CENTRAL STORES	160,944	109,596	280	51,069	68.3%	
MAIL SERVICES	108,448	82,751	255	25,442	76.5%	
<i>Total</i>	4,707,377	3,443,729	66,948	1,196,700	74.6%	3,231,501
<b>TOTAL GENERAL GOVERNMENT</b>	<b>11,214,550</b>	<b>8,303,714</b>	<b>119,392</b>	<b>2,791,444</b>	<b>75.1%</b>	<b>8,117,298</b>

**PUBLIC SAFETY**

Police

CHIEF'S STAFF	994,588	792,612	496	201,480	79.7%	
SUPPORT SERVICES	626,474	480,194	515	145,765	76.7%	
RECORDS	1,173,614	873,039	8,367	292,208	75.1%	
COMMUNITY SVCS	994,713	831,621	1,930	161,163	83.8%	
PROPERTY ROOM	155,893	100,441	-	55,452	64.4%	
TRNG/RECRUITMENT	412,970	463,631	19,112	(69,773)	116.9%	
RANGE	1,157,431	903,026	14,184	240,222	79.2%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>PUBLIC SAFETY</b>						
<u>Police</u>						
BEAT COORDINATORS	826,160	647,298	-	178,862	78.4%	
INFORMATION TECHNOLOGY	1,320,105	945,912	56,240	317,953	75.9%	
INVESTIGATIVE DIVISION	4,697,571	3,518,002	6,613	1,172,956	75.0%	
CRIME LAB	132,701	101,458	-	31,243	76.5%	
PATROL DIVISION	15,300,604	11,579,078	94,686	3,626,840	76.3%	
TRAFFIC	1,373,035	1,042,120	689	330,226	75.9%	
SPECIAL EVENTS	786,140	785,178	-	962	99.9%	
TACTICAL PATROL FORCE	1,311,426	951,142	7,948	352,335	73.1%	
STREET SWEEPING ENFORCEMENT	306,625	175,410	-	131,215	57.2%	
NIGHT LIFE ENFORCEMENT	287,755	227,687	-	60,068	79.1%	
PARKING ENFORCEMENT	944,849	673,211	27,800	243,838	74.2%	
CCC	2,389,953	1,727,453	4	662,496	72.3%	
ANIMAL CONTROL	629,335	424,916	-	204,419	67.5%	
<i>Total</i>	<u>35,821,942</u>	<u>27,243,427</u>	<u>238,584</u>	<u>8,339,932</u>	76.7%	<u>25,933,426</u>
<u>Fire</u>						
ADMINISTRATION	773,141	609,258	2,114	161,770	79.1%	
EMERGENCY SERVICES AND PUBLIC ED	254,443	197,727	-	56,716	77.7%	
PREVENTION	1,141,192	794,819	-	346,373	69.6%	
WILDLAND FIRE MITIGATION PROGRAM	174,860	131,648	7,092	36,120	79.3%	
OPERATIONS	17,706,629	13,751,798	72,635	3,882,196	78.1%	
ARFF	1,740,953	1,363,146	-	377,807	78.3%	
<i>Total</i>	<u>21,791,218</u>	<u>16,848,495</u>	<u>81,841</u>	<u>4,860,882</u>	77.7%	<u>15,637,136</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>57,613,160</u>	<u>44,091,922</u>	<u>320,424</u>	<u>13,200,814</u>	77.1%	<u>41,570,563</u>
<b>PUBLIC WORKS</b>						
<u>Public Works</u>						
ADMINISTRATION	1,005,992	713,790	6,765	285,437	71.6%	
ENGINEERING SVCS	4,650,713	3,472,504	2,216	1,175,993	74.7%	
PUBLIC RT OF WAY MGMT	1,000,166	722,302	454	277,409	72.3%	
ENVIRONMENTAL PROGRAMS	557,906	248,385	253,285	56,237	89.9%	
<i>Total</i>	<u>7,214,777</u>	<u>5,156,981</u>	<u>262,720</u>	<u>1,795,077</u>	75.1%	<u>4,884,076</u>
<b>TOTAL PUBLIC WORKS</b>	<u>7,214,777</u>	<u>5,156,981</u>	<u>262,720</u>	<u>1,795,077</u>	75.1%	<u>4,884,076</u>
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
PRGM MGMT & BUS SVCS	413,527	314,593	327	98,606	76.2%	
FACILITIES	828,084	584,170	13,094	230,820	72.1%	
YOUTH ACTIVITIES	714,977	601,915	4,816	108,247	84.9%	
SR CITIZENS	723,198	530,754	40	192,404	73.4%	
AQUATICS	1,096,927	862,679	20,564	213,684	80.5%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
SPORTS	484,909	349,609	3,603	131,697	72.8%	
TENNIS	255,362	179,621	-	75,741	70.3%	
NEIGHBORHOOD & OUTREACH SERV	951,954	758,032	3,124	190,798	80.0%	
ADMINISTRATION	599,031	448,092	990	149,949	75.0%	
PROJECT MANAGEMENT TEAM	223,076	174,696	-	48,380	78.3%	
BUSINESS SERVICES	310,413	218,367	12,132	79,914	74.3%	
FACILITY & PROJECT MGT	973,211	744,132	-	229,080	76.5%	
GROUNDS MANAGEMENT	4,357,754	3,134,422	133,914	1,089,418	75.0%	
FORESTRY	1,182,017	809,502	159,979	212,536	82.0%	
BEACH MAINTENANCE	151,599	115,406	13,781	22,412	85.2%	
<i>Total</i>	13,266,039	9,825,988	366,364	3,073,686	76.8%	9,385,672
<u>Library</u>						
ADMINISTRATION	537,794	408,641	24,900	104,253	80.6%	
PUBLIC SERVICES	2,136,837	1,530,459	700	605,678	71.7%	
SUPPORT SERVICES	2,004,205	1,288,014	133,735	582,456	70.9%	
<i>Total</i>	4,678,836	3,227,114	159,335	1,292,387	72.4%	2,849,640
<b>TOTAL COMMUNITY SERVICES</b>	<b>17,944,875</b>	<b>13,053,102</b>	<b>525,699</b>	<b>4,366,073</b>	<b>75.7%</b>	<b>12,235,312</b>
<b>COMMUNITY DEVELOPMENT</b>						
<u>Community Development</u>						
ADMINISTRATION	577,992	437,917	4,055	136,020	76.5%	
ECON DEV	47,384	31,080	-	16,304	65.6%	
CITY ARTS ADVISORY PROGRAM	427,260	394,248	-	33,012	92.3%	
HUMAN SVCS	926,170	736,220	145,214	44,736	95.2%	
LR PLANNING/STUDIES	966,481	693,422	245	272,814	71.8%	
DEV & DESIGN REVIEW	1,251,412	873,161	10,230	368,022	70.6%	
ZONING	1,204,968	845,008	2,416	357,545	70.3%	
DESIGN REV & HIST PRESERVATN	1,083,146	764,595	4,506	314,045	71.0%	
BLDG PERMITS	1,097,900	830,383	314	267,203	75.7%	
RECORDS & ARCHIVES	543,242	370,356	6,974	165,912	69.5%	
PLAN CK & COUNTER SRV	1,308,665	853,383	332	454,951	65.2%	
<i>Total</i>	9,434,620	6,829,818	174,285	2,430,517	74.2%	7,068,991
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>9,434,620</b>	<b>6,829,818</b>	<b>174,285</b>	<b>2,430,517</b>	<b>74.2%</b>	<b>7,068,991</b>
<b>NON-DEPARTMENTAL</b>						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	24,057	-	(1,785)	108.0%	
COMMUNITY PROMOTIONS	1,536,799	1,579,694	-	(42,895)	102.8%	
SPECIAL PROJECTS	381,073	315,558	-	65,515	82.8%	
TRANSFERS OUT	43,500	32,625	-	10,875	75.0%	

CITY OF SANTA BARBARA  
 General Fund  
 Interim Statement of Appropriations, Expenditures and Encumbrances  
 For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>NON-DEPARTMENTAL</b>						
<u>Non-Departmental</u>						
DEBT SERVICE TRANSFERS	349,125	320,456	-	28,669	91.8%	
CAPITAL OUTLAY TRANSFER	826,176	411,176	-	415,000	49.8%	
APPROP. RESERVE	298,691	-	-	298,691	0.0%	
<i>Total</i>	3,457,636	2,683,566	-	774,070	77.6%	2,429,225
<b>TOTAL NON-DEPARTMENTAL</b>	3,457,636	2,683,566	-	774,070	77.6%	2,429,225
<b>TOTAL EXPENDITURES</b>	106,879,618	80,119,103	1,402,520	25,357,995	76.3%	76,305,464

*\*\* The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

*For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.*

**CITY OF SANTA BARBARA**  
**Special Revenue Funds**  
**Interim Statement of Revenues and Expenditures**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
<b>TRAFFIC SAFETY FUND</b>					
Revenue	506,204	402,496	-	103,708	79.5%
Expenditures	506,204	402,496	-	103,708	79.5%
<i>Revenue Less Expenditures</i>	-	-	-	-	
<b>CREEK RESTORATION/WATER QUALITY IMPRVMT</b>					
Revenue	3,002,872	2,229,482	-	773,390	74.2%
Expenditures	4,119,708	2,492,300	369,619	1,257,790	69.5%
<i>Revenue Less Expenditures</i>	(1,116,836)	(262,818)	(369,619)	(484,399)	
<b>SOLID WASTE PROGRAM</b>					
Revenue	18,509,144	14,152,019	-	4,357,125	76.5%
Expenditures	18,677,350	13,672,646	141,131	4,863,573	74.0%
<i>Revenue Less Expenditures</i>	(168,206)	479,373	(141,131)	(506,448)	
<b>COMM.DEVELOPMENT BLOCK GRANT</b>					
Revenue	2,132,621	849,430	-	1,283,191	39.8%
Expenditures	2,132,621	684,416	98,254	1,349,950	36.7%
<i>Revenue Less Expenditures</i>	-	165,014	(98,254)	(66,760)	
<b>COUNTY LIBRARY</b>					
Revenue	1,849,920	1,070,008	-	779,912	57.8%
Expenditures	2,050,848	1,434,926	89,058	526,863	74.3%
<i>Revenue Less Expenditures</i>	(200,928)	(364,918)	(89,058)	253,049	
<b>STREETS FUND</b>					
Revenue	10,214,197	8,092,763	-	2,121,434	79.2%
Expenditures	14,027,197	7,850,685	1,302,639	4,873,874	65.3%
<i>Revenue Less Expenditures</i>	(3,813,000)	242,078	(1,302,639)	(2,752,440)	
<b>MEASURE A</b>					
Revenue	3,021,238	2,464,384	-	556,854	81.6%
Expenditures	3,322,218	1,787,252	838,878	696,088	79.0%
<i>Revenue Less Expenditures</i>	(300,980)	677,132	(838,878)	(139,234)	

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

**WATER OPERATING FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Water Sales - Metered	29,800,000	23,532,529	-	6,267,471	79.0%	22,872,931
Service Charges	537,000	478,732	-	58,268	89.1%	650,765
Cater JPA Treatment Charges	2,405,482	1,627,231	-	778,251	67.6%	1,564,163
Investment Income	500,000	454,943	-	45,057	91.0%	523,016
Rents & Concessions	-	17,154	-	(17,154)	100.0%	-
Reimbursements	519,880	742,845	-	(222,965)	142.9%	227,133
Miscellaneous	30,000	89,147	-	(59,147)	297.2%	63,729
Operating Transfers-In	2,600,000	2,600,000	-	-	100.0%	379,126
<b>TOTAL REVENUES</b>	<u>36,392,362</u>	<u>29,542,581</u>	<u>-</u>	<u>6,849,781</u>	<u>81.2%</u>	<u>26,280,863</u>
<b>EXPENSES</b>						
Salaries & Benefits	7,830,597	5,769,511	-	2,061,086	73.7%	5,484,165
Materials, Supplies & Services	9,187,970	5,251,999	1,665,257	2,270,715	75.3%	4,936,904
Special Projects	1,282,374	456,179	405,318	420,877	67.2%	264,934
Water Purchases	7,963,366	5,893,928	174,561	1,894,877	76.2%	5,621,198
Debt Service	4,989,408	3,056,385	-	1,933,023	61.3%	3,264,453
Capital Outlay Transfers	3,426,649	2,569,987	-	856,662	75.0%	8,463,312
Equipment	149,093	29,391	27,361	92,341	38.1%	58,564
Capitalized Fixed Assets	129,289	31,912	31,077	66,300	48.7%	49,997
Other	35,000	29,199	-	5,801	83.4%	27,215
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>35,143,747</u>	<u>23,088,489</u>	<u>2,303,575</u>	<u>9,751,683</u>	<u>72.3%</u>	<u>28,170,742</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

