



**VISALIA CITY COUNCIL STRATEGIC WORKSHOP  
FEBRUARY 5 & 6, 2010**

**Visalia Convention Center – 303 E. Acequia, Visalia, CA 93291**

**AGENDA**

**FEBRUARY 5, 2010**

**The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on any of these items, but a final decision will occur at a future Council Meeting).**

*The following agenda items are not time specific. A break for a buffet dinner will be taken at approximately 5:00 p.m.*

12:00 p.m. – **Lunch**

1:00 p.m. - **Opening Comments**

Bob Link, Mayor

Public Comment

Steve Salomon, City Manager

Mike Ramsey, Facilitator

**1. GETTING BETTER ACQUAINTED**

An exercise to strengthen communication among councilmembers and staff.

**2. GENERAL OBSERVATIONS – Introduction by Facilitator**

All council members acknowledge that having three new members may have changed the focus and direction this City Council will take. The Workshop will be a good place to discuss what that entails.

### **3. COMMUNICATION**

The City needs to improve its communication strategies with the community. Openness and clarity are important to this City Council. Citizens should have easy access to accurate information so they can be informed and engaged on issues they care about. In order to further this objective, the City should look at additional outreach strategies, especially those that include contemporary mediums.

### **4. FINANCIAL**

These difficult economic times will require the City Council to re-evaluate its goals and projects. We must live within our means. The City needs to incorporate business practices that are more streamlined and cost effective. Applying “value engineering” principles to the City’s work may help contain costs without decreasing the quality of its work.

### **5. LAND USE PLANNING**

This may be the first time in years there is no councilmember whose work or professional training involves land use planning. How might that impact the City Council’s land use decision making?

1. What is the role of the City Council in relation to the Planning Commission?
2. What direction does the City Council want to give with regard to further studying the Business Research Park land uses at Plaza Drive between Highway 198 and Hurley?
3. To what extent is Agricultural Land Mitigation a viable and necessary strategy for Visalia at this time?

**7:00 p.m. - Adjourn**

**FEBRUARY 6, 2010**

8:00 a.m. – Continental Breakfast

8:30 a.m. - Convene Workshop

Welcoming Comments from Mayor Link

Public Comments

**The City Council will raise and discuss issues that they believe are important to Visalia now and in the future. These items are expected to include, but may not be limited to those listed below. (It is expected that the Council will give direction on any of these items, but a final decision will occur at a future Council Meeting).**

**6. POLICIES, PROJECTS and PROGRAMS of INTEREST**

- a) West Visalia / Highway 198 scenic corridor plan: When will we have one? How should the City use land it currently owns along this corridor?
- b) Streamlining the planning and permitting process: What can be done to make the process work more quickly and predictably?
- c) FEMA: What continues to be done to assist community members whose residence is included in the 100 yr. flood plain?
- d) Gang Suppression: Which strategies are working and what needs to be added?
- e) Measure T: What can we actually pay for?

- f) How does Visalia maintain its Quality of Life with the lowest revenue categories base among our nearby communities and staffing numbers reduced to the 1990 level? What are the City Council's expectations in areas like the Capital Improvement Program, job creation, traffic circulation, public safety, etc?
- g) What is the role of the City's Economic Development effort in the community?
- h) Code Enforcement / Neighborhood Preservation: What improvements are we seeing?
- i) What is the City's role with regard to the homeless in the community?
- j) What is the likelihood that the City can sponsor and/or coordinate annual sporting events that will attract visitors to Visalia every year?
- k) Visitor and Shuttle Center: What role will this facility play in economic development? How can it be operationally structured so that the City is not funding the majority of the operating costs of this facility?

## **7. PRIORITIES EXERCISE**

City Council members will list the City projects, programs and services that are of the greatest importance to them in 2010.

### **4:00 p.m. Adjourn Workshop**

*Breaks will be taken as needed, and a lunch break will occur around 12 noon.*



## ITEM 3

February 5, 2010

To: Members of the Visalia City Council  
From: Nancy Loliva and Leslie Caviglia  
RE: Report on Communication strategies employed by the City of Visalia

Communication is paramount to a successful relationship between the city and its citizens. Many strategies have been employed in order to provide citizens with easy access to accurate information and allow them to be informed and engaged on issues they care about, but there is always room for improvement. To further this objective, the City not only implements the strategies below, but also recommends consideration of additional outreach strategies for Council consideration and is seeking other ideas to further enhance and improve communication efforts.

### Current Communication Strategies

*City Produced Publications; Media Outreach; Public Awareness Programs;  
Public Presentations; and Web-based Communication and Social Marketing*

#### Strategy No. 1. City-Produced Publications

- **Publication of the Inside City Hall newsletter after every regular Visalia City Council Meeting** provides accurate, timely information to interested citizens. The Newsletter's Listserve allows citizens to self-subscribe on the City's Website in addition to viewing archived issues of Inside City Hall. The Listserve currently has 552 names. In addition to being distributed via email Citywide to an estimated 600 employees Inside City Hall is also distributed through the school district, community college and hospital staffs for an estimated combined reach of 1,500-2,000 within the City. Promotion of subscribing to the newsletter has been expanded to the City Council's agenda, solicitations through committee/commission members and public presentations by the Mayor, Vice Mayor and City Manager.
  - **Future strategies:** Expand subscription base of Inside City Hall newsletter through promotion at city service organizations, all Public Meetings, and through social marketing networks with a goal of 5,000 total subscribers by end of 2010. Promote items to be discussed at upcoming City Council meetings through the Inside City Hall listserv.
- **Re-design of the City's website** includes an online email capability on every department's page, allowing citizens to email department representatives questions. Website representatives for each department are responsible to ensure that responses to inquiries are given on a timely basis.
  - **Future strategy:** Develop and implement a user-friendly name for the City's website.
- **The Citizens Advisory Committee annually conducts a Public Opinion Survey (POS).** In Spring 2009, the CAC conducted the survey in person in front of four different supermarket chains in each quadrant of the City. Strong improvements were made in capturing a more diverse sample, more closely matching 2005-2007 Census data demographics.
  - **Future strategies:** Staff to work with Citizens Advisory Committee to develop online survey processes to supplement the annual Public Opinion Survey and to allow citizens to participate in prioritizing issues to address on a year-round basis. Current Civica software allows the creation of basic polls/surveys. The licensed copy of Qualtrics, software the city owns, has limits but does provide information for fast review and generates the findings into a powerpoint/excel spreadsheet.
- **Packet promoting the City to prospective businesses** was developed with the help of city staff, chamber representatives and local real estate professionals. First packet sent to Trader Joe's representative on Jan. 15.

- **Parks and Recreation Program brochures** are produced twice a year, highlighting programs the City offers. Each spring and summer over 50,000 copies are printed and mailed to residents. In Fall and Winter, brochures are inserted in the Valley Voice, distributed through Elementary schools and made available at all City Community Centers.
- **Development of six annual inserts to be distributed with California Water Supply Co. statements** to an estimated 30,000+ customers within city limits on a monthly basis as part of the City's billing contractual agreement. Due to revisions in the agreement, the City is allowed one insert per calendar year at no cost, effective January, 2010.

#### **Strategy No. 2: Media Outreach**

- **Publication of a column on issues of interest to citizens in the Valley Voice Newspaper**, titled, "Visalia's Voice" on a regular basis.
- **"Valley Voice Luncheons" at Jack & Charlie's** with City staff as the featured speakers.
- **Free promotional spots on KJUG Radio (98.1 AM)** promoting Parks & Recreation programs and special events.
- **Airing of "Visalia Today" on Comcast Cable Local Channel 14** monthly began anew in October, 2009. The half-hour program airs 3 times weekly and features staff discussing issues and programs of interest.
- **Quarterly meetings with the Times-Delta Editorial Board.** Staff discusses issues of concern to all citizens, including discussions on the City's fiscal outlook and public safety.
- **Weekly updates to all media on major construction projects.** In addition to a weekly public works project report, individual progress reports have been issued to the media for the following: Acequia Two-way Conversion, Santa Fe Overcrossing, Houston Widening and Roundabout, and the Ben Maddox Overcrossing.
- **Vice Mayor Amy Shuklian records a weekly Q&A program on Wednesday mornings on KTIP Radio.**
- **Regular outreach by Visalia Police Department with the local Hispanic media.** They include appearances by Detective Ozzie Dominguez on Channels 21 (Univision), 61 (Telefutura), 54 (Tvida in Porterville), and Radio Campesina.

#### **Strategy No. 3: Public Awareness Programs**

- **Utilization of Alert TC (Alert Tulare County)**, a phone notification system, has issued 18 community outreach messages from the City in the last 18 months. The shared system agreement with the County ends in June 2010, and discussions are currently underway with city managers/Tulare County as to the status of the system.
- **"Citizens in the Know"**, developed in the fall of 2008, is a six-week program highlighting the City, its organization, and programs designed to encourage participation of citizens in local government. A total of \$5,000 is budgeted for the program, and due to budget restraints, the program was put on hiatus for FY 09-10.
- **Committees and Commissions** provide the opportunity for citizens to engage in the government process through seven committees and two commissions. Members are appointed by the City Council, and the committees are currently engaged in an annual recruitment effort for new members.

#### **Strategy No. 4: Public Presentations**

- **"Dialogue with City Leaders"**, sponsored by the Visalia Chamber of Commerce, began in January with a breakfast meeting with Mayor Bob Link. The Chamber wishes to have all elected officials participate. Coming up: Vice Mayor Amy Shuklian on February 19.
- **Open Office Hours with Vice Mayor Amy Shuklian** began on January 6. The monthly sessions are promoted on the city's Website, in Inside City Hall, and through the print media.
- **Work with the City Manager on the development of presentations to the community.** A total of seven presentations have been given by the City Manager to community-based organizations since July 2009.

**Future strategy for Public Presentations:** Expand public presentations to broaden the awareness of projects and programs.

### **Strategy No. 5: Web-based Communications and Social Marketing**

- **The Parks and Recreation Department's Community Group Facebook Page.** Messages are sent to 155 FANS weekly to give updates on Recreation programs and events with the goal to grow the site, and attract youth.

#### **Future strategies for Web-based Communications and Social Marketing:**

- Develop Facebook page specifically targeting new Visalia residents.
- Explore Records retention, censorship and accuracy issues as it relates to use of social marketing mediums.
- Develop Facebook Pages for other programs/projects as appropriate

### **Communication Strategies for Council Consideration**

In addition, for Council consideration, the following objectives have been identified by both City Council members and staff as strategies designed to improve communication between the City and its citizens:

**Consider implementation of Constituent Relationship Management System:** As part of the 2006-2008 budget process, the City Council authorized the purchase of content management software, as part of the redesign of the City's new website.

- The CRM system would allow the City to track requests made by citizens to ensure an accurate response in a timely fashion.
- **Future strategies:** Funds for this project (\$30,000) were budgeted in the 2009/2010 Fiscal Year. They were subsequently frozen. Staff recommends they be reconsidered as part of the 2010/12 budget process.

**Explore opportunities for participation of Council members in outreach meetings to faith-based and non-profit organizations. (as suggested by a faith-based representative at the January Chamber breakfast). Possible considerations:** Visalia Ministerial Fellowship meetings; 210 Community Forums hosted by the Visalia Times-Delta; and meeting with a non-profit organization made up of four churches who own housing in the downtown area.

**Increase time limit for public comment in Council meetings from 3 to 5 minutes** to provide citizens with more time to fully express their opinions on matters.

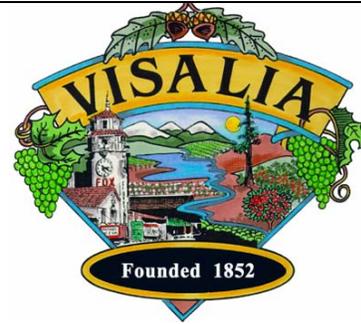
**Consider holding Council Meetings at the Convention Center.** Staff will bring an in-depth staff report to Council with cost comparisons of continuing to hold meetings at City Hall or consider moving them to the Convention Center.

#### **Simultaneous webcast of City Council meetings**

- Improve public access to local government by providing live streaming webcasts of Council meetings via the Internet, allowing citizens to watch Council proceedings from any computer with internet access.
- Current procedure is to record digitally all council meetings and provide audio CD's upon request.
- Cost considerations include purchase of entry level system, lighting and connection to web, additional personnel costs to run system during meeting. Cost requested not to exceed \$35,000. Request to be considered in upcoming CIP process for consideration in 2010/11 or 2011/12.

# ***City of Visalia***

## ***Memo***



To: City Council  
From: Mike Olmos  
Date: February 5-6 Council Workshop  
Re: Role of City Council in relation to Planning Commission

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**Summary:** This report will briefly describe the current responsibilities of the City Council and Planning Commission in making decisions of various types of planning and development permits (referred to as land use “entitlements”). The discussion will include changes adopted by Council approximately 3 years ago allowing a Council member to request Council review of a Commission action on a land division map. Council discussion and direction is requested regarding whether the recent changes are still needed.

### **Planning responsibilities:**

State law requires the City Council to establish programs to implement land use planning and permitting functions undertaken in the City pursuant to State planning law. This responsibility includes designating decision making authority for land use entitlement permits. While the City Council is able to undertake this role itself, due to the significant workload and technical responsibilities associated with local government land use planning, Visalia, as with most cities and counties in California, has an appointed Planning Commission to perform these functions. This enables the City to provide greater focus and expertise on complex planning issues, thereby leading to more effective and timely planning decisions.

The City’s 5-member Planning Commission has two primary functions: 1) Serve in an advisory role to the City Council on planning issues arising in the City; and 2) Exercise advisory and decision making responsibilities on land use entitlement permits. The members of the Planning Commission are appointed by the City Council.

### **Decision-making responsibilities on major entitlement permits:**

General Plan Amendments - Planning Commission holds a noticed public hearing and makes a recommendation on General Plan amendments for consideration by the City Council. State law assigns final decision making responsibility to the City Council on all amendments or updates to the City’s General Plan. Council must also hold a noticed public hearing on the amendment.

Zoning Amendments (text and district boundaries) - Planning Commission holds a noticed public hearing and makes a recommendation on zoning amendments for consideration by Council. Per State law, Council must make final decision on zoning amendments, following a noticed public hearing.

Conditional Use Permits: The Municipal Code assigns final decision making authority on CUPs to the Planning Commission. Decisions of the Commission may be appealed to the City Council by any interested party within 10 calendar days following the decision. (Note: Any party filing an appeal with the City on any Planning Commission matter must pay a filing fee of \$351.)

Variances: Variance applications requesting exceptions to City zoning standards (such as yard setbacks, height standards, sign standards, etc.) are subject to final decision by the Planning Commission. Decisions of the Commission can be appealed to the Council within 10 calendar days.

Land Divisions (Subdivision and Parcel Maps): Land division applications generally take one of two forms: *subdivisions*, generally defined as land divisions containing 5 or more parcels or condominiums, and *parcel maps*, generally containing 4 or less parcels or condos. Both of these land division applications are subject to final decisions by the Planning Commission, appealable to Council within 10 calendar days.

These City processes for land use entitlements permits are consistent with State law and provide sufficient review and citizen input. They are also typical of processes utilized by other California cities.

## **Recent Changes**

In recent years, the Council has taken increased interest in decisions made by the Planning Commission. This has resulted in two procedural changes designed to enable Council to track Commission decisions and initiate Council review of tentative map decisions without an applicant or citizen appeal, as follows:

1. In 2007, Council agendas were modified to receive as an Information Item the Planning Commission Action Agenda for the Commission's most recent meeting. This enabled the Council to formally track Planning Commission actions during appeal periods. Previously, the Commission's action agenda was provided to each Council Member as part of routine correspondence.
2. On January 16, 2007, Council adopted Ordinance 2006-18 (copy attached), revising and streamlining appeal procedures for various City entitlement permits. As part of this update, Council also added a provision for tentative land division maps to enable a single Council Member to call for Council review of a Planning Commission decision on a tentative map application by making the request in writing to the City Manager within 10 days of the Commission's decision (See Section 16.04.040 on page 2 of Ordinance 2006-18). All other entitlement applications being processed in conjunction with the tentative map would also be

automatically reviewed. Review of these applications by Council would be processed and could be acted upon by Council in the same manner as an appeal filed by an applicant or interested person.