**WASTEWATER OPERATING FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Service Charges	16,337,000	12,143,528	-	4,193,472	74.3%	11,138,935
Fees	614,000	570,902	-	43,098	93.0%	617,912
Investment Income	206,200	129,096	-	77,104	62.6%	169,743
Public Works	25,000	34,603	-	(9,603)	138.4%	32,017
Miscellaneous	25,000	34,710	-	(9,710)	138.8%	23,391
Operating Transfers-In	3,050,000	3,050,000	-	-	100.0%	505,572
<b>TOTAL REVENUES</b>	<b>20,257,200</b>	<b>15,962,840</b>	<b>-</b>	<b>4,294,360</b>	<b>78.8%</b>	<b>12,487,571</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,423,604	4,022,122	-	1,401,482	74.2%	3,725,805
Materials, Supplies & Services	6,708,910	4,231,502	1,196,711	1,280,698	80.9%	4,160,619
Special Projects	326,300	5,591	55,000	265,709	18.6%	2,104
Debt Service	1,646,192	314,422	-	1,331,770	19.1%	324,512
Capital Outlay Transfers	3,000,121	2,250,091	-	750,030	75.0%	3,444,419
Equipment	83,044	34,410	44	48,590	41.5%	31,789
Capitalized Fixed Assets	26,000	6,771	3,000	16,229	37.6%	5,605
Other	5,000	1,000	-	4,000	20.0%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>17,369,170</b>	<b>10,865,909</b>	<b>1,254,754</b>	<b>5,248,508</b>	<b>69.8%</b>	<b>11,695,852</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**  
**DOWNTOWN PARKING**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Improvement Tax	840,000	737,845	-	102,155	87.8%	689,567
Parking Fees	5,757,166	4,509,830	-	1,247,336	78.3%	4,594,652
Investment Income	112,800	84,301	-	28,499	74.7%	89,467
Rents & Concessions	40,925	30,694	-	10,231	75.0%	40,925
Miscellaneous	1,500	(976)	-	2,476	-65.1%	12
Operating Transfers-In	411,148	400,273	-	10,875	97.4%	265,394
<b>TOTAL REVENUES</b>	<b>7,163,539</b>	<b>5,761,966</b>	<b>-</b>	<b>1,401,573</b>	<b>80.4%</b>	<b>5,680,015</b>
<b>EXPENSES</b>						
Salaries & Benefits	4,024,353	2,920,704	-	1,103,649	72.6%	2,840,414
Materials, Supplies & Services	1,915,082	1,284,295	120,628	510,159	73.4%	1,216,025
Special Projects	531,806	372,071	131,242	28,493	94.6%	406,251
Transfers-Out	297,121	222,841	-	74,280	75.0%	222,841
Capital Outlay Transfers	1,111,945	833,959	-	277,986	75.0%	782,452
Equipment	25,000	1,921	5,065	18,014	27.9%	3,437
<b>TOTAL EXPENSES</b>	<b>7,905,307</b>	<b>5,635,791</b>	<b>256,935</b>	<b>2,012,582</b>	<b>74.5%</b>	<b>5,471,420</b>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**  
**AIRPORT OPERATING FUND**

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
<b>REVENUES</b>						
Leases - Commercial / Industrial	4,345,075	3,329,406	-	1,015,669	76.6%	3,263,753
Leases - Terminal	5,043,600	3,643,481	-	1,400,119	72.2%	3,506,671
Leases - Non-Commerical Aviation	1,498,800	1,227,265	-	271,535	81.9%	1,120,835
Leases - Commerical Aviation	3,549,000	2,971,169	-	577,831	83.7%	2,264,210
Investment Income	171,700	96,696	-	75,004	56.3%	134,122
Miscellaneous	166,381	84,759	-	81,622	50.9%	235,011
Operating Transfers-In	-	-	-	-	100.0%	225,124
<b>TOTAL REVENUES</b>	<b>14,774,556</b>	<b>11,352,776</b>	<b>-</b>	<b>3,421,780</b>	<b>76.8%</b>	<b>10,749,726</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,101,719	3,743,071	-	1,358,648	73.4%	3,735,152
Materials, Supplies & Services	7,079,052	4,648,080	491,035	1,939,937	72.6%	4,448,831
Special Projects	736,200	385,024	-	351,176	52.3%	511,757
Transfers-Out	18,295	13,721	-	4,574	75.0%	33,159
Debt Service	1,780,853	571,869	-	1,208,984	32.1%	-
Capital Outlay Transfers	1,469,012	1,129,003	-	340,009	76.9%	1,159,537
Equipment	63,569	16,998	2,769	43,802	31.1%	57,643
Other	-	1,161	-	(1,161)	100.0%	-
Appropriated Reserve	85,502	-	-	85,502	0.0%	-
<b>TOTAL EXPENSES</b>	<b>16,334,202</b>	<b>10,508,926</b>	<b>493,804</b>	<b>5,331,472</b>	<b>67.4%</b>	<b>9,946,080</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

**GOLF COURSE FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Fees & Card Sales	1,559,903	1,029,856	-	530,047	66.0%	1,093,668
Investment Income	6,300	7,421	-	(1,121)	117.8%	7,658
Rents & Concessions	306,000	220,683	-	85,317	72.1%	212,817
Miscellaneous	700	300	-	400	42.8%	400
Operating Transfers-In	-	-	-	-	100.0%	77,717
<b>TOTAL REVENUES</b>	<b>1,872,903</b>	<b>1,258,259</b>	<b>-</b>	<b>614,644</b>	<b>67.2%</b>	<b>1,392,260</b>
<b>EXPENSES</b>						
Salaries & Benefits	989,689	792,005	-	197,684	80.0%	832,414
Materials, Supplies & Services	560,984	384,378	10,224	166,382	70.3%	345,833
Special Projects	300	363	-	(63)	120.9%	-
Debt Service	185,650	179,852	-	5,798	96.9%	180,294
Capital Outlay Transfers	158,373	118,780	-	39,593	75.0%	69,027
Equipment	27,500	26,180	-	1,320	95.2%	1,013
Other	1,014	847	-	167	83.5%	847
<b>TOTAL EXPENSES</b>	<b>1,923,510</b>	<b>1,502,405</b>	<b>10,224</b>	<b>410,881</b>	<b>78.6%</b>	<b>1,429,428</b>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2013 (75% of Fiscal Year)**

**INTRA-CITY SERVICE FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Service charges	99,584	74,688	-	24,896	75.0%	74,688
Work Orders - Bldg Maint.	3,085,446	2,262,766	-	822,680	73.3%	2,377,251
Grants	321,388	128,095	-	193,293	39.9%	542,409
Service Charges	2,057,130	1,542,849	-	514,281	75.0%	1,525,402
Reimbursements	-	-	-	-	100.0%	792
Miscellaneous	394,052	83,754	-	310,298	21.3%	6,388
Operating Transfers-In	-	-	-	-	100.0%	251,177
<b>TOTAL REVENUES</b>	<u>5,957,600</u>	<u>4,092,152</u>	<u>-</u>	<u>1,865,448</u>	<u>68.7%</u>	<u>4,778,107</u>
<b>EXPENSES</b>						
Salaries & Benefits	3,290,726	2,473,343	-	817,383	75.2%	2,254,170
Materials, Supplies & Services	1,158,398	847,407	80,480	230,511	80.1%	800,949
Special Projects	1,884,447	729,171	845,551	309,726	83.6%	1,111,080
Equipment	15,000	4,260	-	10,740	28.4%	1,755
Capitalized Fixed Assets	285,708	208,574	2,206	74,928	73.8%	468,218
<b>TOTAL EXPENSES</b>	<u>6,634,278</u>	<u>4,262,754</u>	<u>928,236</u>	<u>1,443,288</u>	<u>78.2%</u>	<u>4,636,171</u>

**CITY OF SANTA BARBARA**  
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**FLEET REPLACEMENT FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Vehicle Rental Charges	2,146,217	1,609,663	-	536,554	75.0%	1,350,896
Investment Income	128,400	105,534	-	22,866	82.2%	103,102
Rents & Concessions	224,401	168,301	-	56,100	75.0%	168,301
Miscellaneous	50,000	34,755	-	15,245	69.5%	68,843
<b>TOTAL REVENUES</b>	<b>2,549,018</b>	<b>1,918,252</b>	<b>-</b>	<b>630,766</b>	<b>75.3%</b>	<b>1,691,141</b>
<b>EXPENSES</b>						
Salaries & Benefits	185,579	143,427	-	42,152	77.3%	122,901
Materials, Supplies & Services	3,059	2,004	-	1,055	65.5%	1,501
Special Projects	300,000	-	-	300,000	0.0%	-
Capitalized Fixed Assets	2,107,986	725,801	1,313,954	68,231	96.8%	261,270
<b>TOTAL EXPENSES</b>	<b>2,596,624</b>	<b>871,232</b>	<b>1,313,954</b>	<b>411,437</b>	<b>84.2%</b>	<b>385,673</b>

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**FLEET MAINTENANCE FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Vehicle Maintenance Charges	2,371,918	1,778,938	-	592,980	75.0%	1,778,938
Reimbursements	10,000	7,500	-	2,500	75.0%	-
Miscellaneous	60,000	56,931	-	3,069	94.9%	28,702
Operating Transfers-In	-	-	-	-	100.0%	74,104
<b>TOTAL REVENUES</b>	<u>2,441,918</u>	<u>1,843,369</u>	<u>-</u>	<u>598,549</u>	<u>75.5%</u>	<u>1,881,744</u>
<b>EXPENSES</b>						
Salaries & Benefits	1,220,922	944,695	-	276,227	77.4%	877,828
Materials, Supplies & Services	1,250,057	872,861	158,141	219,055	82.5%	740,779
Special Projects	105,110	31,680	21,652	51,778	50.7%	22,325
Equipment	10,000	190	-	9,810	1.9%	-
<b>TOTAL EXPENSES</b>	<u>2,586,089</u>	<u>1,849,426</u>	<u>179,793</u>	<u>556,870</u>	<u>78.5%</u>	<u>1,640,932</u>

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**SELF INSURANCE TRUST FUND**

	<b>** Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Insurance Premiums	2,598,025	1,948,518	-	649,507	75.0%	1,910,313
Workers' Compensation Premiums	2,600,000	1,950,000	-	650,000	75.0%	1,875,000
OSH Charges	187,961	-	-	187,961	0.0%	-
Investment Income	116,000	52,727	-	63,273	45.5%	89,201
Reimbursements	-	-	-	-	100.0%	967
Miscellaneous	-	4,198	-	(4,198)	100.0%	2,933
Accel - Return of Premium	600,000	600,000	-	-	100.0%	-
<b>TOTAL REVENUES</b>	<b>6,101,986</b>	<b>4,555,444</b>	<b>-</b>	<b>1,546,542</b>	<b>74.7%</b>	<b>3,878,413</b>
<b>EXPENSES</b>						
Salaries & Benefits	517,317	376,467	-	140,850	72.8%	330,167
Materials, Supplies & Services	5,076,048	3,679,761	154,733	1,241,555	75.5%	3,609,345
Special Projects	100	121	-	(21)	120.9%	-
Transfers-Out	356,007	267,005	-	89,002	75.0%	2,770,463
<b>TOTAL EXPENSES</b>	<b>5,949,472</b>	<b>4,323,353</b>	<b>154,733</b>	<b>1,471,386</b>	<b>75.3%</b>	<b>6,709,974</b>

*\*\* The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.*

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**INFORMATION SYSTEMS ICS FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Service charges	2,358,079	1,767,558	-	590,521	75.0%	1,714,795
Miscellaneous	-	1,138	-	(1,138)	100.0%	1,209
Operating Transfers-In	-	-	-	-	100.0%	14,805
<b>TOTAL REVENUES</b>	<b>2,358,079</b>	<b>1,768,696</b>	<b>-</b>	<b>589,383</b>	<b>75.0%</b>	<b>1,730,809</b>
<b>EXPENSES</b>						
Salaries & Benefits	1,672,999	1,249,235	-	423,764	74.7%	1,141,185
Materials, Supplies & Services	795,547	569,363	79,373	146,811	81.5%	435,370
Special Projects	14,500	4,341	3,245	6,914	52.3%	4,444
Transfers-Out	43,000	43,000	-	-	100.0%	-
Equipment	402,853	94,121	42,693	266,040	34.0%	112,773
Capitalized Fixed Assets	1,000	-	-	1,000	0.0%	-
Appropriated Reserve	3,593	-	-	3,593	0.0%	-
<b>TOTAL EXPENSES</b>	<b>2,933,492</b>	<b>1,960,060</b>	<b>125,310</b>	<b>848,122</b>	<b>71.1%</b>	<b>1,693,772</b>

**CITY OF SANTA BARBARA**  
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**WATERFRONT FUND**

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
<b>REVENUES</b>						
Leases - Commercial	1,657,000	1,161,863	-	495,137	70.1%	1,103,616
Leases - Food Service	2,423,000	2,070,903	-	352,097	85.5%	1,875,905
Slip Rental Fees	4,041,464	3,051,308	-	990,156	75.5%	2,979,257
Visitors Fees	383,000	309,175	-	73,825	80.7%	299,685
Slip Transfer Fees	450,000	410,850	-	39,150	91.3%	409,500
Parking Revenue	1,886,360	1,513,230	-	373,130	80.2%	1,499,118
Wharf Parking	248,880	188,654	-	60,227	75.8%	181,782
Other Fees & Charges	235,008	176,105	-	58,903	74.9%	277,320
Investment Income	150,900	135,548	-	15,352	89.8%	142,277
Rents & Concessions	310,952	272,487	-	38,465	87.6%	241,234
Reimbursements	-	10,830	-	(10,830)	100.0%	-
Miscellaneous	286,000	174,150	-	111,850	60.9%	123,711
Operating Transfers-In	-	-	-	-	100.0%	340,111
<b>TOTAL REVENUES</b>	<b>12,072,564</b>	<b>9,475,105</b>	<b>-</b>	<b>2,597,459</b>	<b>78.5%</b>	<b>9,473,515</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,741,416	4,314,701	-	1,426,715	75.2%	4,172,823
Materials, Supplies & Services	3,621,195	2,516,188	464,313	640,694	82.3%	2,386,485
Special Projects	140,685	101,057	-	39,628	71.8%	98,051
Debt Service	1,849,105	1,226,865	-	622,240	66.3%	1,051,353
Capital Outlay Transfers	1,540,978	1,155,733	-	385,245	75.0%	700,862
Equipment	129,369	64,343	14,588	50,438	61.0%	56,471
Capitalized Fixed Assets	40,000	-	-	40,000	0.0%	-
Other	-	1,000	-	(1,000)	100.0%	2,540
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>13,162,748</b>	<b>9,379,886</b>	<b>478,901</b>	<b>3,303,961</b>	<b>74.9%</b>	<b>8,468,585</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

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### General Fund Revenues

The table below summarizes General Fund revenues for the nine months ended March 31, 2013. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees have been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern for each type of tax allows for a more meaningful comparison to year-to-date results. For all other revenues, the Year-to-Date Budget column represents 75% (9 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly throughout the year.