While this land division review process for Council Members has been in place about 3 years, only two reviews have been initiated by Council Members pursuant to this section. These reviews were primarily directed at conditions of approval for either design aspects or improvements.

The two processes recently initiated by Council have created concerns for the development community. Staff has received comments that the additional process creates less certainty and greater risk in the City's land development programs, potentially leading to higher development costs. Further, developers have expressed that these greater risks make Visalia a less attractive place for potential investment.

In conclusion, Council can consider whether the procedures for placement of the Planning Commission Action Agenda on the Council agenda and the Council Member review process for land division maps are still necessary. If Council determines that one or both of these processes are no longer needed, staff will undertake steps for removal.

# City Council Workshop Memorandum

**To:** City Council

**From:** Paul Scheibel, AICP, Planning Services Manager (713-4369)

**Subject:** In what direction does the City Council want to go with regard to further studying the Business Research Park (BRP) land uses at Plaza Drive between Hwy 198 and Hurley Avenue?

**Date:** February 6, 2010

## SUMMARY

The BRP (Business Research Park) zone district has had a checkered past. Originally placed on several areas of the community, the BRP has not been well received by landowners and the zone district has been reduced to one remaining area along Plaza Drive,, immediately north of State Highway 198. While two developments have occurred in the remaining BRP area, both encountered significant discussion at the Planning Commission and Council level in defining appropriate land uses for this district. Following approval of Plaza Business Park in 2008, Council directed that staff complete an extensive analysis and recommendations for better defining the Council’s vision for the last BRP area.

Since this Council directive was given, the City Council has initiated the community-wide Comprehensive General Plan Update. This GPU process will include a comprehensive evaluation of all land use districts in the community, and will develop recommended policy updates for all sectors while achieving internal coordination and consistency.

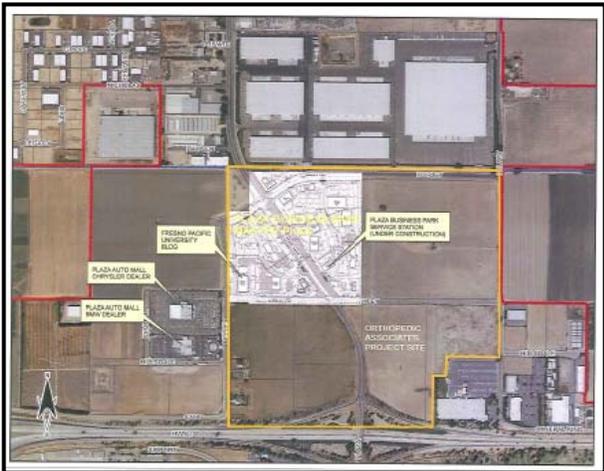
During the workshop, Council will discuss the BRP area, and it may desire to give direction to staff regarding this unique zone district. Council may consider whether it is appropriate to defer the evaluation of the BRP District to the General Plan Update, or if it is imperative that City staff complete the analysis ahead of the GPU. In the meantime, new development projects that may come before the Planning Commission and City Council would be processed under the same provisions as the previous projects in the BRP zone.

## BACKGROUND

The Business Research Park (BRP) zone was created with the adoption of the 1991 General

Plan Update (2020 Plan). It originally included five areas totaling 655 acres throughout the City. Approximately 535 acres of original BRP zoned areas have been rezoned to other zones at the landowners’ requests. Today, only the Plaza/Hwy 198 location remains in the City’s BRP zone inventory, comprising 18 parcels totaling 120 net acres, as shown below.

The BRP zone was created with the vision for providing “campus settings” to recruit the new high tech industries and



skilled labor offices that were emerging in the mid-1980s. It restricted medical office uses in order to focus medical-related development in the Downtown area.

There have been three projects considered by the City beginning in 2004. Two of the three projects were ultimately approved, and one was withdrawn by the applicant.

The BRP zone has not been a successful zoning classification, as measured by the facts that four of the five original BRP areas have been re-zoned at the owners' requests, and by the minimal BRP-zone development that has occurred relative to overall growth in the City since 1991.

There are numerous external factors to explain why the BRP zone has not achieved its original vision. The City cannot directly influence external factors. However, property owners and developers (stakeholders) have most frequently cited two fundamental causes for the BRP zone's difficulties for which the City could exercise its direct influence to promote more extensive development in the BRP zone:

- First is the restrictive nature of the uses that are allowed in the BRP zone.
- Second is the subjective nature of some of the General Plan and Zoning provisions that are exclusive to the BRP area.

The two CUP approvals provide some degree of precedent for evaluating future projects. Staff has identified three key issues that frustrate the effort to satisfy stakeholders' complaints. The City Council may desire to consider the following issues as a focused effort, or defer some or all of them to the General Plan Update:

1. Is the original vision for BRP development still valid, or has interpretation of the vision over time hindered the development of potential projects?
2. Does the project entitlement process need to be made more objective and outcomes more predictable?
3. Does the City Council desire to modify the range of permitted and conditionally allowed uses in the BRP zone?

As previously noted, the BRP zone is included as a specific study area in the upcoming General Plan update. In particular, the BRP-zoned area will be studied in the economic development aspect of the City's existing land use policies, and visioning for future land use strategies. **If the City Council directs a special study ahead of the General Plan Update, it is anticipated that the zoning and General Plan policies that are amended will be implemented at least 18 months earlier than the anticipated completion of the GPU .**

## **PREVIOUS PROJECTS**

**There are three projects in the BRP zone that have been formally considered by the City:**

**Plaza Business Park**, CUP 2007-39: (please see Attachment 2) a request for a master-planned development to allow the phased development of a mix of office, educational, and highway service businesses totaling 327,828 on 29.4 acres within the BRP (Business Research Park) zone, located on the east and west sides of Plaza Drive, north of Crowley Avenue. The project features extensive landscaping and sustainable design features such as bioswale drainage and semi-pervious parking lots. The project was ultimately approved in May, 2008 . The first phase, a service station, is under construction now.

**Fresno Pacific University** campus CUP 2007-36 (please see Attachment 3) was approved for a 53,124 sq. ft. building to be used for a classroom facility to be built in two phases on 3.13 acres within the Plaza Business Park master planned project area. The project was allowed to proceed independently and ahead of the Plaza Business Park project. It was finally approved after surviving both an appeal of the Planning Commission's approval (appeal withdrawn), and the architectural review process. The facility was approved in November 2007, and it is built and in operation now.

**Orthopedic Associates** CUP 2004-20 (please see Attachment 4), a request to allow a 4-building medical facility and highway commercial uses totaling 27,828 sq. ft. of building area on 29.37 acres located at the northeast corner of Hwy 198 and Plaza Drive. The project was allowed to proceed with a General Plan land use change to Professional Administrative Office and a conditional zoning agreement (CZA). The CZA was to ensure the medical office component would achieve the design and uses proposed by the applicants, essentially to ensure the doctors group would remain in Visalia. The project and CZA were ultimately withdrawn by the applicants in 2008.

## **DISCUSSION**

Previous City Councils have struggled with the permitting process for projects in the BRP zone. In particular, the determination if projects meet the un-quantified and therefore subjective criteria contained in the BRP provisions, and with the acceptable mix of uses on a particular site and in the BRP zone overall. The previous City Council directed that an analysis be undertaken to overhaul the BRP zone provisions. While the issues are well known, solutions that would be acceptable to both the City Council and the property owners/developers has proven to be more complex than time and resources would allow at the present time. The following discussions of each of the three issues on which previous City Councils, stakeholders, and City staff have struggled are distilled in the summaries numerated below. They reflect City staff's analysis and recommendations that have been included in project recommendations and special studies prepared for the City Council in previous years.

### **1. Is the original vision for BRP development still valid, or has interpretation of the vision over time hindered the development of otherwise meritorious projects?**

Vision of the BRP Zone: The first description and placement of the BRP zone emerged during the 2020 Plan process between August 1988 and September 1991. The BRP zone was created as a new hybrid, special purpose zone under the Professional/Administrative Offices land use category. The record from the Draft version of the Land Use Update identifies:

“...three areas for large-scale professional/administrative office development. These campus-type or well landscaped areas are to be master-planned prior to development to establish site design measures (i.e. lot sizes, access/circulation, landscaping, signage, infrastructure, etc.) and phasing.”

The BRP zone description and locations further evolved during the 2020 Plan hearings and applied to five areas totaling 655 acres, established as Policy 3.6.3, and which remained in the adopted Land Use Element text. The record of the 2020 Plan hearings discussed preferred uses as instruments, research and testing operations, and large offices such as the Nationwide Call Center [now the Mooney Blvd. County government center, (161,000 sq.ft. building on 24.6 acres)] .

Relative comparisons were made between potential BRP zone uses and industrial uses. The BRP zone restricts outdoor storage and other more process-heavy uses that characterize standard industrial developments, in favor of more indoor labor-intensive and technical uses. This suggests the 2020 Plan crafters envisioned the BRP zone to hold the potential for “high-tech” employers that did not fit neatly into a purely industrial zone.

The high-tech (Silicon Valley) users have not materialized in the size or scope that would have warranted one or more exclusive campus settings reserved by the BRP zone. In the meantime, the City has seen substantial industrial development, particularly with warehousing and distribution operations, and manufacturing of agriculture, food products, and construction products. These developments have tended to locate in the traditional Light and Heavy Industrial zoned area to the north and east of the remaining BRP zone.

## **2. Does the project entitlement process need to be made more objective and outcomes more predictable?**

Architectural Review: The architectural review step reserved to the City Council (VMC 17.30.220.F) and several key terms and concepts unique to the BRP zone and its associated General Plan policies have been cited as being very subjective. This is due in part to the 2020 Plan architects desire to establish higher standards for the BRP zone, but a lack of tangible examples and experience with quantifying those standards.

The subjectivity concern extends to the basic question of whether a proposed project can be approved or not, which is well beyond standard discretionary decisions such as the fine details of an approvable project. For example, the architectural review step (ostensibly to review building finish treatments and entry signs) served as the final referendum on the entire Plaza Business Park project.

The term “large-scale’ business and research activities” (VMC 17.24.010, et.seq., and Land Use Policy 3.6.3) is an example of subjective language that fosters uncertainty for all parties. There is no supporting definition for this term. Consequently, projects with office buildings more than 6,000sq.ft, which are permitted by right in the BRP zone, could not actually count on their project’s consistency with the Zoning and General Plan provisions until the City Council voted on the matter at the end of the project review process.

Master Plans: The acceptability of a Master Plan instead of a Specific Plan for projects was previously determined by the City Council in its final approval of the Plaza Business Park project. The minimum area that needs to be included in the “master plan” area and the range of acceptable uses for all projects in a master planned project are still undetermined.

Per Design District G, the landscape setback for projects *fronting* on Hwy 198 is 150 feet (VMC 17.30.220.E.2). This is cited as being consistent with the West Visalia Specific Plan. However, the term “fronting” is nebulous since the former Hwy 198 and frontage roads are now either abandoned or have been raised above surface grade. In the vicinity of the Plaza Drive off-ramps at Hwy 198, the requirement is inconsistent with the setbacks adjacent at the Jostens and SJVC buildings, and with the hotels and Airport terminal building on the south side of Hwy 198. Applying the 150-foot setback as the most cautious design approach affects up to three acres of otherwise developable land on the largest parcels. This is a substantial design and financial feasibility consideration for projects that may consider locating in the BRP zone.

### **3. Does the City Council desire to expand or reduce the range of permitted and conditionally allowed uses in the BRP zone?**

The range of permitted and conditionally allowed uses has been generally accepted by property owners and potential developers. However, there has been some question if otherwise allowed uses are also subject to an un-codified saturation limit. This is particularly true for service/convenience stations and fast-food restaurants. Zoning Code section 17.24.010 B encourages these uses to the extent they are supportive of the other uses in the BRP zone. That suggests such uses that would desire to take advantage of the proximity to Hwy 198 and the greater Industrial area to the north would not be allowed.

Medical uses and storage facilities (as differentiated from outdoor storage) have been called into question with several project proposals. Medical uses are not allowed in the BRP zone,, presumably to preserve the primacy of the Downtown area and the vicinity of Caldwell and Lovers Lane for medical uses. However, the Kaweah Delta Hospital District has built its satellite campus nearby on Akers and Hwy 198, and in 2006 it formally endorsed locating the Orthopedic Associates project at Plaza/Hwy 198. This suggests that there may be merit to considering medical uses in the BRP zone without primary concern for its impact on the other planned medical center areas throughout the City.

### **POTENTIAL CITY COUNCIL ACTIONS**

The previous City Council ultimately chose to deal with the BRP issues on a case by case basis in the course of reviewing projects that came before them instead of proceeding on a formal overhaul of the BRP zone. This course was precipitated by lack of resources to adequately fund such an effort, and by the lack of a consistent consensus on the potential outcomes. This was a prudent course given the decline in permit activity citywide and for the BRP zone in particular. However, it also left the outstanding issues unresolved which have been cited as reasons for the lack of robust development activity in the BRP zone.

The present City Council may determine the BRP zone provisions are adequate and take no direct action at this time. In this case, the BRP zone analysis could still be part of the land use analysis in the General Plan Update that is currently underway. Alternately, the City Council could direct staff to undertake the review separately from the General Plan Update. In this case staff will return to the City Council with a recommended work program, timeline, and resources required to complete the task. **Until any zoning or General Plan amendments are adopted, projects will changes, new projects in the BRP zone will be processed under the same current provisions as the previous projects cited in this report.**

### **ATTACHMENTS**

1. General Plan Policy 3.6.3and Zoning extracts
2. Plaza Business Park site plan
3. Fresno Pacific University building elevations
4. Orthopedic Associates site plan
5. Maps of BRP Area

# ***City of Visalia***

## ***Memo***



To: Visalia City Council

From: Michael Olmos, Assistant City Manager  
Chris Tavarez, Management Analyst

CC: Steve Salomon, City Manager

Date: February 5, 2010

Re: Agricultural Land Mitigation

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### **Summary**

This memo provides City Council with a status report of the Agricultural Mitigation Program (AMP) that had been researched and preliminarily developed by Staff at Council's prior direction. Staff is requesting discussion and direction regarding whether staff should continue to develop an AMP for Council consideration of adoption, or alternately determine that existing City planning policies and practices continue to provide sufficient mitigation for potential impacts to growth on agricultural lands.

Prior direction from Council was to put progress of this AMP on hold until this Council Workshop due to uncertainty of the benefits of an AMP and the weak legal precedence for this type of program, opposition from stakeholders on implementation of an AMP and the challenges facing the City from the current economic climate.

### **Issues**

Several issues remain to be resolved regarding the AMP concept:

1. Is an Ag Mitigation Program needed? The current General Plan and EIR recommend that an AMP be considered but concludes that impacts to Ag land are addressed through the City's comprehensive planning policies and overridden by economic and other benefits to agriculture generated by a well planned vibrant community.
2. How effective would an AMP really be? Requiring developers to purchase (or fund the purchase through in lieu fees) farmland in outlying areas may be fruitless in the long run if the preserved farmland is not really threatened by urbanization or does not have ongoing agricultural viability. Purchasing easements on lands adjacent to the City, which are in the path of urbanization, is very costly and would impede effective urban growth and extension of infrastructure.
3. Do agricultural easements really preserve agricultural land? The viability of agriculture is a broader issue than just land preservation. Increasingly, the availability of water is becoming the most significant factor in Ag viability. Market economics, economies of scale and changing consumer preferences also help determine whether individual parcels are viable for ongoing agriculture.
4. What is the impact of an AMP on development/building industry? Clearly, an AMP would increase costs for development by adding on an additional fee component, or forcing developers to purchase easements. In the current struggling economy, increasing costs of development without establishing clear and certain community benefits is counter productive to job creation and economic stimulus.

These issues have been raised through the AMP formation process by both farming interests (including the Farm Bureau) and the development community. Staff concurs that these concerns are valid.

Council discussion is requested on whether an AMP would have sufficient community benefits and long term effectiveness, and direction on whether such a process is needed and should continue to be pursued.

### **Industrial Park Annexations**

The City has received an Agricultural Preservation Endowment (approximately \$320,000) from the annexation of 483 acres of land (completed February 2008) at Road 80/Riggin Avenue that would be used for mitigation of the loss of farmland due to development of the first project phase (160 acres). The owners of the property are David and Ana Paula Vargas, and the developer is MSJ Partners. This project also included restrictions requested by Council on the size of industrial parcels to be created. The Vargas/MSJ annexation area is shown on the attached map.