<b>Summary of Revenues For the Nine Months Ended March 31, 2013 GENERAL FUND</b>								
	<b>Current Year Analysis</b>					<b>Prior Year Analysis</b>		
	<b>Annual Budget</b>	<b>YTD Budget *</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>YTD Percent Rec'd</b>	<b>3-Year Average Bench- mark</b>	<b>Prior Year YTD Actual</b>	<b>Variance Prior Yr To Current Yr</b>
Sales & Use Tax	\$ 19,933,931	\$13,495,584	\$14,152,711	\$ 657,127	71.00%	67.70%	\$13,114,287	7.9%
Property Tax	24,904,503	13,738,494	13,910,255	171,761	55.85%	55.16%	12,804,564	8.6%
UUT	7,015,200	5,298,211	5,204,714	(93,497)	74.19%	75.52%	5,368,565	-3.1%
TOT	14,489,200	10,860,452	10,955,881	95,429	75.61%	74.96%	10,268,916	6.7%
Bus License	2,220,780	1,751,255	1,992,075	240,820	89.70%	78.86%	1,756,821	13.4%
Prop Trans Tax	356,180	248,007	493,951	245,944	138.68%	69.63%	273,771	80.4%
Total Taxes	<u>68,919,794</u>	<u>45,392,002</u>	<u>46,709,587</u>	<u>1,317,584</u>	67.77%	65.86%	<u>43,586,924</u>	7.2%
License & Permits	208,988	156,741	138,319	(18,422)	66.19%	75.00%	162,057	-14.6%
Fines & Forfeitures	2,970,304	2,227,728	2,239,454	11,726	75.39%	75.00%	2,116,536	5.8%
Franchise Fee	3,509,700	2,619,687	2,714,122	94,435	77.33%	74.64%	2,523,299	7.6%
Use of Money & Property	1,182,904	887,178	885,252	(1,926)	74.84%	75.00%	849,131	4.3%
Intergovernmental	535,174	401,381	750,764	349,383	140.28%	75.00%	169,356	343.3%
Fee & Charges	18,693,706	14,020,280	14,039,073	18,793	75.10%	75.00%	14,607,853	-3.9%
Miscellaneous	9,339,986	7,004,989	7,731,774	726,784	82.78%	75.00%	7,372,525	4.9%
Total Other	<u>36,440,762</u>	<u>27,317,983</u>	<u>28,498,757</u>	<u>1,180,774</u>	78.21%		<u>27,800,758</u>	2.5%
Total Before Budgeted Variances	<u>105,360,556</u>	<u>72,709,986</u>	<u>75,208,344</u>	<u>2,498,358</u>			<u>71,387,681</u>	
Anticipated Year-End Var	1,200,000	900,000	-	(900,000)	0.00%	75.00%	-	0.0%
<b>Total Revenues</b>	<u><b>\$106,560,556</b></u>	<u><b>\$73,609,986</b></u>	<u><b>\$75,208,344</b></u>	<u><b>\$ 1,598,358</b></u>	70.58%	69.08%	<u><b>\$71,387,681</b></u>	

\* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

As seen in the table above, total revenues are \$2,498,358 above the YTD budget through March 31, 2013.

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**Sales Taxes**

Sales tax revenue for the first quarter was \$657,127 above the YTD budget. While representing three quarterly sales tax payments year-to-date on a cash basis, the revenues received through March 31, 2012 provide information for the growth in sales tax revenues earned only for the quarter ended December 31, 2012. These revenues were 4.6% over those from the prior December. Sales tax revenues continue to show recovery from growth lost during the recession; however, December 2012 quarter receipts are still at the same level as sales tax receipts in the December quarter of fiscal year 2008. Staff projects sales tax revenues to exceed budget by approximately \$429,000 at year-end based on a continuation of strong growth for the remaining three quarters.

**Property Tax**

Property tax revenue was \$171,761 above the YTD budget at March 31, 2013. The Airplane property tax payment of approximately \$389,000 is normally received in January but was delayed and will be received with the April property tax payment. During the first nine months of the year, the actual secured and unsecured property taxes exceeded staff's budgeted growth estimates based on information received by the County after the start of the fiscal year and the City received a payment of \$685,213 of one-time funds, representing the General Fund's portion of the RDA and RDA Housing Funds that the City sent back to the County. The General Fund will receive an additional redistribution of former RDA assets of approximately \$1,788,000, bringing the total of one-time distributions from former RDA assets to over \$2.2 million in the current year. Property tax revenues are projected to exceed the adopted budget by \$2,672,000 at year-end.

**Transient Occupancy Tax**

TOT revenue was \$95,429 above the YTD budget at March 31, 2013, as shown on the table on the previous page, and 6.6% higher than the same nine-month period in the prior year. Based on current projections, revenues are expected to be \$171,275 above the adopted budget at year-end.

**Business License Tax**

Business License revenue is \$240,820 above the YTD budget through the first nine months of the fiscal year. The budget assumed 1% earned revenue growth in Fiscal Year 2013. However, due to a slight increase in business license renewals and large increases in revenue resulting from the business license audit program, the City has seen over 11% growth in current year revenues.

**Property Transfer Tax**

Property Transfer Tax revenues is \$245,944 above the YTD budget at March 31, 2013. As a result of greater than expected home sale growth through the first three quarters, property transfer tax revenues are projected to be over \$215,000 above budget. A large payment related to increased property sales activity was received in January which has pushed revenues above the norm.

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**Intergovernmental**

Intergovernmental revenue was approximately \$349,000 above the YTD Budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing assistance plus an overhead factor. The Fire Department budgeted \$400,000 in reimbursements and has received \$585,000 in reimbursements as of March 31, 2012. Fire Department staff are projecting \$723,000 of mutual aid reimbursements for Fiscal Year 2013, amounting to \$323,000 above the adopted budget at year-end.

**Fees & Service Charges**

Overall, fees and service charges are about \$18,793 over the YTD budget. The table below provides more details on fees and service charges by department. The more significant mid-year variances are also discussed.

Fees and Service Charges General Fund For the Nine Months Ended March 31, 2013								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 880,301	\$ 660,226	\$ 685,565	\$ 25,339	77.9%	\$ 656,407	\$ 29,158	4.4%
Community Development	4,347,916	3,260,937	3,137,058	(123,879)	72.2%	2,928,088	208,970	7.1%
Parks & Recreation	2,702,253	2,026,690	1,994,286	(32,403)	73.8%	1,819,895	174,391	9.6%
Public Safety	1,120,320	840,240	745,951	(94,289)	66.6%	772,694	(26,743)	-3.5%
Public Works	5,494,682	4,121,012	4,128,630	7,618	75.1%	3,907,708	220,922	5.7%
Library	681,140	510,855	637,701	126,846	93.6%	641,694	(3,993)	-0.6%
Inter-Fund Charges	3,368,423	2,526,317	2,635,373	109,055	78.2%	3,773,213	(1,137,840)	-30.2%
Other Charges	98,671	74,003	74,508	505	75.5%	108,154	(33,646)	-31.1%
<b>Total</b>	<b>\$ 18,693,706</b>	<b>\$ 14,020,280</b>	<b>\$ 14,039,073</b>	<b>\$ 18,793</b>	<b>75.1%</b>	<b>\$ 14,607,853</b>	<b>\$ (568,781)</b>	<b>-3.9%</b>

Library fees and charges were \$126,846 above the YTD budget. This variance is due to a timing difference in receipt of the County per capita funding. All 100% of budget has been received by of March 31, 2013.

Community Development fees and charges are approximately \$124,000 below the YTD budget. This variance is largely due to slow growth in building-related activity charges, such as planning work orders fees, building permit fees, and development/site plan review fees. It is important to note that there are also types of building-related revenue that are performing well above budget—including zoning info report fees, modification review fees, and architectural board of review fees.

Public Safety fees and charges are down approximately \$94,000 over YTD budget, and down approximately \$27,000 over the prior year. Several revenues are down slightly this year, including DUI response cost recovery in the Police Department, and certain plan check fees in the Fire Department.

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Inter-Fund charges were \$109,055 above the YTD budget at mid-year. These charges represent reimbursements from other City funds and departments and from other governments for various services. The majority of this variance is related to cost reimbursements for attorney's fees from the Redevelopment Successor Agency and SB90 reimbursements. Attorney fee reimbursements from the RDA Successor Agency have exceeded the YTD budget at March 31 by \$65,000. In addition, the City received over \$36,000 in unbudgeted SB90 reimbursements in the first three quarters of the fiscal year.

**Anticipated Year-End Variances and Budgeted Savings from Concessions**

It is important to note that the table on page 1 includes \$1,200,000 for anticipated year-end budget variances. The \$1.2 million is roughly equal to 1.1% of budgeted operating expenditures in the General Fund and, although budgeted as a revenue, represents staff's estimate of the favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather favorable variances in expenditures by year-end.

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**General Fund Expenditures**

The table below summarizes the General Fund budget and year-to-date expenditures through March 31, 2013. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

SUMMARY OF EXPENDITURES GENERAL FUND For the Nine Months Ended March 31, 2013							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 737,693	\$ 557,696	\$ 557,640	\$ 56	\$ 515	\$ (459)	-0.1%
City Attorney	2,011,215	1,523,294	1,573,244	(49,950)	8,325	(58,275)	-2.9%
City Administrator	2,024,572	1,517,619	1,491,788	25,831	25,114	717	0.0%
Administrative Svcs.	1,733,693	1,349,853	1,237,312	112,541	18,490	94,051	5.4%
Finance	4,707,377	3,534,769	3,443,729	91,040	66,948	24,092	0.5%
Police	35,821,942	27,239,005	27,243,427	(4,422)	238,584	(243,006)	-0.7%
Fire	21,791,218	16,389,175	16,848,495	(459,320)	81,841	(541,161)	-2.5%
Public Works	7,214,777	5,408,918	5,156,981	251,937	262,720	(10,783)	-0.1%
Parks & Recreation	13,266,039	9,811,562	9,825,988	(14,426)	366,364	(380,790)	-2.9%
Library	4,678,836	3,484,797	3,227,114	257,683	159,335	98,348	2.1%
Community Development	9,434,620	7,223,145	6,829,818	393,327	174,285	219,042	2.3%
Community Promotion	3,457,636	2,634,719	2,683,566	(48,847)	-	(48,847)	-1.4%
Total	<u>\$ 106,879,618</u>	<u>\$ 80,674,553</u>	<u>\$ 80,119,102</u>	<u>\$ 555,451</u>	<u>\$ 1,402,521</u>	<u>\$ (847,070)</u>	-0.8%
<b>% of annual budget</b>		<b>75.5%</b>	<b>75.0%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>-0.8%</b>	

As shown above, a year-to-date budget (labeled "YTD Budget") column is included. This column has been developed based on a 3-year average of expenditures in order to adjust for the seasonal nature of certain expenditures, such as debt service and summer recreation programs. The table includes actual expenditures without encumbrances, and separate column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures during the year. Outstanding encumbrances include certain appropriations that were carried forward from prior year and contracts or blanket purchase orders that have been executed in the current year but are expected to be throughout the year. The following discussion and analysis does not include the impact of encumbrances.

The year-to-date budget of \$80.7 million at March 31, compared to actual expenditures of \$80.1 million, resulted in a variance of approximately \$555,000. Significant variances in departments are discussed below.

Effective during the first half of fiscal year 2013, City Council approved a one-time vacation cash out of up to 40 hours per eligible employee. This resulted in unbudgeted expenditures totaling

*Fiscal Year 2013 Interim Financial Statements  
For the Nine Months Ended March 31, 2013 (75% of Year Elapsed)*

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approximately \$500,000 for the majority of City Departments as of March 31. At this time staff believes that departmental budgets have sufficient appropriations to cover these one-time vacation cash outs; however, staff will closely monitor the budgets over the next several months to determine whether any appropriation requests to City Council may be needed.

**City Attorney** expenditures are slightly over the YTD budget by approximately \$50,000. This variance was largely due to an unbudgeted vacation cash-out of \$27,000 and office supplies exceeding YTD budget as a result of the City Attorney's Office improvement remodel project. However, City Attorney revenues are exceeding budget at March 31 by approximately \$96,000 due to additional Successor Agency Oversight Board reimbursements for attorney fees and additional civil penalties for litigation settlements. Staff will closely monitor expenditures to determine the need for increased appropriations from these additional revenues by year-end.

**Administrative Services** expenditures are below the YTD budget by approximately \$113,000. This variance is attributed to across the board expenditure savings in supplies and services. Staff is projecting expenditures to be below budget at year-end.

**Police Department** expenditures are slightly above the YTD budget by at March 31. While the Police Department anticipated meeting budget at year-end, a small variance in the department's budget during the fourth quarter will have a significant dollar impact. Staff will be closely monitoring expenditures during the fourth quarter to determine the need for increased appropriations.

**Fire Department** expenditures are above the YTD budget by approximately \$459,000. This variance is primarily due to a one-time vacation and comp time cash out of \$54,000 and additional mutual aid expenditures. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of March 31, mutual aid expenditures amounted to \$569,000 in comparison to budgeted mutual aid expenditures of \$173,000. However, the Fire Department projects mutual aid reimbursement revenues, originally budgeted at \$400,000, to exceed mutual aid expenditures by approximately \$154,000. As the high fire season was declared on May 1, there is the possibility of additional mutual aid activities by year-end. Staff will be closely monitoring mutual aid revenues and expenditures and will request an adjustment at year-end to record the total revenues and appropriations for all fiscal year 2013 mutual aid activities. In addition, staff is requesting an additional \$46,000 increase in appropriations from additional revenues for training expenditures. Staff will be closely monitoring all expenditures during the fourth quarter to determine the need for any other additional appropriations by year-end.

**Library** expenditures are below the YTD budget by approximately \$258,000. This variance is primarily due to several hourly vacancies, the retirement of a full time position that remains unfilled and reduced professional services needs. Staff anticipates expenditures savings of approximately \$150,000 at year-end.

**Community Development** expenditures are below YTD budget by approximately \$393,000. This variance is largely attributed to salary savings from medical leaves of absence, two vacancies and a voluntary reduction from full-time to part-time hours for one employee. In addition, commission stipends and special project expenditures are below budget at March 31. Staff is projecting a revenue shortfall at year-end of approximately \$160,000; however, it is anticipated that expenditure savings will cover this shortfall at June 30.

*Fiscal Year 2013 Interim Financial Statements  
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**Enterprise Fund Revenues and Expenses**

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues and expenses through March 31, 2013, with a comparison to the current year budget and prior year expenses through the first six months. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through March 31st. This rate, which is shown as a percentage in the "3 Year Average" column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues and certain expenses are seasonally affected and are not necessarily received or incurred evenly throughout the year.

<b>SUMMARY OF REVENUES &amp; EXPENSES</b>								
Six Months Ended March 31, 2013								
ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
<b>Water Fund</b>								
Revenues	\$ 36,392,362	\$ 27,163,259	\$ 29,542,581	\$ 2,379,322	81.2%	74.6%	\$ 26,280,863	12.4%
Expenses	35,143,747	26,238,322	23,088,489	3,149,833	65.7%	74.7%	28,170,742	-18.0%
<b>Wastewater Fund</b>								
Revenues	20,257,200	15,389,395	15,962,840	573,445	78.8%	76.0%	12,487,571	27.8%
Expenses	17,369,170	12,139,313	10,865,909	1,273,404	62.6%	69.9%	11,695,852	-7.1%
<b>Downtown Parking Fund</b>								
Revenues	7,163,539	5,328,240	5,761,966	433,726	80.4%	74.4%	5,680,015	1.4%
Expenses	7,905,307	5,863,366	5,635,791	227,575	71.3%	74.2%	5,471,420	3.0%
<b>Airport Fund</b>								
Revenues	14,774,556	10,868,163	11,352,776	484,613	76.8%	73.6%	10,749,726	5.6%
Expenses	16,334,202	10,520,860	10,508,926	11,934	64.3%	64.4%	9,946,080	5.7%
<b>Golf Fund</b>								
Revenues	1,872,903	1,307,848	1,258,259	(49,589)	67.2%	69.8%	1,392,260	-9.6%
Expenses	1,923,510	1,465,522	1,502,405	(36,883)	78.1%	76.2%	1,429,428	5.1%
<b>Waterfront Fund</b>								
Revenues	12,203,518	9,184,368	9,473,515	289,147	77.6%	75.3%	9,475,105	0.0%
Expenses	11,981,963	8,721,671	8,468,585	253,086	70.7%	72.8%	9,379,886	-9.7%

\* The YTD Budget column has been calculated based on a 3-year average of collections for revenues, and of payments made for expenses through March 31, which has been applied to the annual budget.

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The expenses shown in the preceding table do not include outstanding encumbrances at March 31, 2013. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after nine months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

**Water Fund**

Water Fund revenues are approximately \$2,379,000 above the year-to-date budget as of March 31. The variance is primarily due to water sales revenue being higher than projected as a result of increased demand during the dry season. In addition, the Water Fund received the entire budgeted \$2.6 million operating transfer from the Water Capital Fund during the third quarter. Staff anticipates revenues to exceed budget by \$1,500,000 by year-end.

Expenses for the Water Fund are below the YTD budget by approximately \$3,150,000. The variance is largely due to salary savings from vacancies and reduced overtime and lower than anticipated water treatment chemical and supplies costs, utility expenses and water purchases. Staff is anticipating expenses to be under budget at year-end by \$3,000,000.

**Wastewater Fund**

Wastewater Fund revenues exceed the YTD budget by approximately \$573,000, primarily due to the Wastewater Fund received the entire budgeted \$3,100,000 operating transfer from the Wastewater Capital Fund during the third quarter. Staff projects revenues meeting budget at year-end.

Wastewater Fund expenses are approximately \$1,273,000 below the YTD budget largely due to reduced facilities maintenance needs, lower than anticipated utility costs and various special projects being postponed to fiscal year 2014. Staff anticipates expenses being under budget by \$1,300,000 at year-end.

**Downtown Parking**

Downtown Parking Fund revenues are reporting a positive variance of \$434,000. Hourly parking revenues have exceeded expectations due to fewer retail vacancies in the downtown corridor, no lot closures during the nine months of the year and the acceptance of credit cards. Monthly parking is also exceeding budget at March 31, primarily due to increased usage at the Granada Garage and City Lot 2. Staff anticipates total revenues to exceed budget by \$300,000 at year-end.

Downtown Parking Fund expenses are below the YTD budget by approximately \$228,000. This variance is primarily related to vacancies in hourly positions, one permanent vacancy and reduced maintenance expenses. Staff projects expenses to be under budget at year-end by \$300,000.

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**Airport Fund**

Airport Fund revenues are above the YTD budget at March 31 by approximately \$485,000 and expenses are slightly below the YTD budget. Airport revenues are exceeding budget primarily due to an increase in passenger traffic, an increase in corporate aircraft traffic, higher than anticipated concession sales and a higher occupancy rate for commercial/industrial leases. Staff anticipates revenues to exceed budget by \$340,000 and expenses to be under budget by \$500,000 at year-end.

**Golf Fund**

Golf Fund revenues are \$50,000 below the YTD budget for the first nine months of the fiscal year. Over the last several years, the Golf Course has seen a decline in revenue and rounds due to a national downtrend in the sport of golf. Golf rounds and greens fee revenues are tracking below budget; however, the closure of a local golf course in March 2013 is expected to result in additional revenues during the fourth quarter. Staff is projecting a revenue shortfall of approximately \$32,000 at year-end.

Golf Fund expenses are \$37,000 above the YTD budget at March 31. This variance was primarily due to a one-time vacation cash out of \$13,000, higher than anticipated water costs during the dry season and all equipment purchases occurring in the first nine months. Staff is anticipating savings during the fourth quarter due to a vacancy in one permanent position and a reduction in hours for hourly staff. At year-end, staff is projecting savings of approximately \$32,000 which will offset the anticipated revenue shortfall.

**Waterfront Fund**

Waterfront Fund revenues are \$289,000 above the YTD budget. This variance is primarily due to higher than anticipated parking revenues resulting from the warm weather during the first half of the fiscal year and an increase in visitor fees and slip transfers. Additional Property Management program revenues are anticipated in the fourth quarter due to cruise ship activity scheduled prior to year-end. Staff anticipates total revenues to exceed budget at year-end by \$272,000.

Waterfront Fund expenses are \$253,000 below the YTD budget for the first nine months of the fiscal year. This variance is primarily due to salary savings resulting from the implementation of the parking payment stations and lower than anticipated professional audit services costs. Staff projects expenses to be under budget by approximately \$200,000 at year-end.

**City of Santa Barbara**  
**Interim Financial Statements for the Nine Months Ended March 31, 2013**  
**Proposed Third Quarter Adjustments**

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>GENERAL FUND</b>			
<b>Fire Department</b>			
County of Santa Barbara training Grant	\$ -	\$ 46,430	\$ 46,430
Off-site Training Courses	46,430	-	(46,430)
<b>Public Works</b>			
Transfer from Utility Undergrounding for Environmental Compliance	-	70,000	70,000
Increase Budget for Environmental Compliance Program at 101 State St.	70,000	-	(70,000)
<b>Community Development</b>			
Transfer Overnight Accommodation Cash from Affordable Housing	-	1,224,867	1,224,867
Transfer Overnight Accom. Rev/Exp Budget from Affordable Housing	58,687	28,219	(30,468)
<b>Non-Departmental</b>			
Transfer of One-Time Funds to Capital Outlay Fund:			
Distribution of RDA Assets (City Share)	2,088,810	-	(2,088,810)
Reimbursement of Property Tax Admin Fees from County of SB	1,130,771	-	(1,130,771)
<b>Total General Fund</b>	<u>\$ 3,219,581</u>	<u>\$ -</u>	<u>\$ (3,219,581)</u>
<b>CAPITAL OUTLAY FUND</b>			
Transfer Redistribution of RDA Asset Revenues from General Fund	\$ -	\$ 3,219,581	\$ 3,219,581
<b>Total Capital Outlay Fund</b>	<u>\$ -</u>	<u>\$ 3,219,581</u>	<u>\$ 3,219,581</u>
<b>SPECIAL REVENUE FUNDS</b>			
<b>City Affordable Housing Fund (122)</b>			
Transfer Overnight Accommodation Cash Balance to General Fund	\$ 1,224,867	\$ -	\$ (1,224,867)
Transfer Overnight Accommodation Rev/Exp Budget to General Fund	(58,687)	(28,219)	30,468
<b>Total City Affordable Housing Fund</b>	<u>\$ 1,166,181</u>	<u>\$ (28,219)</u>	<u>\$ (1,194,399)</u>
<b>Utility Undergrounding Fund (148)</b>			
Transfer Funds to General Fd. for Environmental Compliance Program	\$ 70,000	\$ -	\$ (70,000)
Adjust Capital Project Budget - Cliff Drive Engineering Services	(26,539)	-	26,539
Transfer funds to Streets Operating for Zone 6 Pavement Preparation	38,074	-	(38,074)
<b>Total Utility Undergrounding Fund</b>	<u>\$ 81,535</u>	<u>\$ -</u>	<u>\$ (81,535)</u>
<b>Streets Fund (331)</b>			
Transfer Funds from Utility Undergrounding for Zone 6 Pavement Prep.	\$ -	\$ 38,074	\$ 38,074
Increase Budget for Zone 6 Pavement Preparation	38,074	-	(38,074)
Close Cabrillo / Anacapa Intersection Improvement Project	(52,824)	-	52,824
New HSIP Traffic Signal Safety Project	52,824	-	(52,824)
<b>Total Streets Fund</b>	<u>\$ 38,074</u>	<u>\$ 38,074</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>SPECIAL REVENUE FUNDS (cont.)</b>			
<b>Streets Grant Capital Fund (333)</b>			
Increase Revenues for New Federal Highway Administration Grant Funds	\$ -	\$ 2,302,300	\$ 2,302,300
Adjust Capital Project Budgets:			
New Bridge Preventative Maintenance Project - Phase 2	82,072	-	(82,072)
New Anapamu Street Bridge Replacement Project	700,000	-	(700,000)
Increase Budget for Cota Street Bridge Replacement Project	597,578	-	(597,578)
Increase Budget for Cabrillo at Mission Creek Bridge Project	480,000	-	(480,000)
Increase Budget for De La Guerra St. Bridge Replacement Project	221,325	-	(221,325)
Increase Budget for Gutierrez Bridge Replacement Project	221,325	-	(221,325)
<b>Total Streets Grant Capital Fund</b>	<u>\$ 2,302,300</u>	<u>\$ 2,302,300</u>	<u>\$ -</u>
<b>Measure D Fund (341)</b>			
Interest Revenue Received	\$ -	\$ 12,493	\$ 12,493
Zone 6 Pavement Preparation Contract	124,911	-	(124,911)
<b>Total Measure D Fund</b>	<u>\$ 124,911</u>	<u>\$ 12,493</u>	<u>\$ (112,418)</u>
<b>Measure A Fund (342)</b>			
Zone 6 Pavement Preparation Contract	\$ 725,463	\$ -	\$ (725,463)
<b>Total Measure a Fund</b>	<u>\$ 725,463</u>	<u>\$ -</u>	<u>\$ (725,463)</u>
<b>ENTERPRISE FUNDS</b>			
<b>Golf Course Capital Fund (452)</b>			
Transfer from Fleet Replacement for Maintenance Equipment Loan	\$ -	\$ 275,000	\$ 275,000
Golf Maintenance Equipment	275,000	-	(275,000)
<b>Total Golf Course Capital Fund</b>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ -</u>
<b>Water Capital Fund (412)</b>			
Reduce Budget for Rehab Aeration Basin Project	(741,769)	-	741,769
Transfer to Wastewater Capital for Rehab Aeration Basin Project	741,769	-	(741,769)
<b>Total Wastewater Operating Fund</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Wastewater Capital Fund (422)</b>			
Transfer from Water Capital for Rehab Aeration Basin Project	\$ -	\$ 741,769	\$ 741,769
Adjust Capital Project Budgets:			
Increase Budget for Rehab Aeration Basin Project	741,769	-	(741,769)
<b>Total Wastewater Capital Fund</b>	<u>\$ 741,769</u>	<u>\$ 741,769</u>	<u>\$ -</u>
<b>Airport Capital Fund (442)</b>			
Transfer from Airport Grants for Reimbursement of Design Services	\$ -	\$ 109,530	\$ 109,530
Professional services - FAA Design Development	109,530	-	(109,530)
<b>Total Airport Capital Fund</b>	<u>\$ 109,530</u>	<u>\$ 109,530</u>	<u>\$ -</u>
<b>Airport Grants Fund (443)</b>			
Non-Building Improvements - FAA Design Development	\$ (109,530)	\$ -	\$ 109,530
Transfer to Airport Capital for Reimbursement of Design Services	109,530	-	(109,530)
<b>Total Airport Grants Funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>ENTERPRISE FUNDS (cont.)</b>			
<b>Waterfront Harbor Preservation Capital Res. Fund (622)</b>			
Transfer Funds to Capital Fund for Stearns Wharf Repair Program	\$ 14,000	\$ -	\$ (14,000)
Transfer Funds to Capital Fund for Harbor Restroom Remodel	70,000	-	(70,000)
Transfer Funds to Capital Fund for Seawall ADA Handrail/Sidewalk	13,000	-	(13,000)
<b>Total Waterfront Preservation Capital Res. Fund</b>	<u>\$ 97,000</u>	<u>\$ -</u>	<u>\$ (97,000)</u>
<b>Waterfront Capital Fund (623)</b>			
Transfer from Harbor Pres. Fund for Stearns Wharf Repair Program	\$ -	\$ 14,000	\$ 14,000
Increase Budget for Stearns Wharf Annual Repair Program	14,000	-	(14,000)
Transfer from Harbor Pres. Fund for Harbor Restroom Remodel	-	70,000	70,000
Increase Budget for Harbor Restroom Remodel	70,000	-	(70,000)
Transfer from Harbor Pres. Fund for Seawall ADA Handrail/Sidewalk	-	13,000	13,000
Increase Budget for Seawall ADA Handrail & Sidewalk Replacement	13,000	-	(13,000)
<b>Total Waterfront Capital Fund</b>	<u>\$ 97,000</u>	<u>\$ 97,000</u>	<u>\$ -</u>
<b>INTERNAL SERVICE FUNDS</b>			
<b>Fleet Replacement Fund (512)</b>			
Transfer to Golf Capital Fund for Maintenance Equipment Loan	\$ 275,000	\$ -	\$ (275,000)
Parking Enforcement Officer Scooter	35,000	-	(35,000)
<b>Total Fleet Replacement Fund</b>	<u>\$ 310,000</u>	<u>\$ -</u>	<u>\$ (310,000)</u>



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Resolution To Place The Exchange Of A Leased Excess Portion Of MacKenzie Park On The Municipal Election Ballot In November 2013

### **RECOMMENDATION:**

That Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Authorizing the Placement of a Measure on the November 2013 General Election Ballot to Obtain Voter Approval to Exchange 14,564 Square Feet of MacKenzie Park Property for 12,511 Square Feet of the Adjacent U.S. Army Reserve Center Property, as Required by City Charter Section 520.