In addition, an annexation application has been received from Russell Doe for 160 acres of industrially-designated property located at the northwest corner of Riggin Avenue and Plaza Drive, next to the MSJ site. This annexation is expected to be completed in mid-2010.

If Council determines that an AMP is not needed, then staff will not include it as a condition on the Doe annexation. In addition, Council should consider whether the Agricultural Preservation Endowment (\$320,000) should be refunded to MSJ Partners because no ag mitigation program will be implemented by the City and to treat both the MSJ and Doe annexations equally.

Another matter on both annexations concerns parcelization restrictions. When the MSJ annexation was submitted, and in subsequent discussions with MSJ representatives, MSJ expressed its preference that parcelization of their site be permitted to occur as allowed by existing Heavy Industrial zoning. This would allow the property to be marketed to a broad range of potential industrial tenants. However, during the processing of the annexation, Council established more restrictive parcelization requirements for the MSJ property, in an effort to target larger industrial tenants. To staff's knowledge, no tenants have as yet been secured for either the MSJ or Doe property to date.

Council direction is also needed on the parcelization issue. To be fair, annexation of the Doe property would include parcelization restrictions similar to MSJ. However, in the current economic climate, staff believes such restrictions would be a disadvantage in attracting industrial tenants to both sites. If Council agrees, then the Doe annexation would proceed without parcelization restrictions in excess of zoning requirements. In addition, Staff would recommend that MSJ be permitted to revise their parcelization scheme to better suit their marketing strategies in compliance with zoning standards.

Attached are copies of the annexation agreements for the Vargas/ MSJ property (original Pre-Annexation agreement dated October 29, 2007 and First Amendment dated October 5, 2009). In the original pre-annexation agreement, the parcelization restrictions are contained in Item D – Development Plan (Page 5) and the agricultural land provisions are in Items G (Agricultural Conservation Endowments – Stage 1 Area) and H (No additional Agricultural Development Exactions) on Page 7. The First Amendment included revisions to the parcelization restrictions in Item 4 (Development Plan) on Page 3. If Council directs that either or both stipulations (ag endowment and/or parcelization) should be removed, the agreements will need to be revised with MSJ's consent.

### **AMP Summary**

After months of research and several meetings of discussion with stakeholders, the City's consultant for this program, Willdan Financial Services, developed alternatives that Staff would ask Council to consider for development of an AMP. Due to the fact that AMPs adopted elsewhere in the state have been in place for less than three to five years in most cases, there are not universally accepted policies for an AMP. Willdan and Staff have looked into each adopted AMP to identify potential advantages and disadvantages of various policies and accumulated the findings into the memo attached.

The following are four alternatives that Staff and Willdan believe are the most promising concepts based on stakeholder input and past Council discussion. Below summarizes in brief the three concepts. It is important to note that in all concepts if a property transaction occurs, it is on a 'Willing Seller' basis.

Concept One: Mitigation Zones

This alternative prioritizes defined mitigation zones in strategic locations for the City. Typical mitigation ratios in existing AMPs in the State are 1 acre preserved for 1 acre of agriculture land lost. In certain designated zones in the City's Urban Area Boundary an adjusted value (1/2 acre preserved for every 1 acre lost) could be designated for preservation of land in these zones, due to the presence of increased land values (i.e. – greater potential for development). Agriculture Conservation Easements (ACE) or in-lieu fees are the primary tools for ensuring mitigation.

Concept Two: Moveable Buffer

This concept was introduced by the Farm Bureau from its past discussions with the Development Community. Entitlements for development would include compensation (lease payments) to farmers adjacent to property bordering proposed for development for a distance of 330 feet, defining an agricultural buffer. This buffer would move as the City expands. This policy would achieve an orderly yet temporary zone between urban and agriculture zones.

Concept Three: No Zones, No Tiers

Provides a simple mitigation standard that applies to all agricultural land conversion approved by the City. A proposed mitigation ratio may be uniform for all new development subject to the AMP and the City and a land trust partner would exercise judgment in that the land offered for mitigation is of equal or better quality of the land being converted.

Concept Four: Stepping Back From AMP at This Time

Based on what we have learned in this process, staff must also present a fourth option: not acting at this time on adopting any Agricultural Mitigation Program.

**Attachments:**

- '1' Agricultural Mitigation Program update 5/18/09
- 'A' Willdan Memorandum: Agricultural Mitigation Program Concepts Evaluated
- 'B' Tulare County Farm Bureau Letter 7/20/09
- 'C' Home Builders Association of Tulare/Kings Counties, Inc. Comments 7/23/09
- 'D' Pre-Annexation Agreement
- 'E' First Amendment to Pre-Annexation Agreement
- 'F' Location map

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** 5/18/2009

**Agenda Item Number (Assigned by City Clerk):** 1

**Agenda Item Wording:** Discussion of progress and options for Agricultural Mitigation Program Study

**Deadline for Action:** none

**Submitting Department:** Community Development

**Contact Name and Phone Number:**

Michael Olmos, Assistant City Manager, 713-4332  
Chris Tavarez, Management Analyst, 713-4540

**Department Recommendation**

Staff's recommendation is that Council authorizes staff and the consultant, Willdan Financial Services (Willdan), to begin drafting an ordinance with a "land mitigation" only approach and opt out of inclusion of a "water mitigation" component for a proposed Agricultural Mitigation Program (AMP). This would mean that the partnered study between the City of Visalia and the City of Tulare will have a staggered implementation of an adopted AMP, meaning Visalia's "land mitigation" approach would be the first model ordinance in the County and Tulare would follow with adoption of an AMP at a later date that could include "water mitigation".

**Department Discussion**

Today's update to Council will provide a status report on the AMP effort and seek guidance as to whether the ordinance should focus on agriculture land preservation through "land mitigation" and/or also the inclusion of a "water mitigation" component for the preservation of agricultural land. "Land mitigation" mitigates the loss of agricultural land by protecting equivalent farm acreage from future development; in contrast "water mitigation" would seek to curb the impact of lost agricultural land by using mechanisms to deliver additional water to local agricultural users for protecting the loss of farmland from an inadequate water supply.

Loss of agricultural land caused by conversion to urban uses is identified in the environmental impact report for the 2020 Plan as an unmitigated impact in that the City does not currently have a program to reduce the potential environmental and economic impacts. The 2020 Plan was adopted despite this unmitigated impact through adoptions of a finding of overriding concern, consistent with provisions of the California Environmental Quality Act (CEQA). In anticipation of this issue recurring in the pending update to the 2020 Plan and in accordance with the California Mitigation Fee Act, the City began pursuit of an AMP in order to have a mitigation plan

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 15.

**Review:**

Dept. Head MO 5/8/09  
(Initials & date required)

Finance N/A  
City Atty AP 5/8/09  
(Initials & date required or N/A)

City Mgr \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

in place for the future. In August 2008 Willdan Financial began this study and has reached a point that brings the staffs of Visalia and Tulare to a mid-course step in which a decision needs to be made as to what components of a potential AMP should be included in the preparation of an ordinance for implementing an AMP (Land Mitigation and/or Water Mitigation). This study had initially been conceptualized as a two-city pilot program that could later be adopted by additional cities in the County and the County itself. If Visalia were to proceed with an AMP that includes only "land mitigation", Tulare would most likely have an AMP implemented within a year after Visalia, so both Cities could still serve as a model for similar programs within the County.

Willdan and staff have made significant progress on outreach to stakeholders (over five meetings from October 2008 to February 2009) and research of established programs in order to prepare for drafting an ordinance for implementation of an AMP. To date, all cities in the County, the Farm Bureau, the Home Builders Association and some developers have expressed interest or participated in at least one meeting to provide feedback on formation of policy approaches or express ideas and concerns about a potential program. These meetings have allowed staff of Visalia, Tulare and Willdan to begin formation of ideas for an AMP. One of the final elements that will need to be established by staff and the consultant will be how the Tulare County Association of Governments (TCAG) may be utilized after the AMP is adopted and implemented. TCAG has authorized their staff to assist the City and subsequent cities in the County with an AMP and it will be important to utilize their regional role in this program that has obvious regional implications. Utilization of TCAG will be carefully considered in order to integrate their presence into an appropriate administrative role for a proposed AMP.

Today the consultant (with staff) is ready to begin conceptualization of a program in conjunction with the City Attorney in order to draft an ordinance that would establish an AMP. The AMP proposed for this program will include a combination of in-kind Ag land protection and in lieu fee payments. One or more of the following components have been established in existing programs in the state and are recommended to be integrated into an AMP for Visalia:

- Development impact fees imposed under the authority of the Mitigation Fee Act or per acre fee charged in lieu of direct project mitigation
- In-kind mitigation by the applicant that includes easement acquisition and ownership transfer of qualifying agricultural property
- Other preservation instruments satisfying the City's mitigation policy
- Right to farm deed restrictions for agricultural property upon issuance of a conditional use permit by the City

Based on research done up to today, it is clear that programs with in-kind land transfers are usually the most successful. In lieu fee payments are a secondary component in most existing AMPs – other agencies typically will require that developers make a good faith effort to establish an in-kind transfer or easement before an in lieu fee is paid. Staff will work with Willdan to draft a program that will integrate the above components into an ordinance that is best suited for our area and meets CEQA requirements for agricultural mitigation. It is estimated that a draft ordinance that establishes an AMP will be ready for presentation to Council in about two to three months. Upon approval by Council a proposed AMP will be submitted for Public Hearings and would be adopted and in operation by the end of 2009.

The City of Tulare has brought up during the past few months of study the importance of a water component to a potential AMP because "without water there would be no agriculture". A major concern for Tulare is that a "land mitigation" approach would ignore shortages of water that ultimately retires agricultural land production irregardless of any conservation easements that could be in place. After internal discussions among staff and the City Attorney, it is believed

that the original concept as approved by Council was to develop a “land mitigation” approach, breaking away from the original concept to include a “water mitigation” piece will involve more time and money to develop. The goal of an AMP is to mitigate for the loss of land due to urbanization, as with any fee program it has to be shown to actually address the impacts caused by urbanization. Providing water to “agriculture” in a general sense has very little possibility of mitigating for the effects of urbanization of agricultural land. Providing water would mitigate for the loss of land due to the loss of water, but no known agency has yet correlated how water mitigates for the loss of land due to urbanization. With no known agency that integrates water preservation into their AMP, there would be a substantial need to establish the feasibility of this concept before introducing it in a proposed AMP for Visalia.

In addition, Visalia has a Groundwater Overdraft Mitigation Fee that already acts as a water preservation tool, adding a new (and complex) component for water preservation in a proposed AMP could be extremely beneficial for water availability for farmland but with an existing fee already established for water preservation the need to pursue a “water mitigation” component in an AMP does not exist.

Staff believes the best approach for the City of Visalia is to pursue an AMP that is similar to established AMPs throughout the state. A proposed program would be based on a willing seller/ willing buyer caveat that has worked successfully in other agencies and according to a local land trust (Sequoia Riverlands Trust) there would be interested land owners willing to sell their development rights in order to keep the land in agricultural use. It is important to note that the existing AMPs in the state have “land mitigation” components and none have integrated “water mitigation” components for agricultural land in their AMP. Many of the existing AMPs have been established in response to environmental concerns and have held up against legal challenges from developers. The most recent AMP to be upheld in court by a tentative decision was in the City of Stockton (February 2009) which had been challenged by the Building Industry Association.

**Prior Council/Board Actions:**

5/4/08 – Council authorized contract with Willdan Financial for study to adopt Agricultural Mitigation Program

10/1/07 – Council authorized staff to solicit proposals for a nexus study on Ag Land conversion to urban uses

**Committee/Commission Review and Actions:**

n/a

**Alternatives:**

Agree to include a “water mitigation” component for a proposed AMP. This alternative will most likely fall in line with how the City of Tulare would like to proceed with the study. It will mean more time needed to establish a legal basis and additional costs for additional consultants needed for building this new and complex component to an AMP. The total additional estimated time needed would be approximately six months and an unknown amount of additional cost but staff estimates at least \$20,000 more, but the costs would be split 50/50 between Visalia and Tulare.

**Attachments:**

4/24/09 Memo on Expanding Program Options for Agricultural Mitigation from Willdan Financial

**Recommended Motion (and Alternative Motions if expected):**

I move to authorize staff to pursue a “land mitigation” only approach for development of an Agricultural Mitigation Program.

***Environmental Assessment Status***

**CEQA Review: N/A**

**NEPA Review: N/A**

**Tracking Information:** (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)  
*none*

Copies of this report have been provided to:

## Memorandum

**TO:** Mike Olmos and Chris Tavarez, *City of Visalia*

**FROM:** Eric Nickell and Lam Ly

**DATE:** August 5, 2009

**SUBJECT:** Agricultural Mitigation Program Concepts Evaluated

The City of Visalia (City) retained Willdan Financial Services (Willdan) to provide technical support for an Agricultural Mitigation Program (AMP). Such a program, if enacted by the Visalia City Council (Council), would require new development in the City to fully mitigate for the conversion of land from an agricultural use to an urban use. To implement such an AMP, these land mitigation requirements would become integrated into the City's development review and approval process.

The purpose of this memorandum is threefold: to describe the policy concepts at the core of three potential AMPs, evaluate the feasibility of major policies in each AMP, and inform Council deliberations before draft ordinances and nexus studies are prepared for the Council's review later this year. Stakeholders important to the City have participated in two meetings organized by the City and, in the case of the Tulare County Farm Bureau, recently drafted a set of preferred AMP policies presented here as AMP Alternative Two.

## Introduction

The memo is divided into six sections. After this introduction, the next section summarizes the City's agricultural conservation policy history and proposes a list of objectives the City should pursue in revising its current policies. Third, each of three alternative AMPs are outlined and evaluated for legal, financial, and operational feasibility.<sup>1</sup> Pros and cons of key AMP policies are provided. Last, the timeline that leads from the Council's consideration of AMP concepts in this memo to a fully drafted AMP proposal in the future is presented.

Willdan's experience with land conservation programs tied to urban development (either agricultural, habitat, or open space) is that the best programs pay careful attention to the following features that often predetermine the success of the program:

- ♦ **Benefit of the program to development.** Does the AMP help local developers by making costs and requirements more predictable and less subject to "case by case" decision-making? Does the AMP avoid litigation or threats of litigation by strengthening the City's record on California Environmental Quality Act (CEQA) decisions?

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<sup>1</sup> No part of this memorandum communicates legal advice. Legal advice should be requested from the City Attorney or his designee. Willdan and the City Attorney have collaborated on this project since May 2009.

- ♦ **Dynamics of the real estate market.** Once subject to the AMP, will landowners offer a reasonable amount of land for mitigation at the prices buyers are willing to pay? Will the impact of the AMP on local development costs be reasonable?
- ♦ **Benefit of the program to the City.** How does farmland received as mitigation help the City achieve a superior urban form? Does the mitigation land function well as farmland far into the future and support the region's farm economy?

No AMP is perfect. A careful review of the pros and cons attached to each type of AMP will bring to light the policy tradeoffs that the Council might consider before directing staff to implement a revised program.

## City Policy History and AMP Objectives

The City has a longstanding policy history supporting agricultural resource protection. Goal 2 of the Conservation, Open Space, Recreation, and Parks Element of the City's current General Plan states:

***Create and preserve an open space system in the Visalia planning area to meet a variety of needs.***

This goal has an accompanying objective:

*Preserve and protect agricultural use on lands in and surrounding the Visalia planning area for open space purposes and for the managed production of resources.*

Implementing policies related to agricultural uses cover review of Williamson Act contracts, infill growth and a maintenance of a compact urban form, avoidance of development on prime agricultural soils, and careful design of the circulation system to prevent land speculation.

In addition, Goal 5 references implementation:

***Structure an implementation program for achieving the policies of this element through a combination of public and private funds, regulatory processes, and innovative strategies.***

The tools available to the city for this goal are stated in an accompanying objective:

*Utilize ordinances, easements, restrictive covenants and other tools to negotiate with landowners and developers to ensure that significant resources and open space are protected during development.*

Implementing policies for this objective in the General Plan focus on open space easements, conservation easements, Williamson Act contracts, Transfer of Development Rights (TDRs), and use restrictive covenants.

## New AMP Objectives

In recent months, Willdan informally surveyed trends and conditions that have for the City prioritized the dialogue with stakeholders regarding the enactment of an AMP. Five observations of City staff, land trust personnel, and stakeholders are compiled below as major planning, financial, and legal policy goals of an AMP:

- ♦ Community separators between Visalia and Tulare and between Visalia and Farmersville;

- ♦ Support for the local farm economy and farmers;
- ♦ Partial protection of future City land use decisions against threats of litigation or litigation under CEQA<sup>2</sup>;
- ♦ Minimal intervention by government in farming operations and land development so that each can remain a profitable business; and
- ♦ Minimized need for additional City staff or budget resources to operate the AMP.

It is important that the City affirm the policy goals that serve as the justification for a new AMP and link these objectives in certain cases to the proper legal authority.

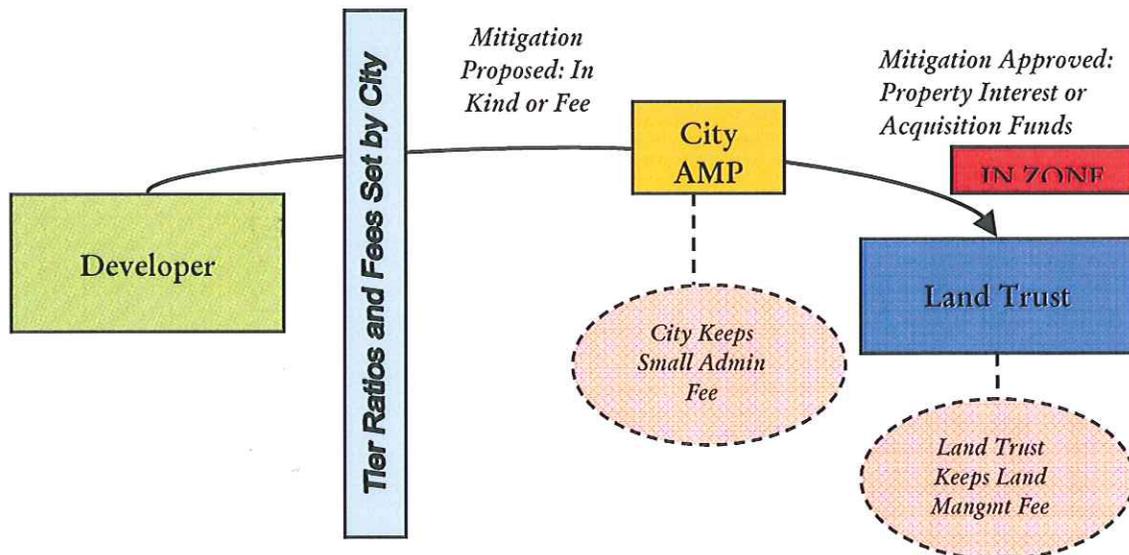
## Concept One: Mitigation Zones

The first AMP concept prioritizes the assembly of defined mitigation zones in strategic locations for the City. Directing mitigation to these areas could, over time, create community separators consisting of parcels received by the AMP as mitigation land. Community separators help the City of Visalia maintain its identity as a distinct place among the communities of Tulare County and larger San Joaquin Valley.

### Policy Components

This AMP concept has five policy components defining how developers mitigate for land converted from agricultural use, what role is played by the City and its land trust partner, and why adjustments to the mitigation requirements are essential to ensure a feasible program in a dynamic land market.

Figure 1 – AMP Concept One: MITIGATION ZONES



1. **Mitigation Land Requirement.** For each acre of land a development project proposes to

<sup>2</sup> Neighboring jurisdictions such as Kern County, the City of Bakersfield, and Fresno County have had their agricultural conversion mitigation policy determined in by settlement discussions between plaintiff and defendants after the threat of litigation.

convert from agricultural use to an urban use, the project applicant would EITHER offer the AMP a property interest in agricultural land at a tiered acreage amount within a mitigation zone OR pay a tiered per-acre fee that the City would use to purchase such land. The tiered acreage amount and tiered fee is explained in the **Tiered Mitigation** policy below.

**PRO**

- a. The use of mitigation zones directs all land assembly into a defined community separator or other "farmbelt" feature to be determined by the City. No "scattershot mitigation" can occur.

**CONS:**

- a. Protection of agricultural use in the mitigation zone unfolds gradually and may be fragmented for many years until contiguous parcels are all protected.
  - b. Mitigation zones put upward pressure on land prices for mitigation by restricting the market in which transactions are done.
  - c. Higher mitigation land prices raise development costs for those projects and make it likely that more marginal land uses or marginally profitable projects may not be undertaken by developers.
  - d. Mitigation zones, if adjacent to existing development, may produce unwilling sellers among eligible landowners. These sellers may have anticipated being in the path of growth and benefitting from higher land values, and they may perceive a loss in participating as a supplier of mitigation land.
2. **In Kind Mitigation.** The property interest provided by the developer may either come in the form of fee title to agricultural land or in the form of an agricultural conservation easement (ACE). The City would not hold either type of property interest, even temporarily. Instead, the applicant would transfer the interest to the City's land trust partner, which is a non-profit organization meeting the requirements of state law.

**PROS**

- a. City stays out of the real estate business, both buying and holding.
- b. Land trust involvement is the best vehicle to match the developer community's effectiveness in land acquisition and transfer.
- c. City would have oversight responsibilities for land trust management of acquired interests.

**CONS:**

- a. Land trusts are a less permanent type of entity compared to a city, and the City would need to have a succession plan in case of land trust dissolution.
3. **Fee Mitigation.** The City would allow certain project applicants to satisfy the mitigation requirement by paying an impact fee instead of an in-kind dedication of land or ACEs. The City would disburse these revenues to its land trust partner if the City approves the AMP acquisition proposed by the land trust.

**PROS**

- a. City would have oversight responsibilities for land trust acquisitions.
- b. Criteria for allowing the fee instead of in-kind mitigation is flexible, e.g. small developers or those unable to find mitigation land may qualify.
- c. Developer has a streamlined way to comply with AMP.

**CONS:**

- a. City must anticipate land prices that will define the future market at time the fees are used to acquire ACEs or fee title, which is difficult to do.

- b. A lag exists between the time the fee is collected and the mitigation is completed, posing a risk that the fee will be too low or too high.<sup>3</sup>
4. **Tiered Mitigation.** In-kind and fee mitigation is adjusted by zone to facilitate an active level of acquisitions. Some zones have higher land values, and the tier ratios and fees for those zones will be lower. For instance, the ratio in a particular corridor may be 0.75 acres of mitigation property granted to the AMP for each 1.0 acres of converted land. Other zones may have greater potential for near term development or may have fragmented ownership. To increase the amount of community separator acreage protected, those mitigation zones would also have lower tier ratios and fees per acre of agricultural land converted.

**PROS**

- a. With tiered schedules by zone, the City has a high degree of flexibility and latitude in incentivizing mitigation in any zone relative to other zones and can adapt to changing market conditions.

**CONS:**

- a. Sub-par results achieved from tiering in any mitigation zone may not be easily corrected, since the causes of the problem may not be clearly determined from anecdotes reported by land trusts or developers.
  - b. The number of tiers and the geographic definitions of mitigation zones – both being City responsibilities -- make implementation of this type of AMP more complex than other AMP concepts.
5. **Mitigation Stewardship Fee Requirement.** In addition to in-kind requirements and fees for acquisition of ACE or fee title interests in mitigation property, every acre of acquired property should be accompanied by an endowment held by the City's land trust partner. From this interest-bearing account will be paid the costs of monitoring the uses of the mitigation property, enforcing provisions of the ACE, contributing to maintenance and long term management of the property, and completing the initial transaction that brings the property into the AMP. The size of the endowment is often up to 20% of the value of real estate transaction and should support the use of the property in agriculture for perpetuity.

**PROS**

- a. None.

**CONS:**

- a. It is difficult to estimate the cost of every management contingency and therefore the size of the endowment fee given uncertainties in the farm economy and long term uses of adjacent property.

## Overall Advantages

AMP Concept One supports the creation of community separators in specific locations better than other concepts. The City's careful use of flexible tiering for ratios and fees can encourage mitigation in areas that would otherwise be prohibitively expensive. The adjustment of tiering ratios and fees each year (and the mitigation acreage ratio the AMP produces on average) would maintain the AMP even as market conditions change, and can be a means of capping the total cost burden on new development.

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<sup>3</sup> Several land conservation programs in Northern California collected fees that, during the 2000-2006 time period, were insufficient to purchase land for conservation. The fee had been set assuming land prices from years before.

## Overall Disadvantages

An AMP designed with tiered ratio and fees and constrained mitigation zones can change market conditions in the zones themselves and increase the cost of property offered as mitigation.

By putting zones close to existing urban development, this AMP type can also introduce the problem of greater numbers of unwilling sellers in areas close to urban development.

As a result of both kinds of risk, administration of the tiers requires the City to understand land sales in all of the zones and correctly set mitigation requirements to offset locations of higher prices or the absence of enough willing sellers.

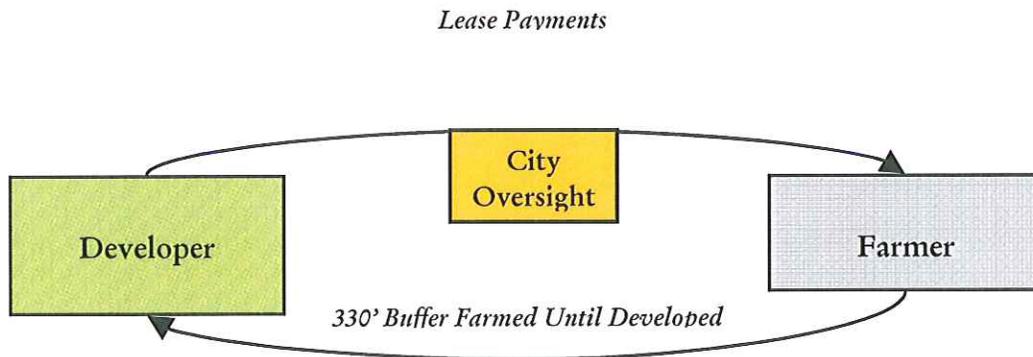
It is also true that the adoption of mitigation ratios lower than 1:1 (to incentive mitigation in a zone with greater land values), such as 0.25 acres of mitigation per 1.0 acre of land converted, may be perceived as an insufficient discharge of the City's lead agency responsibilities under CEQA. At this time, mitigation ratios in the context of AMPs have only indirectly been addressed by courts and are not dictated by statute.

## Concept Two: Moveable Buffer

The second AMP concept seeks to achieve an orderly and temporary interface between urban and agricultural uses at the City's edge. This concept would require that entitlements for development include compensation in the form of a lease payments made by the developer to the farmer of land adjacent to property proposed for urban development.

The lease payments encourage farming where it would otherwise stop due to uneconomical farming conditions. The lease would terminate when the land being farmed is itself granted entitlements, at which time additional acreage for this buffer is offered a lease payment to allow another farmer to continue farming in a new buffer area.

Figure 2 – AMP Concept Two: Moveable Buffer



## Policy Components

This AMP has two major policy components that keep the agricultural buffer intact over time:

1. **Without compensation, farming stops near development.** Industry practice is to construct homes and nonresidential buildings up to the edge of any property approved for development. In this manner, land costs are minimized as net developable acreage is maximized. As this happens, farming any number of tree or field crops adjacent to developing property on the property on the periphery becomes more costly. Costs rise because of restrictions on spraying and other agricultural activities. One solution is to set a lease payment high enough so that farming within 330 feet of a development site will continue. The developer pays the farmer as a condition of final map approval.

### PROS

- a. Lower costs are imposed on new development (lease payments are less than purchases of development rights or fee title).
- b. Farming continues up to urban edge and elevates the standards of usage for lands within the urban-agricultural interface.

### CONS:

- a. Complaints from new development may result from noise, odors, and dust anyway.
  - b. Lease terms are difficult to standardize by great variation in buffer configuration and crop types, and oversight of them may be beyond the expertise of local government.
  - c. Leases must be financially structured to provide for an uncertain number of years of payment after the developer completes sale of finished real estate.
2. **Buffer moves as City expands outwards.** The key to maintenance of the buffer is that leases on land adjacent to development are terminated when the land receives entitlements and becomes developable itself. New leases are negotiated on the next adjacent "ring" of farmland buffer (330 linear feet is proposed). This policy discourages but does not eliminate the potential for leapfrog development that would further erode the productive capacity of the buffer land caught in between two sites of development.

### PROS

- a. Orderly development is possible if the City correctly monitors lease terms and grants entitlements on buffer lands before entitling more remote lands for development.

### CONS:

- a. Mitigation is not permanent.
- b. Community separators are not permanent, either, and they may dissolve as the remaining land in the separator is proposed for development.

## Overall Advantages

A moveable buffer type of AMP protects farmers from the negative impacts of urbanizing lands adjacent to their operations. This AMP would elevate the quality of agricultural land uses on the City's periphery from an agronomic point of view – the acreage within the buffer area would be more productive and would be farmed in nearly the same way compared to standard practices. The Concept Two AMP also lowers costs for developers compared to more permanent land protections for agriculture (Concepts One and Three).

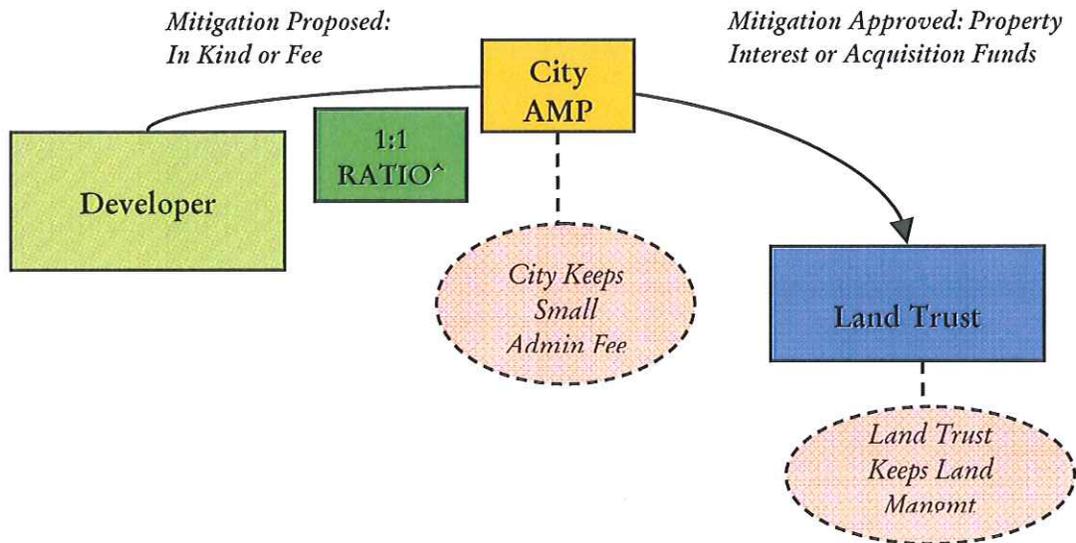
## Overall Disadvantages

The major shortcoming of this AMP concept is that only temporary community separators are created, and mitigation for loss of agricultural uses is made temporary through a term lease. In some areas of the City's urban policy area, community separators may vanish entirely as development pressures remove the last buffer areas when those landowners wish to develop.

## Concept Three: No Zones, No Tiers

The third AMP concept prioritizes a simple mitigation standard that applies to all agricultural land conversion approved by the City. The mitigation ratio is uniform for all new development subject to the AMP, and the City and its land trust partner only exercise judgment in approving the mitigation offered by the developer or the acquisition proposed by the land trust using AMP funding. This judgment may ask that land of equal or better quality replace the land converted by new development.

Figure 3 – AMP Concept Three: NO ZONES, NO TIERS



^Or other suitable mitigation ratio.

## Policy Components

This AMP concept has five policy components, three of which are unchanged from AMP Concept One. These policies define how developers mitigate for land converted from agricultural use, what role is played by the City and its land trust partner, and why a uniform mitigation requirement will encourage the acquisition of larger parcels at a greater distance from any urban area in the County.