### **DISCUSSION:**

The proposed resolution by Council acknowledges the various City obligations set forth in two 99-year leases approved by Council in May 1963 between the City, the United States of America (USA), and the U.S. Army (Army), by authorizing a November 2013 ballot measure seeking voter approval for a land exchange with the Army in connection with MacKenzie Park and the Fremont Army Reserve Center. The resolution and proposed ballot measure will declare a portion of MacKenzie Park excess real property, and eligible for exchange for a portion of U.S. Army Reserve Center property. The underlying real property is the now-existing improved frontage of State Street, and also underlying a portion of MacKenzie Park. (See Attachments 1 and 2.) Following voter approval of the proposed ballot measure, a City ordinance will be prepared and submitted to Council to authorize the exchange of the deeds to convey the identified lands between the City and the USA.

On April 24, 2013, in accordance with Section 809 of the Santa Barbara City Charter, the Parks and Recreation Commission received a report concerning the proposed exchange of the affected lease portion of MacKenzie Park for the affected lease portion of the Army Reserve Center property. Accordingly, the Parks and Recreation Commission has expressed support for Council to authorize the placement of a measure on the November 2013 City General Election ballot.

**BACKGROUND:**

In 1956, the City acquired the land now known as MacKenzie Park from the USA. At about the same time, the Army began the development of the adjacent Fremont Army Reserve Center. Subsequently, in the period between 1961 - 1964, the City, the USA, and the Army negotiated two 99-year lease agreements. This allowed the City to widen State Street (14 feet wider) along the frontage of the Army Reserve Center, and allowed the City, and the Army to revise the property lines between MacKenzie Park and the Army Reserve Center property, in order to accommodate the optimum development of the Army Reserve Center and MacKenzie Park. The City and the Army considered the nearly similar size lease areas to have equal value and, as a result no consideration was involved. As a condition of the two 99-year lease agreements approved by Council (See Attachment 3), the City and the Army provided for the City to process a ballot measure for the purpose of obtaining voter approval for the City's exchange of the Park land. Following voter approval, it was planned that the City and the Army would exchange deeds transferring the fee ownership of the respective lease areas. However, for unknown reasons, the City ballot measure was never put on any municipal ballot to approve the exchange.

If the voters do not approve the ballot measure, the leases provide that the properties revert to the prior boundaries at the conclusion of the approved 99-year leases. The current land uses will continue with the same Park and (State) street uses in effect until the conclusion of the term of the leases in 2060.

**FUTURE ACTIONS:**

Subject to voter approval of the proposed exchange of the affected portion of MacKenzie Park, the necessary documents will be prepared to accomplish the proposed bi-lateral fee title exchange of land with the USA. These documents may include, among others, deeds, ordinances, resolutions, certificates, and any others deemed necessary by the City Attorney. All such documents will be submitted and recommended to Council at the appropriate time.

The attached Vicinity Map (Attachment 1) depicts the location of a City building a small portion of which is possibly located on and over the proposed new boundary, and there is possibly also a City water line and a sewer line located within the areas described. A survey is planned to answer these questions. Subject to voter approval of the proposed land exchange, any issues that have not yet been investigated and must be addressed will be provided for in the final documents which will be submitted to Council with recommendations for actions to implement the land exchange. The follow-up documentation may include the City's reservation of easements for City waterlines and sewer lines, and a license necessary to address the possible building encroachment, if it is required.

At the time Council adopts a resolution to accept the affected portion of the U.S. Army Reserve Property, it may also be recommended that Council dedicate a public street

Council Agenda Report

Resolution To Place The Exchange Of A Leased Excess Portion Of Mackenzie Park On  
The Municipal Election Ballot In November 2013

May 14, 2013

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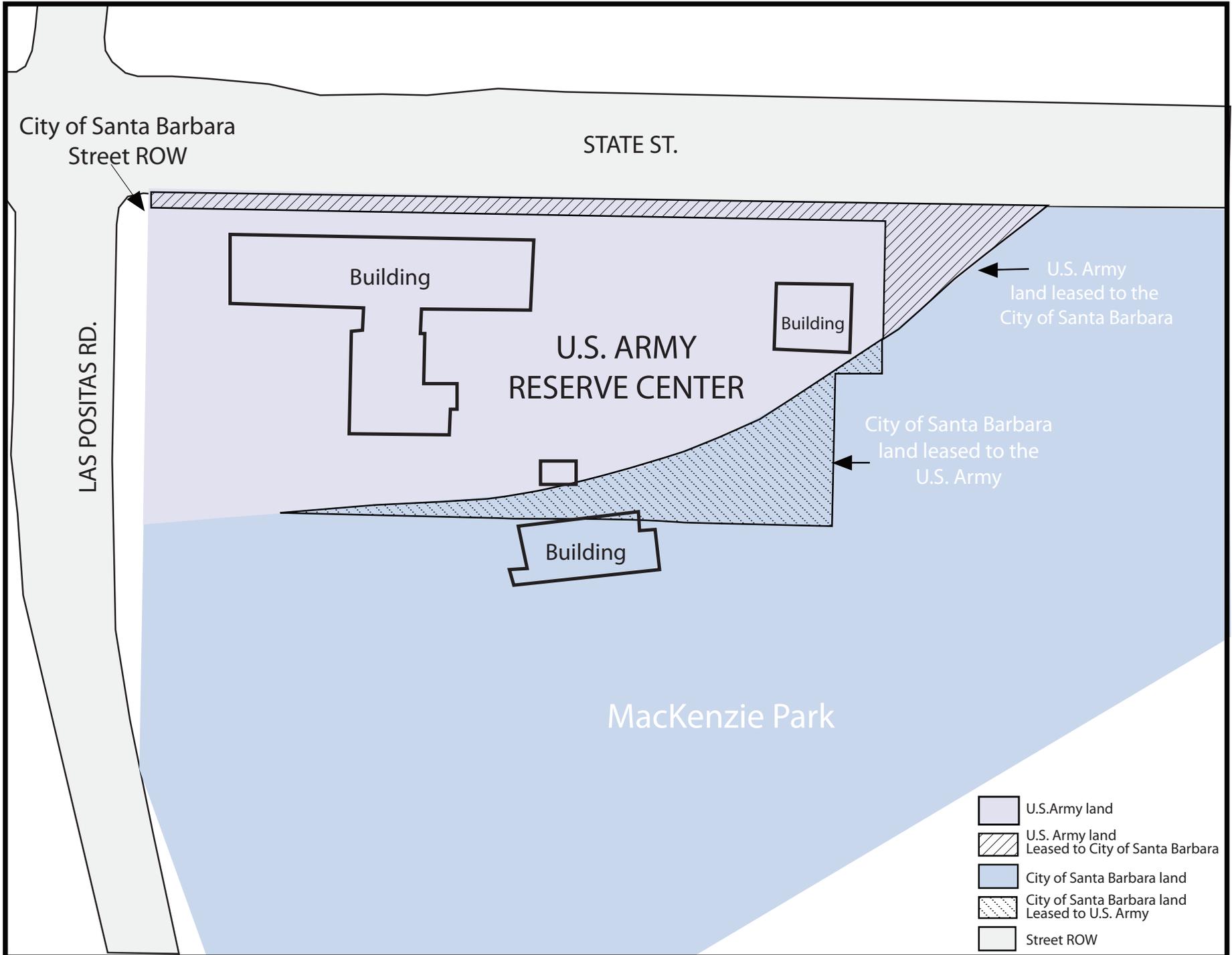
easement for the existing frontage portion of State Street, and also dedicate the new portion of MacKenzie Park located on the portions of U.S. Army Reserve Center property. Such dedications will be included in the resolution adopted to accept the land to be conveyed by the USA to the City.

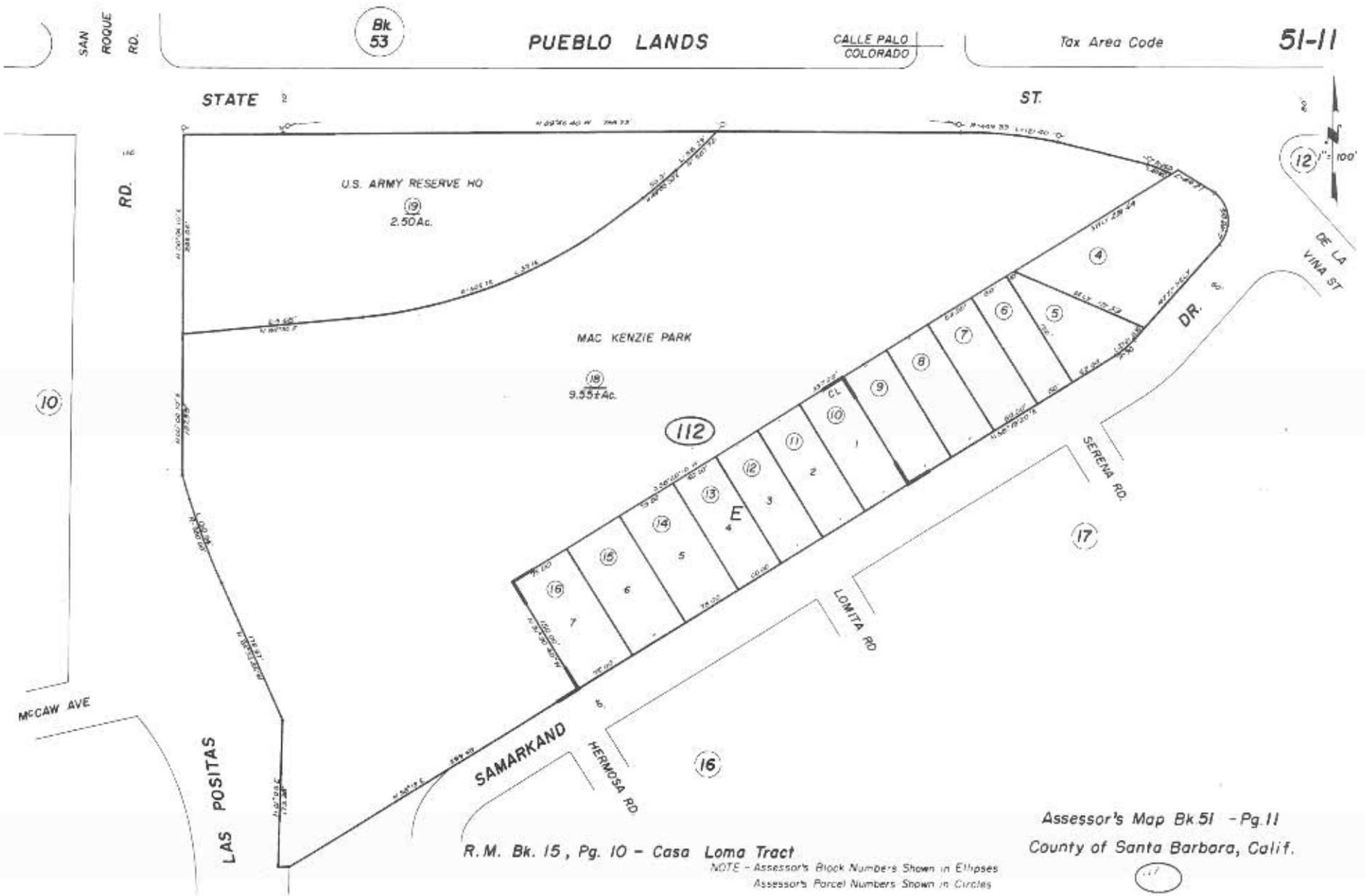
**ATTACHMENT(S):** 1) Vicinity Map – MacKenzie Park  
2) Assessors Map  
3) Council Agenda Report dated May 27, 1963

**PREPARED BY:** Pat Kelly, Assistant Public Works Director/City Engineer/DI/sk

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office





R.M. Bk. 15, Pg. 10 - Casa Loma Tract

NOTE - Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk 51 - Pg. 11  
County of Santa Barbara, Calif.

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CITY OF SANTA BARBARA  
Public Works Department  
May 27, 1963

TO: Mr. Edward L. Abbott, Mayor  
FROM: Mr. W. W. Wills, Public Works Director  
SUBJECT: Recommendation for Approval of a Lease for Property Exchange between the Federal Government and the City at the U. S. Armory and McKenzie Park.

COUNCIL ACTION 5/28/63:  
Lease and Land Lease, both  
executed

RECOMMENDATION:

That the Council execute the subject lease providing for exchange of property with the Federal Government at McKenzie Park in connection with the State Street Widening Project that was completed last year.

DISCUSSION:

The subject lease provides for an exchange of property between the Federal Government and the City that was necessary in order to widen State Street easterly of Las Positas Road on the south side of State Street. Equal area is being exchanged under lease with the Government.