1. **Mitigation Land Requirement.** For each acre of land a development project proposed to convert from agricultural into an urban use, the project applicant would offer the City a property interest in agricultural land for a given amount of agricultural land OR pay a per-acre

fee that the City would use to purchase such land. *No tiers are used to adjust the mitigation. No mitigation zones exist to confine the mitigation to areas defined by the AMP.*

**PRO**

- a. The absence of mitigation zones maximizes the flexibility of the developer, land trust, and City to find property that can be permanently protected from development.
- b. With a wider area in which to target property, there would be a lower chance that repeated instances of unwilling sellers will prevent transactions with developers or the City's land trust partner.

**CONS:**

- a. A single mitigation standard will tend to drive acquisitions to areas with the lowest values per acre. Those locations contain farmland least likely to be developed, so the AMP is making an investment in property that would have remained in cultivation for many years anyway.<sup>4</sup>
2. **In Kind Mitigation. Same as AMP Concept One.** The property interest provided by the developer may either come in the form of fee title to agricultural land or in the form of an agricultural conservation easement (ACE). The City would not hold either type of property interest, even temporarily. Instead, the applicant would transfer the interest to the City's land trust partner, which is a non-profit organization meeting the requirements of state law.

**PROS**

- a. City stays out of the real estate business, both buying and holding.
- b. Land trust involvement is the best vehicle to match the developer community's effectiveness in land acquisition and transfer.
- c. City would have oversight responsibilities for land trust management of acquired interests.

**CONS:**

- a. Land trusts are a less permanent type of entity compared to a city, and the City would need to have a succession plan in case of land trust dissolution.
3. **Fee Mitigation. Same as AMP Concept One.** The City would allow certain project applicants to satisfy the mitigation requirement by paying an impact fee instead of an in-kind dedication of land or ACEs. The City would disburse these revenues to its land trust partner upon City approval of the acquisition proposed by the land trust.

**PROS**

- a. City would have oversight responsibilities for land trust acquisitions.
- b. Criteria for allowing the fee instead of in-kind mitigation is flexible, e.g. small developers or those unable to find mitigation land may qualify.
- c. Developer has a streamlined way to comply with AMP.

**CONS:**

- a. City must anticipate land prices that will define the future market at time the fees are used to acquire ACEs or fee title, which is difficult to do.
  - b. A lag exists between the time the fee is collected and the mitigation is completed, posing a risk that the fee will be over-collected or under-collected.
4. **Geography of Mitigation.** The City would not impose a strictly defined area to receive mitigation but instead would work with its land trust partner to identify criteria to define the

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<sup>4</sup> Land trust experience is that farm operations in areas between the least likely to be developed and the most likely to be developed find the sale of a conservation easement advantageous. Land prices in areas least likely to be developed offer unattractive easement prices in many instances.

characteristics of acceptable in-kind mitigation and, equivalently, to define the eligible properties that are targeted for acquisition by the land trust with the use of mitigation fees. The criteria might ensure farmland of similar soil quality, property of minimum size, or property outside or inside various jurisdictional boundaries.

**PROS**

- a. With no tiered schedules, the City will more easily administer the AMP, as acreage requirements are uniform with respect to each acre of converted agricultural land.

**CONS:**

- a. Loose criteria on the location of mitigation may produce a more fragmented collection of mitigation holdings. It may take longer to produce large clusters of agricultural property with permanent protection.
- b. There is potential that mitigation locations will draw opposition from neighboring jurisdictions if the proposed site of mitigation is not cleared with other cities or Tulare County before being approved by the City.

5. **Mitigation Stewardship Fee Requirement. Same as AMP Concept One.** In addition to in-kind requirements and fees for acquisition of ACE or fee title interests in mitigation property, every acre of acquired property should be accompanied by an endowment held by the City's land trust partner. From this interest-bearing account will be paid the costs of monitoring the uses of the mitigation property, enforcing provisions of the ACE, contributing to maintenance and long term management of the property, and completing the transaction. The size of the endowment is often up to 20% of the value of real estate transaction and should support the use of the property in agriculture for perpetuity.

**PROS**

- a. None.

**CONS:**

- b. It is difficult to estimate the cost of every management contingency and therefore the size of the endowment fee given uncertainties in the farm economy and long term uses of adjacent property.

## Overall Advantages

This AMP concept supports the permanent protection of farmland at the lowest total cost but at a greater cost than a moveable buffer AMP (Concept Two). Developers and the City's land trust partner will be the least constrained in the market for acquisitions. The City will be able to administer this AMP using a single mitigation ratio and fee that may be adjusted annually.

The City may set the mitigation ratio so that its policy meets or exceeds CEQA-related requirements imposed on developers and public agencies in other jurisdictions where project approvals were threatened with legal challenge.

## Overall Disadvantages

An AMP without mitigation zones will tend to produce a more fragmented map of mitigation holdings and, absent policy guidance to the developers or the City's land trust partner, will push those holdings some distance from urban development and closer to the region's core farmland.



# TULARE COUNTY FARM BUREAU

*Mission: to promote and enhance the viability of Tulare County agriculture.*

July 20, 2009

Mike Olmos  
Assistant City Manager  
City of Visalia  
425 E. Oak Ave.,  
Visalia, CA 93291

Dear Mike,

Thank you for the opportunity to represent the Tulare County Farm Bureau's interest and concerns regarding the City of Visalia's plan to develop a proposed ag mitigation fee schedule and nexus study. This letter is to serve as a summary of our concerns and thoughts regarding the July 9, 2009 meeting held at City Hall East with the Ag Mitigation Stakeholders group.

As you know many Central Valley counties and cities are requiring mitigation for urban conversion of farmland through the use of fees and direct conservation using instruments like agricultural conservation easements. We believe that although mitigation is one alternative to be explored, it will unlikely contribute to the direct preservation of farmland within the city's urban development boundaries, and instead will more likely create islands that become incompatible to urban growth pressures and ultimately encourage leapfrog development.

Farm Bureau believes that orderly, contiguous patterns of concentric growth should be planned through a city's general plan which should seek to confine growth and acknowledges that farmland can only be protected if the inputs and resources needed to farm the land are also protected and available. Creating small green belts between cities, and protecting on a less than 1:1 ratio does not accomplish your goal of protecting farmland long term.

In lieu of adopting a mitigation fee schedule, Farm Bureau would like for you to consider adopting an agricultural buffer policy where an agreement between private landowners and developers can be negotiated. Farm Bureau has enclosed a copy of their recommended ag buffer policy language, which was submitted in 2006 to the County of Tulare for inclusion into their General Plan Update. The key objectives of the buffer policy are to:

- ☞ Allow farmers to continue farming as long as it is profitable and viable on the edge of urban development
- ☞ Compensate a farmer (through a compensatory arrangement, i.e. a lease agreement) to farm at a loss that portion of their crop which is in the buffer zone. The lease agreement is made between the developer and landowner at the time entitlements are approved.
- ☞ Allows for a natural green belt to exist between urban development and agriculture
- ☞ Allows the buffer to be moved and re-negotiated as urban development expands, and does not tie the hands of the farmer to a "farming in perpetuity" ag conservation easement.

Our primary concern is giving farmers a flexible menu of offerings to maintain their property and continue farming as long as the land is viable and profitable for agricultural production. At some point development will likely limit the viability of farmland on the urban edge, and when this happens it is important that lands not be bound in perpetuity with easements that prohibit other uses.

An excellent resource document (attached to this letter) from the Central Valley Farmland Trust provides expert guidance regarding their farmland mitigation process, and we urge the City of Visalia to review the attached document if they choose to proceed with adopting an agricultural mitigation ordinance. Some of the key points in the document include:

- ☞ A qualified land trust should hold the agricultural conservation easement (ACE), and should be responsible for monitoring and enforcing the terms and conditions of the ACE. CVFT and Farm Bureau do not recommend that a city or county hold the ACE due to limited staff, other lack of resources, and general lack of experience and expertise in administering these easements. Therefore the sole holder of the ACE should be a non-governmental, qualified land trust that specializes in farmland protection.
- ☞ In Kind Mitigation – to ensure that farmland mitigation actually occurs, we recommend that local agencies require developers to place ACEs on important farmland before commencing development. Local agencies should require the developer to work with a qualified land trust in finding willing landowners (on a voluntary basis) to place ACEs on their properties. The mitigation ratio should be at least 1:1, and could be higher if the land is designated as prime farmland, or farmland of statewide importance by the Department of Conservation Farmland Mapping division.
- ☞ In-Lieu Fee – Many cities and counties prefer to impose an in-lieu impact fee on development. Fees should reflect at least the current per acre appraised value (based on appraisals by qualified appraisers) of ACEs in the general project area, multiplied by the number of acres subject to the development. The fee should be updated frequently to reflect current ACE values. The fee should also include an amount required to fund the transaction costs, annual monitoring and enforcement, and the land trust's administrative costs, of approximately 15-20% of the appraised value of the ACE. Moreover, fees should be updated annually to reflect current market conditions, or subject to annual changes based on an index that reflects inflation rates.
- ☞ Geographical Limitations - Agricultural conservation easements serve as a valuable tool, but cannot be limited by geography. Local agencies should avoid strict geographical limitations (as Visalia is proposing). Requiring funds to be used only in a specific area of the county (in this case the city of Visalia) should be avoided. ACEs are purely voluntary transactions and strict geographical limitation could prevent the use of funds on viable projects located in strategically significant areas that would mitigate the impacts of development.

In closing, we believe that a buffer policy should be the first consideration of the City of Visalia. If a strongly written and enforced buffer policy can help provide an appropriate transition from urban to agricultural land on the edge of development, it can be a win-win for both the farmer and the developer. Whereas, a complicated fee schedule and mitigation policy could seek to de-stabilize edge conditions and foster leapfrog development over lands that will ultimately have to be retired from farming due to limiting factors such as plant health & nutrient applications, odors, noise, dust, and other cultural activities required on the land which neighboring development may condemn.

In many instances, strong growth controls have done a good job of concentrating urban development and eliminating step-out projects, it's the physical proximity of farms and sensitive uses on the urban edge that creates our most perplexing problems. Restrictions on chemical use, complaints about noise and dust, the constant threat of litigation, limitations on equipment use -- they are all consequences of this proximity between farms and homes, schools, churches, and athletic fields. An effective and uniformly applied buffer policy -- one that truly forces the encroaching use to provide the necessary separation from adjacent agricultural operations -- would alleviate many of these problems.

If the council plans on pursuing an agricultural mitigation policy and study, we encourage you to review the Central Valley Farmland Trust's guidelines on farmland mitigation. We strongly support the work of the CVFT and believe they are very well positioned to provide expertise on this topic.

Please don't hesitate to contact us to discuss our position further, and thank you for the opportunity to comment on this important topic.

Regards,



PATRICIA L. STEVER  
Executive Director

CC: TCFB Land Use Committee  
Chris Tavarez, City of Visalia

**Tulare County Farm Bureau  
Recommended policy language for  
Agricultural Buffers**

**Submitted in 2006 to Tulare County RMA for inclusion in to the General Plan Update**

*The County shall implement an Agricultural Buffer which will help to stabilize edge condition, protect agricultural operations, and moderate the untimely conversion of farmland to urban development. When implemented, all new development outside Urban Development Boundaries and Hamlet Development Boundaries adjacent to agricultural lands shall be required to provide an agricultural buffer transition area.*

*In the implementation phase, the following types of issues should be resolved:*

- *Distance: 330 feet*
- *Stabilization of edge condition*
- *Types of Operation*
- *Building orientation*
- *Planting of trees for screening*
- *Location of existing and future rights-of-way*
- *Types of uses allowed inside the buffer zone*
- *Unique site conditions*
- *Responsibility for maintenance*
- *Scale of development*
- *Mechanism for exemptions*
- *Implementation targeted for 2007-2010*



Home Builders Association  
of Tulare/Kings Counties, Inc.

315 West Oak Avenue  
Visalia, California 93291  
559.625.5447 • 559.625.2690 fax  
build@hbatk.com

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## HBA Tulare/Kings Counties Ag Land Mitigation Program Comments

The HBA will begin with comments on the 05/18/09 Staff Report:

(1) It acknowledges that the City's existing General Plan EIR identified "loss of ag land" as an adverse impact for which there was (is) no mitigation. That would remain true, even if the City were to adopt the proposed AMP (Ag-land Mitigation Program). If that is the only (or primary) impetus for moving toward an AMP, it is based on a faulty premise. There is still no published appellate court decision in California that holds that such an AMP program actually provides any "mitigation" (as the term is used in CEQA) for the loss or conversion of existing farm land. To the contrary, there are at least six (unpublished) court decisions recognizing that this notion of permanently locking up acres of existing farmland does not in fact "mitigate" for the conversion such land to other uses.

(2) The Staff Report states (p. 2) that staff will work with Wildan to draft a program " ... that meets CEQA requirements for ag mitigation." The staff report sets a very difficult, and possibly unattainable, goal. See above. Even if the City were to adopt an AMP ordinance, it would not provide any assurance that the General Plan Update would not be challenged under CEQA nor any assurance that developers who dedicated ag easements or paid ag in lieu fees would be deemed to have "mitigated" adverse CEQA impacts of ag land conversion -- unless the City does a full CEQA review of the new AMP proposal itself.

(3) The Staff Report suggests including provision for "development impact fees imposed under the authority of the Mitigation Fee Act". However, the Fee Act is merely procedural and does not provide any authority for the enactment or imposition of fees. The City's legal "authority" to adopt an AMP ordinance must come from someplace else.

(4) The Staff Report gives the misleading impression that Visalia is the last community in California without an AMP. To the contrary, we are aware of no more than 2 dozen jurisdictions in California that have adopted something like an AMP exaction program, which is far less than 10% of the cities and counties in California. Admittedly, AMP is a spreading phenomenon, but still new and relatively untested as to legality or as to "effectiveness" in attaining the ostensible goals.

(5) The assertion (p. 3) that "Many of the existing AMPs ... have held up against legal challenges" is also misleading. There are a half-dozen or so (unpublished) appellate cases which have rejected demands for similar farmland preservation measures as a form of "CEQA mitigation" (e.g., the Kangaroo Rat case involving expansion of State Prison at Delano). The BIA-Delta legal challenge to the City of Stockton's AMP program was dismissed by the trial court in March, 2009. However, since neither side appealed that decision, it is not considered as "authority" nor is a trial court decision "legal precedent" in other cases. The legal challenge of BIACC v. County of Stanislaus was decided on June 16, 2009 against the county AMP. Some other jurisdictions have suspended, delayed, or revised their staff's plans for AMP in response to questions and issues raised in opposition by builders and associations, without litigation.

Further HBA comments:

6) Cities and counties already control and are solely responsible for the conversion of ag land to urban uses through their land use authority, general plans, annexations, etc. Local governments' general plans designate land uses, timelines for development and any annexations. The development community comes in after the fact and petitions to develop projects in accordance with general plans. The cities have already

(through planning) determined which ag land will be converted to an urban use. Cities in essence mandate the loss of ag land deemed needed to accommodate community growth and continued economic well-being.

7) The bi-annual reports from the California Department of Conservation, Division of Land Use Resources for its Farmland Mapping and Monitoring Program reports that between 1996 and 2006 less than 6 tenths of one percent of the county's inventory of 1,308,000 acres of ag land were converted to an urban use.

8) Conversion of ag land within Tulare County and/or in the Visalia area is an unavoidable loss and there are overriding considerations under CEQA such as the necessity of community growth and economic viability of the city and county.

9) Ag land mitigation policies are not supportable under CEQA because the ag land is still lost. Purchasing permanent ag easements to protect other ag land somewhere not being developed does not mitigate for the loss. The loss is an unavoidable impact that should be addressed by overriding consideration.

10) If the underlying goal is to create and maintain buffer zones of productive ag land between Visalia and the cities of Tulare and Farmersville then they should be designated as a community benefit and be funded by the whole community.

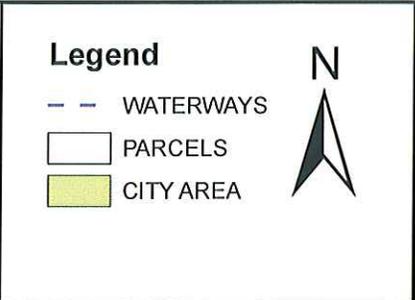
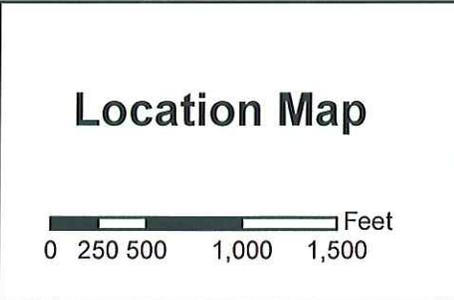
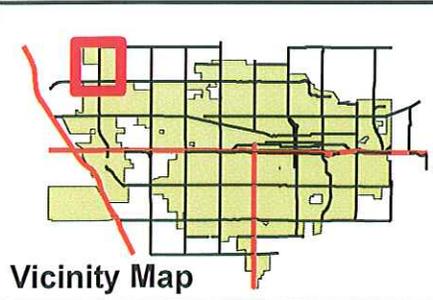
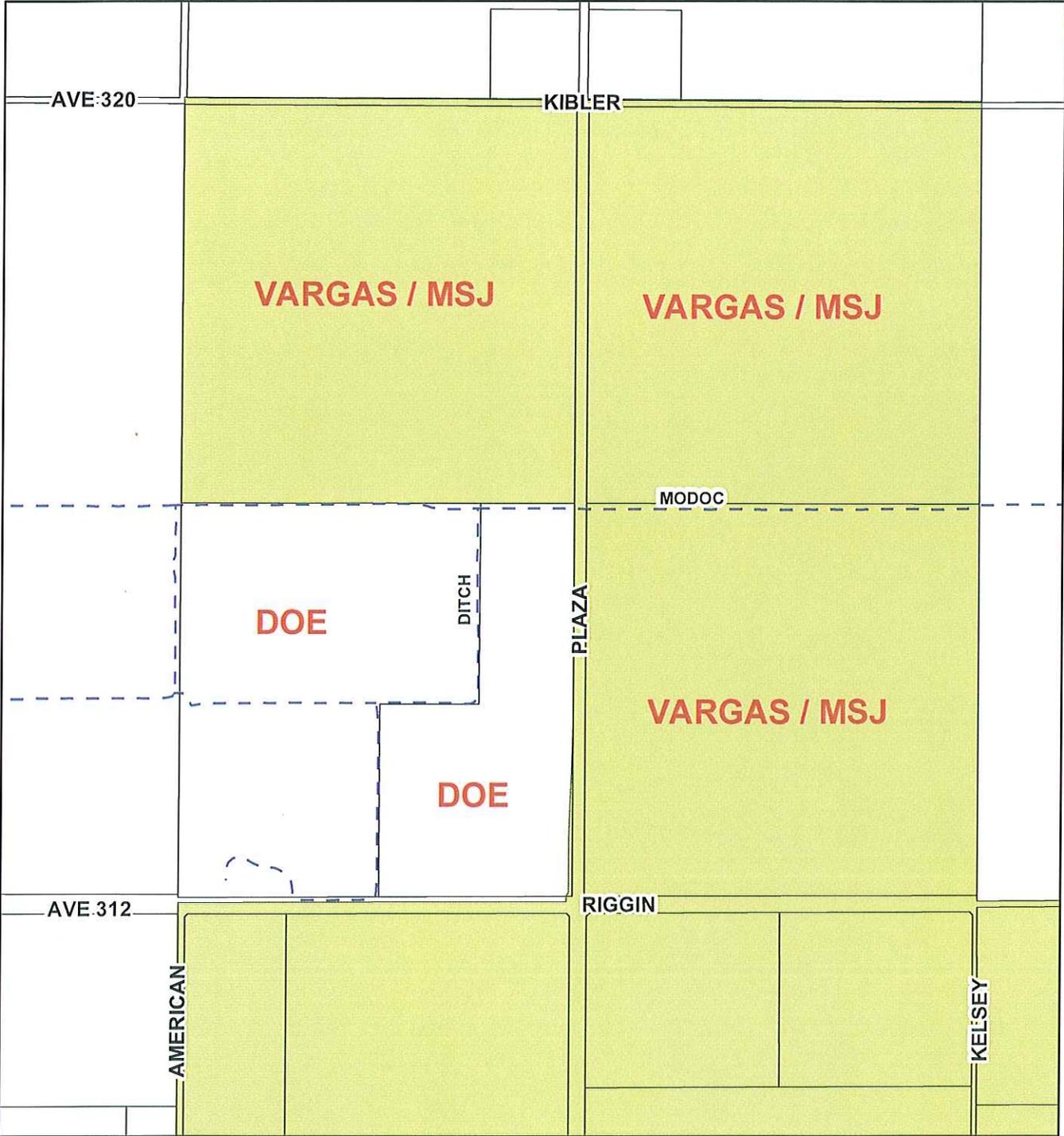
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Affiliated with...

California Building Industry Association (CBIA)  
National Association of Home Builders (NAHB)





# City Council Retreat Memorandum

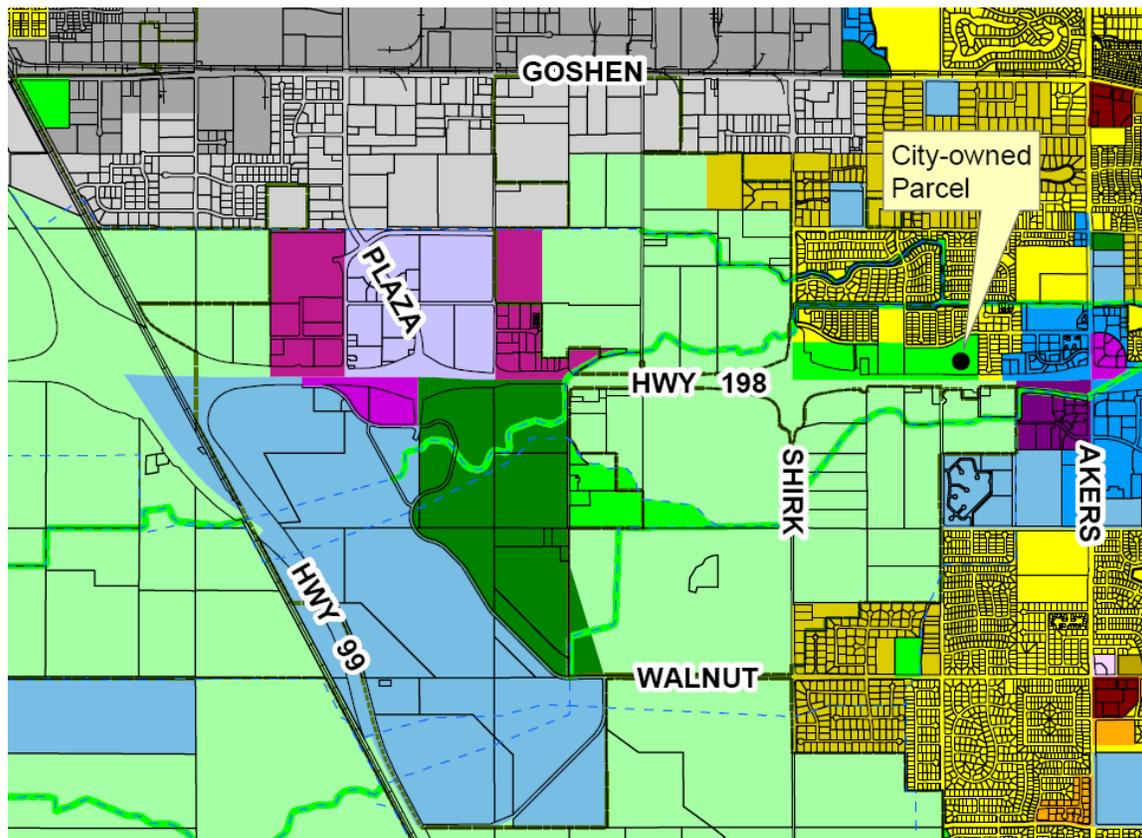
**To:** City Council  
**From:** Brandon Smith, AICP, Senior Planner (713-4636)  
**Subject:** West Visalia / Highway 198 Scenic Corridor Planning  
**Date:** February 6, 2010

## SUMMARY

Visalia has had a long standing interest in the West Highway 198 scenic corridor; however it lacks an updated policy document which specifically addresses the unique and complex open space management issues surrounding the corridor. The Comprehensive General Plan Update process will provide a forum for analyzing the corridor within the context of the entire City and developing guiding policies. As part of this process the Council may want to consider forwarding an Open Space Concept Plan, developed in 2005 by an appointed Task Force, with assistance from urban design consultant Bruce Race for consideration by the General Plan Update Review Committee. This open space concept proposes to establish a substantial open space / scenic corridor adjacent to Highway 198 along existing agricultural areas and allow consideration of urban land use designations for future development behind the corridor.

## WEST HIGHWAY 198 STUDY AREA

The study area is inside the City's Urban Growth Boundary, however most of the area lies under County jurisdiction. This presents a great challenge to the City as the County will often consider development proposals in the corridor area and pay little regard to character and



heritage that is inherent in the area. The northeast corner of Highway 198 and Shirk Road is the only designated Conservation area currently in the City limits. The City has purchased a 16-acre parcel on the east end, bounded by the freeway and residential development on two sides. The parcel is tentatively being partially used as a ponding basin; however a long-term plan for the site still needs to be determined.

Four major projects have been built on land fronting the Highway 198 corridor in the last ten years. (Visalia Auto Mall, Oakwest Unit No. 7 subdivision, Sierra Village Expansion, and the Village West ./ Adventure Park development). In the absence of a master plan, each of these projects utilized varying setback amounts and treatments of the areas. Other projects have been considered in the agricultural-designated area but not constructed.

## **CORRIDOR'S RELATION TO GENERAL PLAN**

The West Highway 198 scenic corridor has been the subject of several planning efforts spanning many years. While numerous ideas have emerged over the years, no planning strategy has gained significant traction. Potential strategies that have been considered include establishing an open space setback area for Highway 198, clustered development concepts, and an agricultural enterprise zone.

The 1991 Land Use Element Update contains the following policy which upholds the scenic corridor status for this route and encourages superior aesthetic standards:

*Policy 1.1.11 Develop scenic entryways (gateways) and roadway corridors into the City through special setback and landscape standards, open space and park development, and/or land use designations. Gateways and entryways to be considered should include:*

*Corridors: SH 198 (SH 99 to Demaree)*

## **2002 CORRIDOR CONCEPT PLAN**

The City authorized the preparation of a Corridor Concept Plan prepared by Race Studios in 2001. This process utilized community participation to help determine future land uses for the West 198 Corridor. Public workshops saw a desire to maintain the existing "scenic corridor" feel along Highway 198, particularly through the use of scenic landscaped setbacks and the establishment of City-owned open space areas/features. A Preliminary Concept Plan (attached as Exhibit "A") from Race Studios, which included a land use concept for the corridor between Hurley and Tulare Avenues, was reviewed by the City Council in 2002. Deciding not to move forward with a full corridor study, the Council directed staff to work on an open space plan minus the land use component without the assistance of consultants.

Notable features of the Land Use Concept are:

- Open space reserves along the freeway to retain a scenic feel. Areas bounded by waterways and the northeast corner of Hwy. 198 and Shirk are oak woodland areas.
- Accommodates about 1,500 households. Traditional residential (single and multi-family) is placed east of Shirk Road adjacent to existing urban uses; "agriculture-residential" is placed west of Shirk Road
- Employment centers are centered around Plaza Drive and Akers Street intersections.

The open space reserves concept along the freeway was carried over into the 2005 Open Space Concept Plan.

## **2005 OPEN SPACE CONCEPT PLAN**

A West Highway 198 Open Space Task Force was appointed by the City Council on June 2, 2003, to help with the preparation of an open space concept plan based on the Concept Plan. On August 15, 2005, the City Council reviewed an Open Space Concept Plan as illustrated in the map shown in Exhibit "B". The Concept Plan establishes a setback suitable for the planting of native trees and vegetation. **It does not establish specific land use designations behind the setback, leaving potential for possible urban land uses behind the setback to be determined through a separate study.**

Specific features of the Plan are:

- A 200-foot open space setback from the Highway 198 frontages, applied along the highway right-of-way lines and on and off ramps.
- An open space area on the northwest corner of Highway 198 and Shirk, extending toward and incorporating Mill Creek as an urban waterway / trail.
- Stormwater retention and groundwater enhancement facilities are allowed in the setback if incorporated in landscape strategies.
- Setbacks would be dedicated to, improved, and maintained by the City at time of any future development. Landscape and lighting maintenance district would assist in financing improvements and maintenance.
- Consideration of planned urban land uses for properties located behind the open space corridor as part of a future study.

The Sierra Village Expansion project, for which an Environmental Impact Report is currently being prepared, has been the only project to proceed along the Corridor since Council's last review of the Plan in 2005.

**Staff seeks the City Council's input as to whether the concept laid out in the Plan should be forwarded to the General Plan Update Review Committee and the consultants as a recommendation.**

## **NORTHEAST CORNER OF 198 & SHIRK / CITY-OWNED PROPERTY**

The northeast corner of Highway 198 and Shirk Road is the only corner of this intersection currently within City limits. The open space bound between the freeway and Hillsdale was designated in the 2020 Plan as a 600-foot deep Conservation area in 1991. The Highway 198 freeway upgrade has reduced this depth to 450 feet. The City has purchased a 16-acre parcel inside this area. The parcel is currently used as a ponding basin while a long-term plan for the site is determined. Land Use Element Policy 1.1.11 further states that the open space frontage at this corner should be a "*permanent conservation area along the State Highway 198 frontage which includes trees, is of an agricultural character, and visually screens any development to the north.*"

## **NEXT STEPS**

The public will have an opportunity to comment on the West Highway 198 Corridor area as part of the greater General Plan Update effort, a three-year process. Consultants Dyett & Bhatia have suggested that this corridor could be economically analyzed for other potential land uses during the Alternatives and Evaluations task of the General Plan Update. Council discussion and direction during the workshop is requested.

## **ATTACHMENTS**

- Preliminary Concept Plan developed by Race Studios
- Concept Open Space Plan developed by the W198 Open Space Task Force

securing a sustainable vision  
for visalia's western entry

*Visalia West Highway 198 Corridor  
Concept Plan*



# Preliminary Concept Plan

January 28, 2002

Submitted by:

Minter & Associates  
RACESTUDIO

EXHIBIT A

# securing a sustainable vision for visalia's western entry

Visalia West Highway 198 Corridor  
Concept Plan

## Vision Statement

The Preliminary Concept Plan for Visalia's scenic western entry strives to protect and enhance the area as a visual and recreational resource for future generations of Visalians. The Plan envisions a permanent scenic corridor using a combination of restored oak woodlands, community parks, landscaped setbacks, and rural and urban uses. The vision is secured by a combination of economic, land use and regulatory measures that meet the community's quality of life objectives and property owners' need for economic use of the land.

preliminary concept plan

## planning principles

*The planning principles reflect input from the community at the October 11 and October 24 workshops and with the Planning Commission and City Council at the January 7 study session. They were used as a basis for preparing the Preliminary Concept Plan.*

The following planning principles should be used to refine the concept plan.

### Urban Uses

Urban uses should be located in the eastern portion of the planning area reflecting the community's policies for concentric growth.

### Open Space

Innovative and traditional approaches to funding a scenic corridor should result in a permanent open space frontage along Highway 198. These should include oak woodlands, community parks and landscaped roadway setbacks.

### Commercial Uses

Commercial uses should emphasize tenants, other than larger discount retailers, that can take advantage of the unique regional accessibility of the corridor. Selected uses should reflect a citywide commercial and economic strategy where future and existing business districts complement each other. There should be adequate locations for auto sales uses in Visalia. If auto sales are located in the planning area, they should be in the eastern portion reflecting the City's concentric growth policies.

### Housing

Housing development should be minimized and conserve the area's rural character using measures such as clustering development to smaller portions of sites leaving the balance of the land for agriculture or open space. Housing should be buffered from highway noise and incompatible uses.

### Office

Office should be an ancillary use. The concept plan should reflect the desire to continue to focus office employment in traditional areas including the downtown.

### Managed Approach

Implementing the concept plan should include phasing development. Phasing of open space systems and urban uses should be done in concert.