It should be noted that a condition of the lease is that the City of Santa Barbara agrees to place a measure on the ballot at the next municipal election, "May, 1965" authorizing a bilateral fee title trade of the parcels referenced in Condition 26 thereof, for the Government owned land included in this lease. If the exchange is authorized by the voters, this lease shall terminate when deeds to each property are recorded, otherwise the said leases will continue in effect.

The lease further provides that the City install a fence around the perimeter between the Armory property and park, which was done in May of 1962. The lease further provides that the street improvements along State Street will or have been made cost free to the U. S. Government.

As the Council is aware, State Street was widened adjacent to the Armory on a right of entry permit from the Government which was granted subject to the terms and conditions of this 99 year outlease to the City.

The original and four copies of the lease should be signed by the proper City authorities and the original and three copies should be returned to Mr. L. B. Otterness, Chief, Management & Disposal Branch, Real Estate Division, U. S. Army Engineers District Los Angeles, Corps of Engineers, P. O. Box 17277 Foy Station, Los Angeles 17, California,

Mr. Edward L. Abbott, Mayor

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May 27, 1963

Six copies of the excerpts of the minutes of the City of Santa Barbara Council meeting authorizing execution of the leases should also be furnished. The copies of the agreement marked "lessee" should be retained for our files. Fully executed copies will be sent to the City at the time the instruments are distributed.

*W. W. Wills* *not*

W. W. Wills

Public Works Director

RDH : vsmm



8F  
May 14, 1963

SUBJECT: Exchange of Leaseholds U.S.A.R. Site (Armory)  
State Street Widening - De La Vina to Ontare  
SPLRM - M X SPLRC - L

- 1 - The original and four copies each of the proposed outlease (Eng. Form 1367) and of the proposed inlease (Eng. Form 856) should be signed by the proper City authorities, to provide for the proposed exchange of land with the City of Santa Barbara, California at the U.S. Army Reserve Center and U. S. Government.
- 2 - The original and three copies of the agreement should be executed, dated as the date of execution and returned to:  

Mr. L. B. Otterness, Chief, Management & Disposal Branch  
Real Estate Division  
U. S. Army Eng. Dist. Los Angeles  
Corps of Engineers  
P. O. Box 17277 Foy Station  
Los Angeles 17, California
- 3 - Six (6) copies of the excerpts from the minutes of the City of Santa Barbara Council Meeting authorizing execution of the leases should be also furnished.
- 4 - The copies of the agreement marked "Lessee" should be retained for our files. Fully executed copies will be sent to us at the time the instruments are distributed.
- 5 - Under "conditions added No. 27" it should be noted that the lessee (City of Santa Barbara) agrees to place a measure on the ballot at the next municipal election (May 1965) authorizing a bilateral fee title trade of the parcels referenced in Condition No. 26 thereof, for the government-owned land included in this lease. (The City Water Department also would like to add some parcels on the next ballot.)

If the exchange is authorized, this lease shall terminate when deeds to each property are recorded, otherwise the said leases will continue in effect.

- 6 - (a) Fence and sprinkler system have been installed. Refer to letter in file dated April 9, 1962, also bid from Griffin & Morgan dated May 8, 1962.
- (b) Street improvements located in area covered by lease will or have been made cost free to U. S. Government.

7 - In Parcel 1 there is at present a 6" C.I. water main needed by the City Water Department to service the immediate area. It is shown on Plot of Hoff General Hospital Tract C-8-310R dated May 8, 1953.

If the City were to acquire the parcels by fee title, then we would have to reserve an easement for the City water main in the new deed made out to the U. S. Government.

Refer to inter-office memo dated May 14, 1963 from Clyde Richardson, *Director* Water Department ~~Superintendent~~, to City Attorney.

8 - The lease arrangement should be completed as soon as possible.

Letter dated October 25, 1961 -

due to "right of entry could be secured on the basis that the lease documents eventually will be approved in their entirety".

Further - refer to letter dated November 27, 1961 -

"This right of entry is granted subject to the terms and conditions of proposed 99 year outlease to the City of the Government-owned land and the 99 year lease of City-owned land to the Government." (Etc.)

Also refer to letter dated December 13, 1961.

V. S. Bartolome

jms

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE PLACEMENT OF A MEASURE ON THE NOVEMBER 2013 GENERAL ELECTION BALLOT TO OBTAIN VOTER APPROVAL TO EXCHANGE 14,564 SQUARE FEET OF MACKENZIE PARK PROPERTY FOR 12,511 SQUARE FEET OF THE ADJACENT U.S. ARMY RESERVE CENTER PROPERTY, AS REQUIRED BY CITY CHARTER SECTION 520.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City of Santa Barbara hereby acknowledges the terms and conditions of that certain Land Lease between the City of Santa Barbara (City) and the United States of America (USA), dated December 12, 1961, and ending on December 11, 2060, in which the City leased to the USA approximately 14,564 square feet (0.33 acre) of City land now known as MacKenzie Park, adjacent to the U.S. Army Reserve Center, located at 3237 State Street.

SECTION 2. The City of Santa Barbara hereby acknowledges the terms and conditions of that certain Lease between the Secretary of the Army (U.S. Army) and the City of Santa Barbara (City), beginning on December 12, 1961, and ending on December 11, 2060, in which the U.S. Army leased to the City a portion of the U.S. Army Reserve Center property, consisting of approximately 12,511 square feet (0.287 acre) of land, for the purpose of allowing City to widen now-existing State Street fronting the U.S. Army Reserve Center.

SECTION 3. The City of Santa Barbara, as provided in the Land Lease with the USA, and as provided in the Lease with the U.S. Army, hereby authorizes the placement of a measure on the November 2013 municipal ballot to seek voter approval for a bilateral fee title exchange of City's approximately 14,564 square feet (0.33 acre) of MacKenzie Park for the U.S. Army's approximately 12,511 square feet (0.287 acre) of the U.S. Army Reserve Center, including that portion of such land now underlying the frontage of State Street and a portion of MacKenzie Park.

SECTION 4. The City of Santa Barbara hereby declares the approximately 14,564 square feet (0.33 acre) portion of MacKenzie Park, as described in the Land Lease with the USA, to be excess and eligible for bilateral fee title exchange for the approximately 12,511 square feet (0.287 acre) portion of U.S. Army Reserve Center property, as described in the Lease with the U.S. Army, subject to voter approval of the proposed initiative on the November 2013 municipal ballot, and subject to required reservation(s) of any required easements for existing City water lines and sewer lines located on the affected portion of MacKenzie Park, if any exist.

SECTION 5. The City of Santa Barbara acknowledges that on April 24, 2013, the Parks and Recreation Commission of the City of Santa Barbara received a report and recommends that the proposed measure to authorize the bilateral fee exchange of the portion of MacKenzie Park be placed on the November 2013 ballot to seek voter approval.

SECTION 6. The City of Santa Barbara hereby acknowledges that the City's Land Lease with USA and the U.S. Army's Lease with City have established that the values of the affected lease and exchange portions of MacKenzie Park and U.S. Army Reserve Center are equal and that in accordance with each the Land Lease and the Lease, no additional appraisals or monetary considerations for the respective portions to be exchanged are necessary.

SECTION 7. The City of Santa Barbara hereby declares the placement this measure upon the ballot and potential exchange of the subject real property to be exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guideline Section 15312.

SECTION 8. The City of Santa Barbara hereby acknowledges that, due to the obligations set forth in each the existing Land Lease with USA and the existing Lease with U.S. Army, there is no additional requirement in this specific case to provide written notice nor to solicit response by other potentially interested parties that may desire to purchase or lease the affected excess portion of MacKenzie Park, as otherwise provided by Section 54222 of Article 8 of Chapter 5 of the California Government Code.

SECTION 9. If the proposed ballot measure is approved by the voters, the City of Santa Barbara hereby authorizes the preparation, and subsequent execution by the City Administrator, subject to review by the Public Works Director as to content, and subject to review and approval by the City Attorney as to form, of all necessary deeds, ordinances, resolutions, and documents required to implement the bilateral fee title exchange of the respective portions of MacKenzie Park and U.S. Army Reserve Center, as provided in each the Land Lease with the USA and the Lease with the U.S. Army.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** Chief's Staff, Police Department

**SUBJECT:** Appeal Of The Fire And Police Commission's Sixty (60) Day Suspension Of The Nightclub Dance Permit For Whiskey Richards

### **RECOMMENDATION:**

That Council deny the appeal of William (Bill) Clayton, owner of Whiskey Richards nightclub, upholding the Fire and Police Commission's decision to suspend the nightclub dance permit for Whiskey Richards for a period of 60 days.

### **DISCUSSION:**

The subject appeal involves the 60-day suspension of the nightclub dance permit for the establishment known as Whiskey Richards at 435 State Street, imposed by the Fire and Police Commission on March 28, 2013. The applicant, Bill Clayton, subsequently appealed the Fire and Police Commission's decision to suspend the dance permit and the imposition of the suspension was suspended pending the Council's decision on the appeal. (See Attachment 1)

### **BACKGROUND:**

Bill Clayton ("Applicant"), owner of Whiskey Richards, was originally issued a nightclub dance permit in January 2008. The following month (February 2008), City Council ("Council") approved an update to Santa Barbara Municipal Code Chapter 5.20, the City ordinance pertaining to dance permits. In accordance with the revised ordinance, all dance permit holders are required to renew their dance permits annually with the Santa Barbara Police Department ("SBPD"). This renewal process provides the City the opportunity to review each permitted premise annually to ensure that permit holders continue to operate in a responsible manner, and to allow for the opportunity to address any concerns involving the public health, safety, and welfare. Furthermore, in conjunction with the revised ordinance, a Penalty Matrix was created to provide a set guideline for corrective action against nightclubs found to be operating in violation of their dance permit, conditions of approval, or of any local or state laws. (See Attachment 2.)

In 2010, upon the first annual renewal of the Whiskey Richards dance permit, conditions of the permit were listed using the standard conditions established for CBD area dance permits:

- Music and/or entertainment shall not be audible beyond 50 feet from the premise;
- Rear doors and front windows must be closed but unlocked during dancing;
- No patrons shall enter or exit through the rear doors;
- Minimum of 3 security guards must be on duty during dancing;
- No live entertainment, dancing, or amplifying system or device permitted on any patio area;
- Permittee must police surrounding area once an hour to prevent loitering, particularly in rear alleyway;
- Permittee must maintain an orderly line of patrons awaiting entry.

In early 2012, during the annual renewal process for the Whiskey Richards dance permit that expired January 31, 2012, City staff discovered that in the previous 1-year period of operations, from January 31, 2011 through January 31, 2012, two citations were issued on separate dates to patrons whom officers witnessed openly using cocaine in the restroom area of the premise. During this same time period, there were four additional citations issued to individuals under the age of 21 whom officers discovered inside Whiskey Richards. This occurred despite Whiskey Richards establishment holding a "Type 48" ABC liquor license which prohibits anyone under the age of 21 years from entering the premise at any time.

Due to the number and frequency of the aforementioned violations, staff at the Santa Barbara Police Department used the Penalty Matrix as a guideline for the subsequent actions taken to curb the trend of violations at the premise. Accordingly, the Police Department approved the 2012 renewal of the nightclub dance permit for Whiskey Richards, but imposed four additional conditions on the permit to mitigate concerns regarding public health, safety, and welfare at the premise through increased on-premise monitoring and mandatory training for security guards:

- A restroom attendant must be stationed at the restroom area nightly from 9:00 pm until close. The restroom area must be checked often to ensure no illegal activity is occurring;
- All security guards must complete LEADS and Responsible Beverage Server (RBS) Training;
- All security guards must be currently licensed with the California Department of Consumer Affairs as a Proprietary Security Officer;
- The individual, partnership, corporation, or LLC must possess a Proprietary Private Security Employer's License issued by the California Department of Consumer Affairs.

On April 25, 2012, a SBPD letter was sent to owner Bill Clayton, notifying him of the additional conditions placed on the permit, as well as the reasons for the imposition of those conditions. The letter also stated "Furthermore, because the above citations indicate a concerning trend at your nightclub, should there be one more citation for

## Council Agenda Report

### Appeal Of The Fire And Police Commission's Sixty (60 Day Suspension Of the Nightclub Dance Permit For Whiskey Richards

May 14, 2013

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drugs and/or patrons under the age of 21 years on premise within the next year, your Nightclub Dance Permit will be brought before the Fire and Police Commission with the recommendation that it be suspended and/or revoked."

Additionally, and in accordance with the terms of the Penalty Matrix, the letter included an invitation for owner Bill Clayton to take part in an "Intervention" meeting to identify ways to prevent future violations. Per the letter: "The meeting would include you, Police Department representatives, a Fire and Police Commissioner, and a member of the Bar and Restaurant Committee who does not have any personal interest in your business."

Mr. Clayton opted not to take part in the proposed intervention meeting.

Bill Clayton's most recent (renewal) application for the nightclub dance permit occurred in December 2012. A review of the crime statistics at the premise (for the 14-month period beginning one year prior to submission of renewal application through the permit expiration from December 2011 through January 2013) revealed a total of 8 citations issued to persons under 21 on the premises and a total of 3 drug-related offenses issued to patrons of the premises.

More specifically, and within the one-year period of the most recent permit's validity, from January 31, 2012 through January 31, 2013 five citations were issued to minors on premise, one citation issued to a patron found in possession of cocaine, and one citation issued to a patron openly handling marijuana in the premise:

- February 9, 2012: a 19-year-old individual who showed no identification to security guards was able to enter the premise undetected when the security guard on duty left his post temporarily. According to the report, when notified of the incident, the security guard apologized to SBPD officers for leaving his post.

This same individual was found to be in possession of cocaine. (SBPD 2012-10077) and was arrested and booked for both charges.