## implementation principles

*Implementation policies were discussed with the community at the October 24 and January 23 work - shops. Participants' input has resulted in principles that stress permanent solutions for open space while providing for the needs of property owners.*

### Long Term Community Commitment

The City and its partners should employ both traditional and innovative land planning methods. The community should commit to investments necessary to implement the West Highway 198 Concept Plan.

### Scenic Corridor

The implementation approach to securing land for development of a scenic corridor should include innovative strategies using existing resources. They could include:

- Applying community-wide capital fund fees to acquire and improve community parks in the planning area;
- Using storm water detention as a joint development opportunity for oak woodlands and parks;
- Joint-use school sites and recreational facilities;
- Transportation grants for trails;
- Design guidelines for development in the scenic corridor; and
- Landscape setbacks for roadway edges.

### Open Space System

The open space system for the planning area should be developed concurrently with urban uses. It should be based on an open space master plan that includes:

- Linear trail systems;
- Waterways;
- Neighborhood parks;
- Community parks;
- Oak woodlands; and
- Recreational facilities.

### Working Landscape

Preserving the working landscape and rural character of the West Highway 198 area should consider different types of land planning, regulatory and financial tools. These could include:

- Clustering development;
- Transfer Development Rights (TDR's);
- Agricultural easements;
- Rural character and density residential;
- State and Federal tax programs for property owners; and
- Design guidelines.

### Urban Uses

Urban uses in the planning area should be phased to support development of open space and concentric growth policies. Methods for doing this could include:

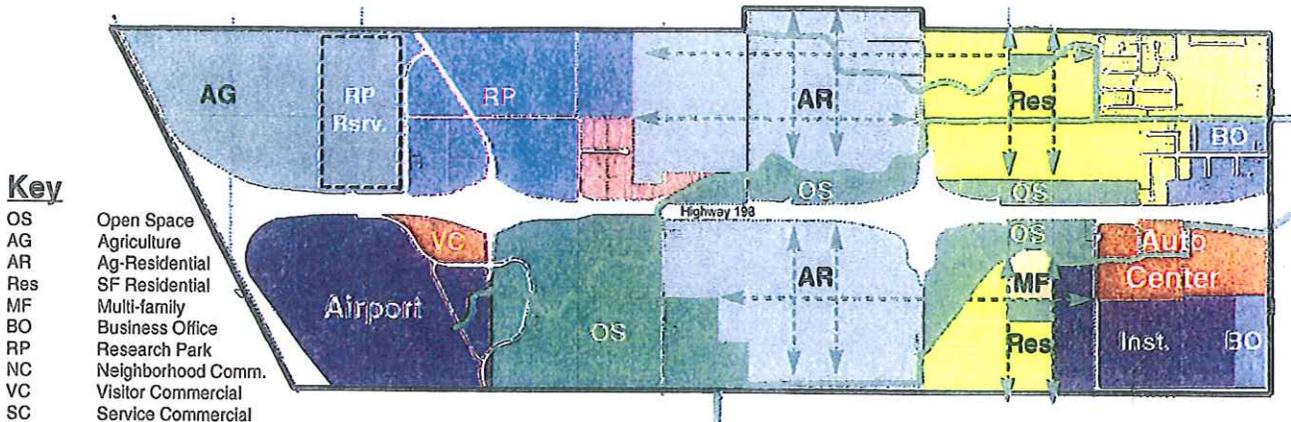
- Designating an urban reserve status for all or portions of the planning area;
- Linking development with the implementation of open space;
- Conditional use permits; and
- Planned Unit Developments (PUD's).

## preliminary land use concept

*The preliminary land use concept reflects the planning principles created with the community, Planning Commission and City Council. They emphasize finding continued economic use for the land while maintaining Visalia's scenic western entry.*

The preliminary land use concept emphasizes three overall strategies. First, pursue a plan that utilizes a variety of open space and land use patterns that result in a scenic travel experience. Second, stress keeping urban uses to the eastern portion of the planning area to reflect Visalia's policies for concentric growth. Third, pursue planning approaches to existing agricultural areas that can maintain their rural nature.

This third strategy requires innovation and flexibility. The AR (Ag.-Residential) designation is intended to provide for economic use of the land while maintaining its rural character. To accomplish this, properties could be kept in agricultural use through purchase or donation of easements; low-scale planned rural "ranchette" communities could be developed; clustering development to smaller portions of sites leaving the balance of the land in open space or agriculture; or any other approach that compensates for the value of the land while preserving its rural character.



### Visalia West Highway 198 Preliminary Concept Plan

#### Key Features:

|             |            |
|-------------|------------|
| Households  | 1,510      |
| Population  | 3,776      |
| Jobs        | 9,924      |
| Open space  | 374 acres  |
| Auto Center | Akers Road |

#### NOTE:

The total planning area is about 2,018 acres. Of this, an estimated 1,206 acres are available for development.

#### Land Use Program Summary:

| Residential        | acres      |
|--------------------|------------|
| Ag--Res            | 422        |
| Single Family      | 197        |
| Multi-family       | 10         |
| Subtotal           | 629        |
| Non-residential    |            |
| Auto Center        | 57         |
| Service Commercial | NA         |
| Research Park      | 172        |
| Institutional      | 27         |
| Subtotal           | 256        |
| <b>TOTAL</b>       | <b>885</b> |

#### Open Space Program Summary:

| Types of Open Space | acres       |
|---------------------|-------------|
| Oak woodlands       | 85          |
| Community parks     | 30          |
| Neighborhood parks  | 10          |
| Agricultural        | 196         |
| <b>TOTAL</b>        | <b>321*</b> |

\*includes 25 acres of creek-side trails

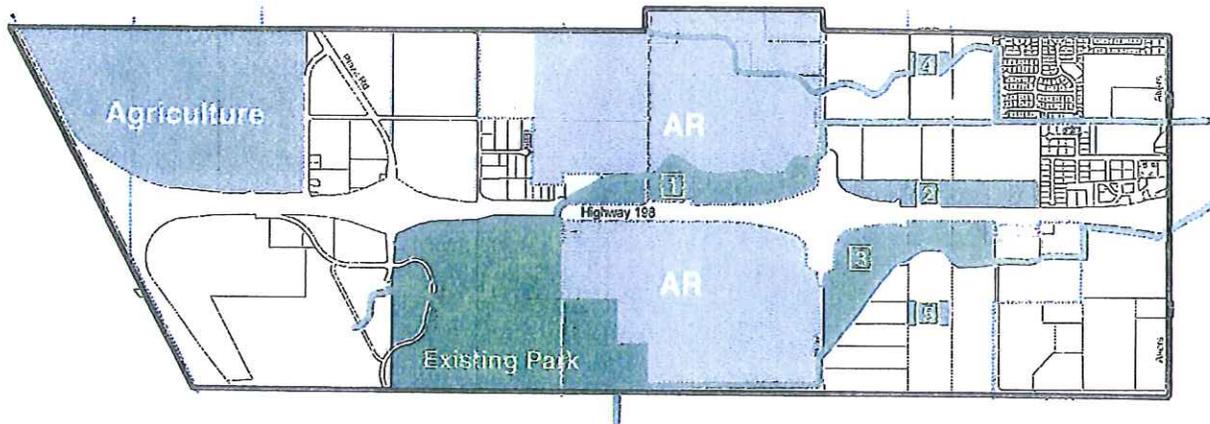
## preliminary open space concept

*Participants at community work - shops have stressed the importance of created an integrated open space system. The community at the January 23 workshop wanted to purchase land along the freeway to preserve the scenic corridor, implement a waterway and neighborhood park system, and explore ways to preserve the working landscape.*

Central to the Preliminary Concept Plan is the development of an integrated park and open space system. This includes oak woodlands, community parks, neighborhood parks, waterway trails, and the rural landscape.

The Preliminary Concept Plan proposes the City of Visalia coordinate investment by City departments, school districts, storm water and irrigation districts, and private property owners to finance and implement the open space concept. The City needs to use existing resources in innovative ways to finance the acquisition and development of open space.

The open space program and associated cost and funding analysis below indicates that even after leveraging existing resources, there could be a funding gap to complete the open space plan. The City will need to find other sources to fill the gap. Some of these could include small increases to parkland dedication fees, waterway rates, and/or storm water fees. In addition, grants and other philanthropic sources of funding could be pursued.



### Preliminary Open Space Concept (Gap \$1.88M)

#### Open Space Program

|                | <u>Site 1</u>  | <u>Site 2</u> | <u>Site 3</u> | <u>Site 4</u> | <u>Site 5</u> |
|----------------|--|---------------|---------------|---------------|---------------|
| Type of OS     | Oak woodlands  | Comm Park     | Oak woodlands | Nhd Park      | Nhd Park      |
| Est. Site Area | 30 acres   | 30 acres      | 55 acres      | 5 acres       | 5 acres       |
| Creek Trails   | 25 acres based on 24,500 LF (5,600 LF single-sided) with 25' waterway setbacks |               |               |               |               |

#### Land Acquisition Cost Summary

|                    |                                    |
|--------------------|------------------------------------|
| Oak woodlands      | 85 acres x \$35,000/acre = \$2.98M |
| Community parks    | 30 acres x \$35,000/acre = \$1.05M |
| Neighborhood parks | 10 acres x \$35,000/acre = \$0.35M |
| Creek-side trails  | 25 acres x \$25,000/acre = \$0.62M |
|                    | <b>TOTAL \$5.0M</b>                |

#### Potential Funding

|                                 |                                      |
|---------------------------------|--------------------------------------|
| Development Fees (40% of costs) | .40 x \$5.0M = \$2.0M                |
| Storm sewer fees                | 14.4 acres x \$35,000/acre = \$0.50M |
| Creek trails                    | 25 acres x \$25,000/acre = \$0.62M   |
|                                 | <b>TOTAL \$3.12M</b>                 |

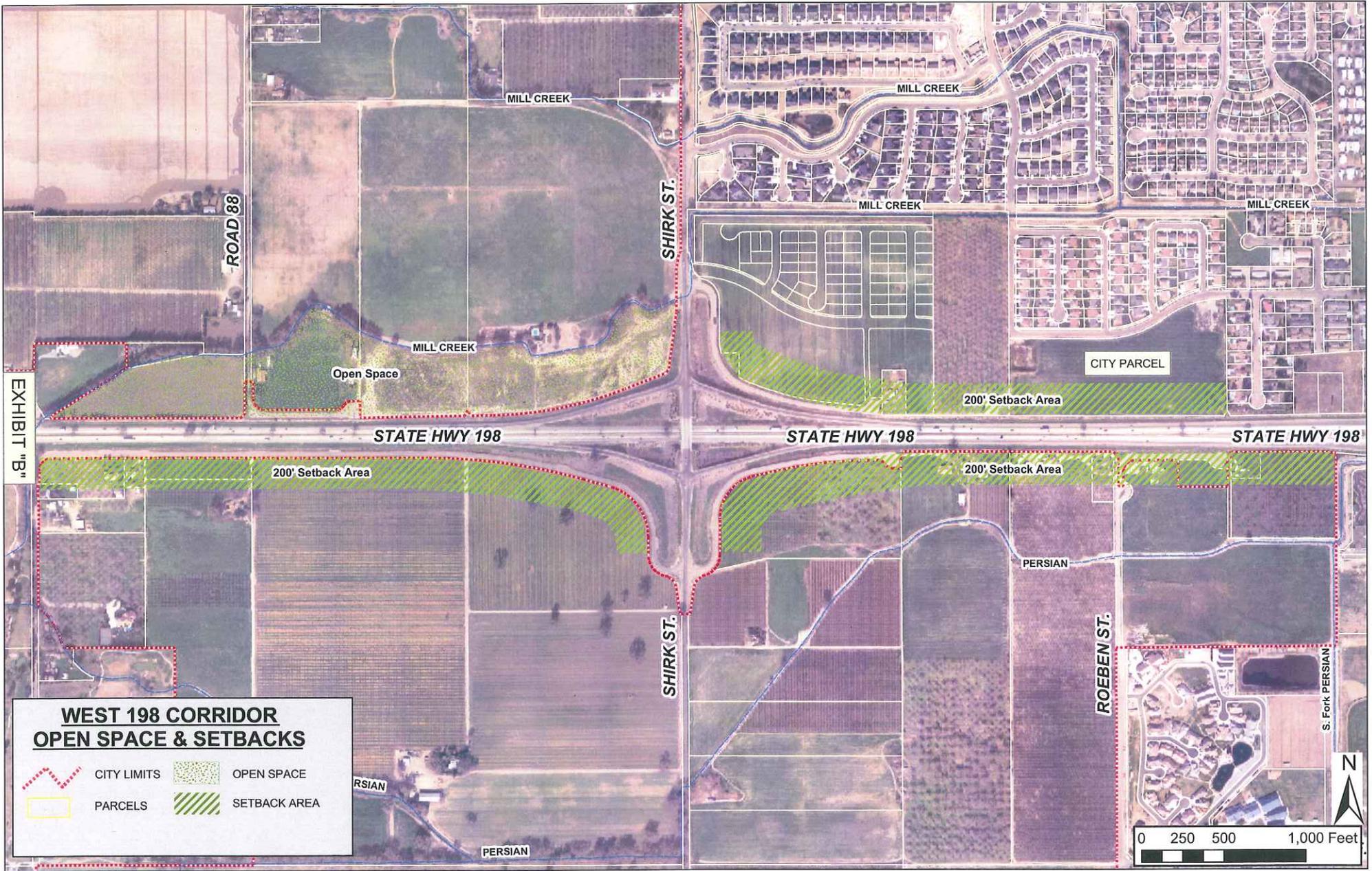


EXHIBIT "B"

**WEST 198 CORRIDOR  
OPEN SPACE & SETBACKS**

|  |             |   |              |
|--|-------------|---|--------------|
|  | CITY LIMITS |  | OPEN SPACE   |
|  | PARCELS     |  | SETBACK AREA |



# ***City of Visalia***

## ***Memo***



To: City Council

From: Chris Young, City Engineer

Date: February 5-6, 2010 Council Workshop

Re: Issues Related to FEMA Flood Insurance Rate Maps

There are an estimated 41,700 parcels within the City of Visalia. The new FEMA Flood Insurance Rate Maps indicated that approximately 12,600 of these parcels were in a Special Flood Hazard Area (SFHA). An estimated 8,900 of these parcels were not in the SFHAs prior to the FEMA remapping. Most owners of homes (on these 12,600 parcels in the SFHAs) were required to carry flood insurance unless their homes were "mortgage free". City staff made recommendations to the Council aimed at removing as many parcels as possible from the Special Flood Hazard Areas. Council "approved" these recommendations on May 4, 2009. Staff continues to work toward achieving these goals.

### **Summary of Accomplishments to Date:**

1. *The "Local Working Group" has been established. It has had three productive meetings and made recommendations to staff (currently being implemented).*
2. *Group's recommendation to hire a flood study consultant approved by Council*
3. *Thousands of residents have been assisted with flood zone determinations/letters and exhibit maps enabling them to obtain the lowest flood insurance rate possible*
4. *555 parcels have been removed from the Special Flood Hazard Areas*
5. *Staff, working with the Council and our lobbyist, continues to pursue the extension of the Preferred Risk Program*
6. *Staff continues to work with FEMA to obtain insurance discounts thru the Community Rating System*
7. *Council Authorized the City Manager to pursue up to \$7 million in US Army Corps "Section 205" funding toward "long-term" flood mitigation measures and make it the City's top appropriations priority this year*

### **Background Information and Updates:**

**#1 – Progress of the "Local Working Group":** Council approved a staff recommendation to establish a local working group of engineers, and other interested residents that have related knowledge or expertise in this field of study to act as an informal steering committee regarding floodplain related issues. The committee membership includes Mayor Link, Councilmember Nelsen, several engineers/land surveyors, an insurance professional, a developer, a representative of the Kaweah Delta Water Conservation District, a representative of the Tulare County RMA, several Visalia residents, and members of City staff. The committee has met three times and its technical subgroup has met once.

In late June, the City obtained the flood study “data” (and related background information) from FEMA. This information was used by FEMA’s consultant (Northwest Hydraulic Consultants or “NHC”) to formulate the “new” FIRMs.