- May 4, 2012: a 20-year-old intoxicated individual was cited just outside of Whiskey Richards. Officers discovered he possessed a fake ID which he admitted he used to gain access into Whiskey Richards. Once inside, the minor was served by Whiskey Richard's staff two alcoholic drinks. The minor was arrested and booked for the offense. (SBPD 2012-31225)
- August 4, 2012: a 19-year-old minor used an out-of-state ID to gain entry into the premise. According to Police officers, the facial features of the person and the person pictured on the ID were noticeably different. Owner Bill Clayton was contacted by officers at the time of this incident. The individual was issued an arrest citation for the offense. (SBPD 2012-56524)

## Council Agenda Report

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- September 20, 2012: a 19-year old individual used a friend's ID to enter the premise. She later left Whiskey Richards and attempted to use the ID to get into another nightclub. Staff at that nightclub recognized the ID as a fake and seized it, denying the minor entry. The minor then returned to Whiskey Richards without an ID and was allowed by security staff to re-enter the premise. Officers spoke with security staff at the time of the incident. The minor was cited for two misdemeanor charges for the incident. (SBPD 2012-69862)
- September 27, 2012: a 17-year-old individual, working with ABC officials in a decoy operation, was able to enter the premise. When asked for ID, she showed the bartender her real ID (showing that her age was 17) and was still served alcohol. The on-duty bartender at Whiskey Richards was issued an arrest citation for the incident. (SBPD 2012-71472)
- December 23, 2012: a patron was observed by Police officers openly using marijuana inside the premise. The patron was issued an arrest citation for the incident. (SBPD 2012-93605)

Of the above incidents, five occurred following the April 25, 2012 letter from the Santa Barbara Police Department to owner Bill Clayton warning that even one more drug-related citation or any citation issued to minors on premise would result in the premise's dance permit being brought before the Fire and Police Commission with a recommendation for suspension or revocation.

On March 28, 2013, the nightclub dance permit renewal request was heard at the Fire and Police Commission ("the Commission") meeting.

#### Fire and Police Commission Action:

At the Commission meeting on March 28, Police Department staff recommended that the nightclub dance permit for Whiskey Richards be suspended for 6 months effective immediately. It was further recommended that, within the 12-month period following the suspension, should a citation be issued for a violation of the dance permit or dance ordinance, or for a minor discovered on premise, or for any drug-related offense in which a patron is observed by SBPD officers to be selling or using narcotics or marijuana within the premise, Whiskey Richards' nightclub dance permit will be brought before the Fire and Police Commission no later than the next annual review with a recommendation that the Nightclub Dance Permit be permanently revoked.

Owner Bill Clayton and business broker Matt Olufs spoke on behalf of Whiskey Richards in opposition to staff's recommendation. They presented the Commission a letter highlighting the premise's security policies, noting the actions and policies of the Department of Alcoholic Beverage Control (ABC), and asserting that premise security staff relied up on bona fide ID when permitting persons under 21 to enter the premise. They disagreed with the crime statistics presented by City staff and stated that they

have a positive relationship with the Santa Barbara Police Department's Nightlife Enforcement Officer. The appellant further claimed that he was not personally notified at the time of the citations.

Two members of the public, Kay Morter, general manager of the Holiday Inn Express, and Gail Zannon, a resident in the 400 block of State Street, spoke in support of the suspension recommended by the Police Department. The primary concerns expressed by the members of the public were the general failure of Whiskey Richards to adhere to dance permit conditions, and the noise from Whiskey Richards being arguably louder than other nightclub premises closer to the concerned establishments.

Following a lengthy discussion, which included confirmation from multiple SBPD reports that Whiskey Richards staff was notified at the time citations were issued, a motion to suspend the permit for 30 days was made but was not seconded. The Commission then voted 3 to 1 to suspend the Whiskey Richards nightclub dance permit for a period of 60 days, effective immediately.

Additionally, the Commission voted 3 to 1 to approve the Police Department's subsequent recommendation as written: "...Within the 12-month period following the end of the suspension, should a citation be issued for a violation of the dance permit or dance ordinance, or for a minor discovered on premise, or for any drug-related offense in which a patron is observed by SBPD officers to be selling or using narcotics or marijuana within the premise, Whiskey Richards' Nightclub Dance Permit will be brought before the Fire and Police Commission no later than the next annual review with a recommendation that the Nightclub Dance Permit be permanently revoked."

On April 11, 2013, Chief of Police Camerino Sanchez issued a letter to Bill Clayton notifying him that due to the time it would take to schedule the appeal before Council, both he and City Administrator's office agreed to stay the Commission's decision until the appeal can be heard by City Council. (See Attachment 3)

#### Appellants' Position:

On April 4, 2013, Applicant, owner Bill Clayton, filed an appeal protesting the suspension imposed by the Commission. In summary, the appellant appealed on the basis of the following allegations:

- The Commission did not make any written findings nor have adequate evidence to support the suspension.
- Police Department staff presented an incorrect number of violations to the Commission.
- ABC has only recognized one citation in the time period in question.
- Whiskey Richards' staff is trained to recognize fake IDs.
- No nightclub premise can guarantee that minors will not successfully use false IDs to gain access to the premise and/or consume alcohol.

Staff's Position:

In addition to holding a Nightclub Dance Permit issued by the City of Santa Barbara, Whiskey Richards, located at 435 State Street, is also licensed by the California Department of Alcoholic Beverage Control with a Type 48 liquor license, ("Bar or Night Club"). Therefore, no one under the age of 21 years is permitted to enter the premise at any time. However, for the two-year period in which the premise's two most recent Nightclub Dance Permits were valid, from January 31, 2011 through January 31, 2013, a review of crime statistics for Whiskey Richards reveals not only multiple citations for illegal use of narcotics and or marijuana at the premise, but also multiple citations issued to minors on premise.

At various times throughout 2011 and 2012, the Santa Barbara Police Department attempted to mitigate the premise's problem areas by using progressive measures as suggested by the Penalty Matrix. Those measures included verbal warnings to Whiskey Richards staff, management, and owner; the imposition of additional conditions relating to premise security and staff training; written notice of the Police Department's intention to seek suspension or revocation for any further citations issued for minors and/or drug use on premise; and an invitation for the owner to take part in an "intervention meeting" involving Whiskey Richards representatives, Police Department staff, a Fire and Police Commissioner, and a member of the Bar and Restaurant Committee to identify ways to prevent future violations. Bill Clayton opted not to accept the offer of the intervention meeting.

The actions of the Fire and Police Commission to suspend the Whiskey Richards dance permit are appropriate in light of the multiple steps taken to curb the citations at the premise, culminating with the letter issued to the applicant by the Santa Barbara Police Department on April 25, 2012 stating in part: "... because the above citations indicate a concerning trend at your nightclub, should there be one more citation for drugs and/or patrons under the age of 21 years on premise within the next year, your Nightclub Dance Permit will be brought before the Fire and Police Commission with the recommendation that it be suspended and/or revoked." Following issuance of that letter, there were no fewer than 5 citations issued for the named offenses within the remaining 9-month period of validity of the permit (see the above list of relevant citations).

In Bill Clayton's appeal letter to Council, although he critiques the number of citations represented by the Police Department, he nonetheless acknowledges that there were multiple applicable citations during the review period, stating "In truth, there were only three citations issued for minors on premise in the subject period, which is a 25% reduction from the previous review period." This number (3) is still three times the number listed in the letter issued that warned Whiskey Richards that even one more citation for minors on premise would result in potential suspension and/or revocation of the premise dance permit.

## Council Agenda Report

### Appeal Of The Fire And Police Commission's Sixty (60 Day Suspension Of the Nightclub Dance Permit For Whiskey Richards

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Bill Clayton further argues (in his appeal letter) that because the California Department of Alcoholic Beverage only penalized the premise for one violation in the relevant time frame, the City should narrow its focus to only that one violation in making its decision. However, it is important to note that the Santa Barbara Police Department has authority to take corrective action for a variety of issues and concerns within the City that fall outside the purview, authority, or concern of ABC. Specific to the issue at hand is the fact that the City's dance ordinance allows the City local control and regulation of nightclubs through the issuance of dance permits. As a separate entity, the State regulates all establishments holding liquor licenses issued by the California Department of Alcoholic Beverage Control. Premises holding both a dance permit and liquor license must therefore comply with the laws, terms and conditions of both the City and State agencies. The letter sent to Mr. Clayton by the City, which notified him of the City's position on future violations at the premise, and warning of the action that would be sought with continued violations, was applicable only to the City-issued dance permit. The 60-day suspension imposed by the Commission does not affect the premise's State-issued ABC liquor license. Therefore, this argument that the City is restricted by the actions of the ABC is improper.

In the appeal letter, the appellant asserts that Municipal Code §5.20.150 Grounds for Suspension or Revocation, subsection (E)(3), which pertains to ABC violations, should be considered for this suspension. However, subsection (E)(1) allows for suspension or revocation when "...one or more of the following circumstances has occurred with respect to the operation of the establishment holding the dance permit: (1) That the Permittee has allowed repeated violations of any provision of this Chapter, the Municipal Code, or any statute, ordinance, or regulation relating to his or her permitted business activity to occur."

Although the Police Department received no reports by security staff at Whiskey Richards notifying the Police Department of minors attempting to use fake IDs at the premise within the two-year period from January 2011 through January 2013, the applicant states in his appeal letter that Whiskey Richards staff has recently "turned over" up to seven confiscated IDs to the Police Department's Nightlife Enforcement Team. (Of the seven listed, only three are applicable to the period in question, through January 31, 2013.) While this would appear to be conflicting information, it isn't. To clarify: the Police Department statistics are based on incidents in which officers are called to the scene of a premise where the minor attempting to use false identification is present or nearby. In these instances officers are able to make contact with the minor, confirm circumstances, and, when warranted, cite the minor. A report is generated for each such proactive incident, and the report reflects positively on the premise. There are no records of any such reports in the 2-year period of review at Whiskey Richards.

However, sometimes nightclub staff take it upon themselves to confiscate false IDs, but do not notify the Police Department immediately. Later, when the officers happen to visit or pass the premise, staff will turn the confiscated ID's over to the Police. In these instances the IDs are booked as property and no crime report is created because no

officers were present when the incidents occurred. While the Police Department does not dispute the applicant's assertion that Whiskey Richards staff may have confiscated three IDs and later turned them over to Police Officers, the Police Department has no records of Whiskey Richards staff contacting officers to report a minor currently in the act of attempting to use a false ID to gain entry into the premise.

Finally, although bone fide identification (i.e. the valid identification of a person other than the minor attempting to use it for entry into the nightclub) may have been used in some of the incidents listed in the crime statistics for Whiskey Richards, the physical differences between the minor presenting the ID and the photograph on the identification and/or physical descriptors have been so different as to be immediately distinguished as two separate people by those well-trained to recognize false identification. This fact is substantiated by reports noting that officers and/or staff at other nightclubs were able to determine that the identification presented did not belong to the person presenting the ID. Unfortunately, even after the additional condition requiring mandatory training for Whiskey Richards security staff was imposed by the Police Department, a number of minors were still able to gain access into the premise.

**CONCLUSION:**

Staff recommends that the Council deny the appeal and uphold the decision of the Fire and Police Commission to suspend the Whiskey Richards Nightclub Dance Permit for a total period of 60 days, the remainder of which is 46 days.

**ATTACHMENTS:**

1. Letter by appellant Bill Clayton
2. Dance Permit Penalty Matrix
3. Letter from Chief Sanchez to Bill Clayton staying suspension.

**PREPARED BY:** Kenneth Kushner, Police Sergeant

**SUBMITTED BY:** Camerino Sanchez, Chief of Police

**APPROVED BY:** City Administrator's Office

RECEIVED

April 3, 2013

2013 APR -4 PM 1:03

TO THE HONORABLE MAYOR AND TO THE MEMBERS OF THE CITY  
COUNCIL:

CITY OF SANTA BARBARA  
CITY CLERK'S OFFICE

Pursuant to Municipal Code §5.20.150(C), Whiskey Richard's herein appeals the March 28, 2013 decision of the Fire & Police Commission to suspend appellant's dance permit for a period of 60 days. Further, pursuant to Municipal Code §520.150(F) appellant Whiskey Richard's herein offers to participate in a private mediation process in order to determine if the concerns with the permit operation can be appropriately addressed by mutual agreement entered into by mediation.

The grounds for suspension or revocation of a dance permit are set forth in Municipal Code §520.150(E) and provide that any suspension or revocation "shall be based on a written finding, supported by adequate evidence ...." Appellant is informed and believes that the Fire & Police Commission has not made any written findings, and further contends that there is no "adequate evidence" to support any finding of any of the grounds for suspension recognized in §5.20.150(E).

At the Fire & Police Commission hearing the Santa Barbara Police Department, acting as "staff" for the Commission, recommended a suspension of Whiskey Richard's dance permit for a period of 6 months based upon alleged violations relating to minors at the premises. As set forth in the staff report 8 violations were alleged to have occurred in the preceding 12 months. In truth, there were only 3 citations issued for minors on the premises in the subject period, which is a 25% reduction from the previous review period.

Municipal Code §5.20.150(E) provides, in relevant part, that a dance permit may be suspended or revoked when "the permittee has engaged in violations of the state statutes or regulations related to the sale or distribution of alcohol (particularly with respect to the sale of alcohol to persons under 21 years of age) *as determined by the ABC.*" The ABC has recognized only one citation at Whiskey Richard's in the past four years with sufficient grounds to cite the owner for allowing a minor on the premises. Appellant acknowledged responsibility in this case, paid a significant fine in lieu of suspension, and promptly terminated the responsible employee at the business. The attached February 4, 2013 "ABC Offer in Compromise" affirms that Whiskey Richard's has been licensed "since February 17, 2009 with no record of disciplinary action." Thus, under the terms of the dance permit ordinances there has been only one relevant violation "as determined by the ABC."

Further, appellant respectfully submits that Whiskey Richard's maintains a "zero tolerance" security policy, and has made sure that all employees receive updated training through the ABC and all security guards are licensed through the Department of Consumer Affairs. Issues have certainly arisen, and have been responded to in every instance. Since instituting a procedure to track ID seizures by security, Whiskey Richard's has successfully confiscated and reported the following IDs to the PD:

- October 28, 2002, ID confiscated at front door and turned over to Officer Cruz of the Night-Life Enforcement team.
- January 4, 2013 – fake ID confiscated and given to Officer Cruz.
- January 18, 2013 – fake ID confiscated and delivered to Officer Cruz.
- February 21, 2013 – a suspect ID was presented at the front door but was snatched away from security by the person submitting the ID who then ran south on State Street.
- March 7, 2013 – fake ID confiscated at the front door and given to Officer Cruz.
- March 17, 2013 – fake ID was presented. The young woman presenting the ID fled the scene. The security team followed her and Night-Life Enforcement was notified and thereafter took her into custody.
- March 30, 2013 – fake ID was confiscated at the front door and delivered to Officer Cruz.

Photographs of each of the confiscated IDs are available for review and will be presented at mediation. If mediation is unsuccessful in removing the suspension, the fake IDs will be presented to the Council.

The above history reflects the training that appellant's staff has received in recognizing fake IDs and the seriousness with which such IDs are treated when recognized.

Finally, as a matter of law no dance permit holder, including Whiskey Richard's, is a guarantor that no false IDs will ever be successfully used by a minor to gain access to the premises and consume alcoholic beverages. Business & Professions Code §25660(b) provides that "[p]roof that the defendant-licensee, or his or her employee or agent, demanded, was shown, and acted in reliance upon bona fide evidence in any transaction, employment, use, or permission . . . shall be a defense to any criminal prosecution therefor *or to any proceedings for the suspension or revocation of any license based thereon.*"

The Fire & Police Commission has made no written findings based on adequate evidence that Whiskey Richard's is not aggressively addressing the issue of minors on the premises. The ABC has made a written finding of only such violation. The Fire & Police Commission made no finding that Whiskey Richard's did not demand, was not shown, or otherwise failed to act in reliance upon bona fide evidence as described in B&P §25660 in allowing any minor into the premises.

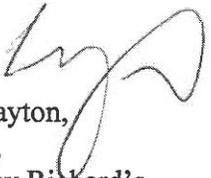
To the Honorable Mayor  
& City Counsel Members

3

April 3, 2013

For each of these reasons Whiskey Richard's requests a finding by the City Council that its dance permit will not be suspended on the evidence presented.

Respectfully,



Bill Clayton,  
Owner,  
Whiskey Richard's

**BEFORE THE  
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL  
OF THE STATE OF CALIFORNIA**

IN THE MATTER OF THE ACCUSATION AGAINST:

POUR HOUSE INC  
WHISKEY RICHARDS  
435 STATE ST  
SANTA BARBARA, CA 93101-2304

ON-SALE GENERAL PUBLIC PREMISES - LICENSE

Respondent(s)/Licensee(s)  
under the Alcoholic Beverage Control Act.

VENTURA DISTRICT OFFICE

File: 48-474183

Reg: 13077860

**ORDER GRANTING  
OFFER IN COMPROMISE**

The above-entitled matter having regularly come before the Department of Alcoholic Beverage Control pursuant to Section 23095 of the Alcoholic Beverage Control Act, the following order is adopted;

The petition of the licensee(s) to make an offer in compromise is granted and the payment of the sum of \$3,000.00 is hereby accepted, receipt number #13072406.

ORDER

The suspension heretofore ordered by the Department shall be permanently stayed effective immediately.

CERTIFICATION

It is hereby certified that on February 4, 2013, the Department of Alcoholic Beverage Control adopted the foregoing as its order in this proceeding effective immediately.

Sacramento, California  
Dated: February 4, 2013



Matthew D. Botting  
General Counsel

**BEFORE THE  
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL  
OF THE STATE OF CALIFORNIA**

**In the Matter of the Accusation Against:**

POUR HOUSE INC

DBA: WHISKEY RICHARDS

PREMISES: 435 STATE ST  
SANTA BARBARA, CA 93101-2304

LICENSE(S): On-Sale General Public Premises

**File:** 48-474183

**Reg:**

**ACCUSATION UNDER  
ALCOHOLIC BEVERAGE  
CONTROL ACT AND  
STATE CONSTITUTION**

I hereby complain and accuse the above respondent(s), holding the above license(s), based on the following statement of facts:

**COUNT 1**

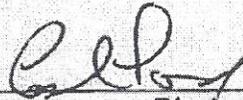
By reason of the following facts, there is cause for suspension or revocation of the license(s), in accordance with Section 24200 and Sections 24200(a) and (b) of the Business and Professions Code. It is further alleged that the continuance of the license would be contrary to public welfare and/or morals as set forth in Article XX, Section 22 of the California State Constitution and Sections 24200(a) and (b) of the Business and Professions Code. The facts which constitute the basis for the suspension or revocation by the Department are as follows:

On or about September 26, 2012, respondent-licensee's through their agent or employee, Douglas Alfred HEDGER sold, furnished, gave or caused to be sold, furnished or given, an alcoholic beverage, to wit: beer to Nadia B., a person under the age of 21 years, at the premises, in violation of Business and Professions Code Section 25658(a).

Licensee(s) Previous Record: Licensed as above since February 17, 2009, with no record of disciplinary action.

WHEREFORE, I recommend that a hearing be held on this accusation.

Dated this 17 day of Dec, 2011



District Administrator  
Department of Alcoholic Beverage Control

Reviewed:

Pursuant to Government Code Section 11507.6 discovery is requested to be provided to: Dept. of Alcoholic Beverage Control, 12750 Center Court Drive, Suite 700, Cerritos, CA 90703 (562) 402-0659.

#### STATEMENT TO RESPONDENT(S)

Unless a written request for a hearing, signed by you, or on your behalf, is delivered, or mailed, to the Department of Alcoholic Beverage Control within fifteen (15) days after the foregoing accusation was personally served on you or mailed to you, the Department of Alcoholic Beverage Control may proceed upon the accusation without a hearing to take action thereon as provided by law. The request for a hearing may be made by delivering or mailing the enclosed form entitled: "Notice of Defense", or by delivering or mailing a Notice of Defense to the Department of Alcoholic Beverage Control, 12750 Center Court Dr., Ste 700, Cerritos, CA 90703, as provided by Section 11506 of the Government Code. The "Notice of Defense" forwarded herewith, if signed and returned to the Department of Alcoholic Beverage Control, shall be deemed a specific denial of all parts of the accusation, but you will not be permitted to raise any objection to the form of the accusation, unless you file a further Notice of Defense as provided, in Section 11506 of the Government Code within said 15 days after service of said accusation upon you. At any or all stages of these proceedings, you have the right to be represented by counsel at your own expense or to represent yourself without legal counsel. You are not entitled to the appointment of an attorney to represent you.

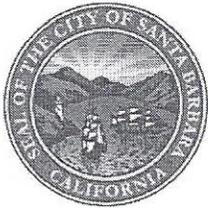
The hearing may be postponed for good cause. If you have good cause, you are obliged to notify this agency within 10 working days after you discover the good cause. Failure to notify this agency within 10 days will deprive you of a postponement.

## Dance Permit Penalty Matrix

<b>VIOLATIONS</b>		
<b>Santa Barbara Municipal Code Violations</b>	<b>ABC Violations</b> (Business & Professions Code)	<b>Miscellaneous Violations</b>
<ul style="list-style-type: none"> <li>➤ Noncompliance with Fire Code, including overcrowding (Uniform Fire Code)</li> <li>➤ Noncompliance with Noise Ordinance (SBMC Chapter 9.16)</li> <li>➤ Noncompliance with Dance Ordinance (SBMC Chapter 5.20)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Serving minors</li> <li>➤ Minors on premises</li> <li>➤ Serving intoxicated patrons</li> <li>➤ Other violations of B&amp;P statutes, regulations, or conditions of ABC permit</li> </ul>	<ul style="list-style-type: none"> <li>➤ Misdemeanor or felony convictions related to the operation and management of a dance establishment</li> </ul>

<b>PENALTIES AND REPERCUSSIONS</b>	
1 <sup>st</sup> Violation	- Verbal Warning
2 <sup>nd</sup> Violation	- Written reprimand and/or - Intervention meeting with interested parties
3 <sup>rd</sup> Violation	- Written reprimand, and/or - “Intervention” meeting with interested parties or - Fire & Police Commission Review <ul style="list-style-type: none"> <li>▪ Imposition of special conditions, and/or</li> <li>▪ Suspension up to 15 days</li> </ul>
4 <sup>th</sup> Violation	- Fire & Police Commission Review <ul style="list-style-type: none"> <li>▪ Imposition of special conditions, and/or</li> <li>▪ Suspension up to 30 days</li> </ul>
5 <sup>th</sup> Violation	- Fire & Police Commission Review <ul style="list-style-type: none"> <li>▪ Imposition of special conditions, and/or</li> <li>▪ Suspension up to 6 months, and/or</li> <li>▪ Revocation</li> </ul>

- The above lists are not exhaustive and are to be regarded as guidelines. The Fire and Police Commission has the discretion to review any/all incidents and take appropriate action to ensure the public’s health, safety, and welfare.
- In assessing penalties and repercussions of violations, penalties imposed by other regulatory agencies, including fine(s), suspension(s), or revocations(s) will be considered.
- Only violations that result in a final disposition including a conviction, a plea of nolo contendere, civil compromise, or administrative action are to be considered violations.
- An “intervention” meeting shall consist of: dance permittee, Police Department representatives, including the Nightlife Enforcement Team Sergeant, a Fire and Police Commissioner, and a disinterested member of the Bar and Restaurant Committee. The purpose of this “intervention” is to work with the dance permittee to identify ways to prevent future violations and to make the dance permittee aware of the next phases in the matrix.



# City of Santa Barbara

## Police Department

www.sbpd.com

Camerino Sanchez

April 11, 2013

William Clayton  
Whiskey Richards  
435 State St.  
Santa Barbara, CA 93101

Chief's Office  
805.897.2395

Dear Mr. Clayton:

General Information  
805.897.2300

On March 28, 2013, the Santa Barbara Police and Fire Commission suspended your dance permit for a period of 60 days effective immediately. On April 4, 2013, the City Clerk's Office received your request for an appeal of your suspension to the Santa Barbara City Council. On April 10, 2013, I discussed your pending appeal of your dance permit suspension with the City Administrator, Jim Armstrong. Unfortunately, the upcoming schedule for the Santa Barbara City Council does not allow for the necessary time for your appeal to be heard. Mr. Armstrong has agreed to stay your Dance Permit suspension until a date can be set up with the Santa Barbara City Council to hear your appeal.

Animal Control  
805.963.1513

Business Office  
805.897.2400

Community Services  
805.897.3717

Effective immediately, your dance permit is reinstated under the following conditions:

- By April 20, 2013, you must complete the scheduling of your appeal date by contacting the City Clerk's Office, Gwen Peirce or Deborah Applegate, and schedule an appeal of your dance permit suspension to the Santa Barbara City Council. Your dance permit suspension will be stayed until the Santa Barbara City Council has heard your appeal.
- Should you fail to complete the scheduling of your appeal by April 20, 2013, your dance permit suspension will be reinstated as of April 21, 2013 and will remain in effect for the remainder of your 60 day suspension (46 days).

Dispatch  
805.897.2410

Office of Emergency Services  
805.897.3725

Should you have any questions regarding this letter or your dance permit, please contact Captain Gil Torres (805) 897-3722 or [gtorres@sbpd.com](mailto:gtorres@sbpd.com) for more information.

Parking  
805.897.2360

Patrol  
805.897.2392

Sincerely,

Camerino Sanchez  
Chief of Police

Records  
805.897.2355

Cc: City Attorney  
Tax & Permit Office  
Police Special Investigations  
Fire & Police Commissioners  
Matt Olufs, Business Broker

215 E. Figueroa St.  
Santa Barbara, CA  
93101

PO Box 539  
Santa Barbara, CA  
93102



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Conference With Labor Negotiator

**RECOMMENDATION:**

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Bargaining Unit, Supervisor's Bargaining Unit, and the General Bargaining Unit, and regarding discussions with certain unrepresented managers about salaries and fringe benefits.

**SCHEDULING:** Duration, 30 minutes; anytime

**REPORT:** None anticipated

**PREPARED BY:** Kristy Schmidt, Employee Relations Manager

**SUBMITTED BY:** Marcelo López, Assistant City Administrator

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Request from Mayor Helene Schneider and Councilmember Bendy White for a Gang Injunction Informational Update

### RECOMMENDATION:

That Council, as requested by Mayor Schneider and Councilmember White, receive an overview and update on the gang injunction.

### DISCUSSION:

Attached is a memorandum from Mayor Schneider and Councilmember White requesting an overview and update on the gang injunction. The staff presentation will include an overview of and the basis for initiating the injunction, a description of the intended outcome, and an update on where the petition stands in the judicial process.

**ATTACHMENT:** Memorandum from Mayor Schneider and Councilmember White

**PREPARED BY:** Marcelo A. López, Assistant City Administrator

**SUBMITTED BY:** Jim Armstrong, City Administrator

**APPROVED BY:** City Administrator's Office



**City of Santa Barbara**  
Mayor and Council Office

**Memorandum**

**DATE:** April 23, 2013

**TO:** James L. Armstrong, City Administrator

**FROM:** **Councilmember Bendy White and Mayor Helene Schneider**  
*Bendy White* *Helene Schneider*

**SUBJECT:** **Gang Injunction Informational Hearing**

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- Summary of Information to be Presented to the City Council

Receive an update and have a discussion on the gang injunction. This would include a review of the thinking that went in to initiating the injunction and what is and is not included in the petition. It also would include a statement of the problem and a description of the intended outcomes. The Council would receive an update as to where the injunction stands in the judicial process.

- Statement of Specific Action the Council will be asked to take

- No specific action is proposed.

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- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Requested Action

The gang injunction is an action at least co-initiated by the City of Santa Barbara, along with the District Attorney. It has been in the judicial system for a substantial amount of time, without updates to the public about its status. It is also a topic of public controversy. It is Council's responsibility to keep the public informed on key pieces of City Business.

Cc: Mayor and Council  
Steve Wiley  
Chief Cam Sanchez