At its July meeting, the local working group formed a technical subcommittee with the following responsibilities:

- Perform a cursory review of the flood study background data obtained from FEMA
- Report back to the whole committee (the local working group) with their recommendations

On October 1, 2009 the technical subcommittee’s recommendations were presented to the whole committee. Its primary recommendation was for the City to contact FEMA’s study consultant (NHC) and request that they perform a presentation of their study work and methodology to the whole committee. As part of this presentation, NHC would participate in a question and answer session with the whole committee. NHC would also be asked to make preliminary recommendations regarding potential “floodwater mitigation projects”.

**#2: Hiring of a Flood Study Consultant (NHC) at a Total Cost Not to Exceed \$70,000 and URS as “FEMA” Consultant at a Total Cost Not to Exceed \$10,000:**

On February 1, 2010, Council approved the hiring of both firms to assist the City with issues related to Flood Insurance Rate Maps. City staff has had a number of very productive phone conferences with NHC. Tentatively, the initial presentation to the Local Work Group (“FEMA Committee”) will occur during the third or fourth week in February.

As FEMA’s flood study consultant (for the Visalia/Tulare County area), NHC gathered, modeled and produced the technical information used in the flood mapping process. The mapping process took over four years to complete at a cost of several million dollars. Contracting with NHC, and utilizing their existing data, will result in a substantial cost savings to the City (potentially hundreds of thousands of dollars) in having to reproduce the technical information.

Initially, NHC will have an extended meeting with the Local Working Group, participating in an interactive session and making an initial presentation regarding flood study methodology, discussing both sources of flooding and potential flood mitigation measures/projects (Task #1 - \$13,383.12). After this initial presentation, a decision will be made by staff and the Local Working Group on whether or not to further utilize NHC’s services. Potentially, these further services would include the following (Task #2 - \$53,826.40):

- Assisting the City with an “overall” Cost/Benefit Analysis
- Assisting with the further identification of flood mitigation measures/projects
- Preparing preliminary layouts and hydraulic calculations to assess mitigation measures

- Preparing concept level cost estimates for flood mitigation measures
- Summarizing results in a technical report

In July of 2009, staff (at the direction of Council) advertised for “Requests for Qualifications” (RFQs) to provide engineering consulting services related to FEMA’s revised Flood Insurance Rate Maps. During the proposal review process, staff identified a consultant that could act as a strong advocate/liaison with FEMA and the United States Army Corps of Engineers (USACE). While NHC will provide “analysis, technical and modeling services”, URS would provide assistance and facilitation related to interactions, meetings, presentations, etc. to FEMA and the USACE.

The “FEMA liaison” from URS has more than 18 years of experience working with the National Flood Insurance Program providing services ranging from the preparation of Flood Insurance Rate Maps to assisting local governments with the implementation of floodplain ordinances. Other engineers with the firm have extensive experience working for the U.S. Army Corps of Engineers. Staff believes that URS has the necessary established relationships with FEMA and the USACE to move potential projects forward.

**#3 City Staff’s Level of Effort:** City staff (staff handling phone calls, e-mails, and counter calls regarding the Flood Insurance Rate Maps) has been recently reduced from an initial six members, to four members, as the result of a gradually decreasing demand for information. City staff continues to man a dedicated phone line and e-mail address to answer questions, make flood zone determinations, and to advise property owners and insurance agents regarding the best possible course to take for a given property.

In addition to standard flood zone determinations, City staff continues to receive requests to provide letters indicating whether or not a home is classified as “Post-FIRM” and therefore eligible (under FEMA’s grandfathering rules) to receive a discounted flood insurance rate. These letters, containing building construction dates and historic FIRM information, have been effective in obtaining insurance policies for homeowners at the lowest possible rate.

Over the past seven months, the City team has made over 4,700 flood zone determinations, prepared over 2,200 letters for individual properties, and created 1,000 exhibit maps in order to help property owners either cancel flood insurance or get them the best possible policy. Presently, we are experiencing approximately 10 phone calls per day and 30 e-mails per month. A majority of these requests come from insurance agents seeking Post-FIRM information on specific properties.

**#4 - LOMA/LOMR Filings Update (555 parcels removed):** City staff was successful in removing 312 parcels from the Special Floodplain Hazard Area thru FEMA’s “revalidation” process. Since the June 16, 2009 effective date of the new flood maps, there have been an additional 243 existing residential homes changed from the AE Zone to the X Zone designation through the successful filings of LOMAs

(Letters of Map Acceptance) or LOMRs (Letters of Map Revision) with FEMA. These were filed by the individual property owners or by the professional land surveyors or engineers that they hired.

**#5 - Efforts to Extend the Preferred Risk Program (PRP):** Currently, the PRP provides for a substantial discount on the flood insurance rate during the initial one-year period following the implementation of the new FIRMs. Following this initial period, the insurance rate will increase substantially. The Council and staff have continually worked toward having FEMA grant an extension of the PRP for at least an additional year. There have been many formal requests made to FEMA (from cities all around the country) to extend the PRP rate period. The City's lobbyist (Van Scoyoc Associates, Inc.) is "monitoring" FEMA's progress toward potential PRP policy changes. Staff will continue to report back to Council on the progress of potential FEMA PRP amendments.

**#6 - Community Rating System (CRS) Update:** City staff has made contact with FEMA and their consultant that manages the Community Rating System (CRS) program (and met with the consultant several times). The CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum National Floodplain Insurance Program (NFIP) requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions.

A preliminary review of the City's current flood management practices indicates that we clearly qualify for a 5% discount and may possibly qualify for a 10% discount. The CRS program also requires that the City either update its floodplain ordinance to "meet" certain FEMA requirements or adopt FEMA's model ordinance. Staff has submitted an "updated" draft ordinance to FEMA for their review. Once this submission/review process is completed, the updated ordinance will be brought to Council.

**#7: Council Authorized the City Manager to Pursue Potential "Section 205" Funding and Make it the City's Top Appropriations priority this year.**

The City's lobbyist, Van Scoyoc Associates (VSA), continues to assist the City in its pursuit of "short-term", as well as long-term "solutions" to issues related to FEMA's Flood Insurance Rate Maps. They have worked with City staff to identify several potential funding sources for flood mitigation projects. Several funding options have been identified to help fund potential long-term flood mitigation projects.

Congress has delegated certain project authorities to the Corps so that smaller flood control projects would not have to go through the long and difficult traditional path discussed above. For the City of Visalia, this means that if the Corps receives initial Federal funding from Congress, they can use the "Section 205" authority to work with the City on a flood control project with a maximum Federal investment of \$7 million. This includes three distinct phases: an Initial Appraisal Report completed by the Corps (the first \$100,000 of which is fully paid

by the Federal government), a Feasibility study completed by the Corps (which is cost shared 50% Federal and 50% local), and construction of the recommended project (which is cost shared 65% Federal and 35% local).

A hypothetical chart is included below to illustrate how a \$7 million Federal investment could provide for a constructed flood control project of a little less than \$10 million total cost. It is possible that the construction of a project could be completed in roughly five years after initial funding is provided by Congress for the Initial Appraisal Report via.

| <b>Phase of Project</b>         | <b>Total Costs</b>     | <b>Federal</b>         | <b>Non-Federal</b>     | <b>Comments</b>                      |
|---------------------------------|------------------------|------------------------|------------------------|--------------------------------------|
| Initial Appraisal Report        | \$ 100,000.00          | \$ 100,000.00          | \$ -                   | Costs above \$100K cost shared 50/50 |
| Detailed Project Report         | \$ 1,200,000.00        | \$ 600,000.00          | \$ 600,000.00          | Cost shared 50/50                    |
| Construction                    | \$ 9,692,307.00        | \$ 6,299,999.55        | \$ 3,392,307.45        | Cost shared 65/35                    |
| <b>Total Project Investment</b> | <b>\$10,992,307.00</b> | <b>\$ 6,999,999.55</b> | <b>\$ 3,992,307.45</b> | Max Federal Investment = \$7 million |

The effort to obtain Section 205 project funding, will begin during Fiscal Year 2011 Appropriations process.

VSA has spoken with the Corps of Engineers Sacramento District office and alerted them to the City's potential interest in seeking funding for a Section 205 project. They are eager to work with us and would like to meet with the City, either in Visalia or Sacramento, to discuss their processes if we move in this direction.

While this scenario does not solve the City's short-term concerns with rising flood insurance premiums, it is important to consider what can be done to remove as many people as possible from the floodplain on a long term basis. City staff believes that this is the best long-term solution for seeking Federal support for this initiative and we recommend this be the City's top appropriations priority this year.

City staff will continue to provide regular updates regarding the implementation of the recommendations approved by Council.



## INTEROFFICE MEMORANDUM

Date: February 2, 2010  
To: City Council  
From: Colleen Mestas, Chief of Police  
Subject: Gang Suppression Update

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The following is an overview of gang strategies currently in operation and an update on strategies that are being pursued by the Police Department at this time to enhance gang suppression, intervention, and prevention activities.

### **Department Gang Strategies**

Evidence suggests that the strategy of gang suppression, intervention & prevention employed by the Department over the course of the past three years to address the issue of gangs has been effective in reducing gang-related violence within the City of Visalia to the tune of a 59% decrease in gang-related violence when compared to 2007. However, the recent upward trend in gang-related violence and an increase in the number of validated gang members is also evidence that much work remains to be accomplished, new strategies developed, and affirmative steps on the part of the Department and City to continue making progress in our fight against gangs.

***Gang Suppression:*** The Department's Special Enforcement Bureau is responsible for activities related to gang suppression. The Gang Suppression and Narcotic Units engage in directed enforcement measures targeting active gang members and conduct investigations in order to impact gang activities and operations.

The Department also works with the Tulare County Sheriff's Department through MAGNET (Multi-Agency GaNg Enforcement Team) to provide gang suppression resources to the greater Visalia area utilizing multi-agency resources. Due to current staffing levels, the Department does not have officers assigned full-time to MAGNET but the Visalia PD and Tulare County Sheriff's gang units work and communicate with each other on a weekly basis.

The Department is also an active member in the Tulare County Gang Suppression Task Force. This very resource was deployed in the City of Visalia during the weekend of January 22-24, 2010 when the Visalia Police Department hosted a Tulare County Gang Suppression Task Force detail in the City of Visalia to address recent gang activity. This detail involved officers from the following agencies: Visalia PD, Tulare County Sheriff's, Tulare Co District Attorney's Office, Tulare County Probation, State Parole, California Highway Patrol, Tulare PD and the Dinuba PD. The task force provided additional manpower and resources that targeted known gang offenders and through proactive means, prevented any incidents of gang violence during that weekend. The detail netted 16 arrests, 26 gang field interviews and gang injunction services on two gang members. The Visalia Police Department hosts several such details with the Gang Task Force in Visalia throughout the year and also participates in Gang Task Force details throughout the county during the year at the request of the Gang Task Force. Additional details will be hosted by the Visalia PD throughout 2010 in a strategic manner to address gang activity within the City.

The Department is also exploring the possibility of a local task force in partnership with county and state law enforcement agencies to conduct operations aimed at impacting gangs at their organizational level. The current operations of the SEB personnel are largely focused on suppression of gang activity at the street level. This is largely due to limitations with staffing and resources. Unit expansion and a state task force partnership would present the opportunity for the unit to explore such a task force option.

***Gang Intervention/ Prevention:***

The Department is actively engaged in two gang prevention/ intervention task forces. The Multi-Agency Gang Intervention Task Force, which is a city focused task force co-chaired by the Visalia PD and the Visalia Unified School District and meets monthly to coordinate gang prevention/ intervention resources within the City. This task force is represented by representatives from the City's Law Enforcement community, Faith-Based Community, Business Community, Education Community and Community Based Organizations (Proteus, CSET, B&G Clubs, etc.) Some of the projects that have come from this task force are gang summits, the LOOP Bus, and the CalGRIP NYC Grant Project. The Department also participates in the Tulare County Gang Prevention Task Force, which is a county focused task force chaired by the Tulare County Board of Supervisors.

The Department is in the process of completing a strategic plan for the Multi-Agency Gang Intervention Task Force. This strategic plan will allow the Task Force to identify a number of key strategies that will aid in it's anti-gang efforts into the future.

The Department is in the process of seeking Federal funding assistance to hire a City Gang Prevention/ Intervention Coordinator that would manage the City's Multi-Agency Gang Intervention Task Force for the purposes of coordinating task force efforts, developing a referral system, and maximizing the efficiency and effectiveness of task force operations. Additionally, the Department would use some of these funds to establish a local level prevention/ intervention grant program through the task force. These grants would be used

to aid task force stakeholders in implementing strategies identified by the task force such as youth mentoring/ intervention, parent education and job training.

The Department is currently engaged in a partnership with the Tulare County Probation Department that provides for the assignment of a Deputy Probation Officer to the Gang Suppression Unit. This officer assists the GSU personnel in their suppression efforts through Probation follow-ups and information gathering, but his primary role is intense supervision of at-risk gang-involved youth on Probation. This is a partnership that has been highly beneficial to both agencies from both a suppression and intervention standpoint. The Probation Officer assigned to the GSU is funded through grant monies obtained by the Police Department over the course of the last two years and will need to be re-evaluated for this next fiscal year

In 2008, the Department secured a CalGRIP (California Gang Reduction Intervention Prevention) grant award through CalEMA (California Emergency Management Agency) Office of Gang & Youth Violence Policy. This grant was obtained in conjunction with partners of the city's gang task force, specifically Proteus, Inc. The grant allowed the City to sub-contract with Proteus to hire (6) Neighborhood Youth Counselors (gang intervention specialists) to work with at-risk youth in Visalia community centers and schools. This grant concluded on December 31, 2009 and during its 21 months of operation reached 300 Visalia youth, improved academic performance in 178 youth, provided job training to 131 youth, and 102 youth chose to terminate their gang involvement. This project proved to be one of the most effective intervention programs employed along with a similar CalGRIP project operated through CSET. Although this grant has expired, the Department has partnered with the Visalia Unified School District and Proteus, Inc., utilizing Federal Stimulus Funds to continue the Neighborhood Youth Counselor project by hiring (5) NYC's for an additional 18 months.

**Department Proposal/ Recommendations:**

1) The Department intends to maintain currently employed anti-gang strategies while simultaneously developing new strategies and mechanisms to fund these strategies. Federal Funds are currently being used and additional funds sought to build upon the Department's gang intervention/ prevention strategies. A key element in improving the effectiveness of current strategies and implementing new strategies to maintain progress with gang suppression is the addition of SEB personnel. However, such expansion is prohibited by the current office location of the SEB personnel.

2) SEB personnel, consisting of (15) officers, are currently housed at Fire Station 54 in an office space consisting of approximately 1100 sq/ft. This office space was previously used as the Department's north Visalia community policing facility until the opening of the District 1 substation in 2007. The SEB personnel have outgrown this facility leading to cramped conditions for current personnel and preventing any expansion of the units due to lack of space. Additionally, the Lieutenant of the Special Enforcement Bureau is not housed with SEB personnel due to the lack of space. This creates challenges in efficiency and communication from the Management to Line Level personnel in a critical operation for the Department.

The cramped situation in Station 54 also prevents these units from having a briefing area for daily meetings, detail briefings, and establishing a focal point for shared gang intelligence. This also prevents these units from hosting meetings/ briefings with other allied agencies at their office, requiring them to use alternative locations. This must also be considered should the Department be successful in the implementation of a state task force in Visalia. These are factors that are critical to sharing information and providing an overall picture of the gang situation in Visalia to aid in the development of strategies for directed enforcement measures and to direct appropriate resources for intervention/prevention efforts. Mapping of gang-related residences, gang-related crimes, link analysis to identify gang and/or narcotics organizations requires the time for officers to gather relative information and share it among team members in order to provide these types of resources. A suitable work space for these officers is important to facilitate the aforementioned administrative responsibilities assigned to them.

During budget preparation for FY08/09 & FY09/10 the Department recognized a need for a more suitable SEB facility for all of the reasons cited in this report. The Department evaluated several suitable properties within the City to meet the needs of the SEB and included a line item budget request for an office lease to accomplish this goal. This line-item budget request was in the amount of \$5,000/mo for a total of \$60,000/year. The Department arrived at that amount based on the going rate for the properties identified at that time and utility costs are factored into that amount. In addition to the cost of the lease for the building, the Department would also incur a one-time cost of \$10,000 that would be needed for the purchase of network equipment that would link the SEB office to the City Intranet/ e-mail system, phones, records, and DOJ databases. While the need for the SEB facility was identified, the line-item budget request was frozen and the SEB personnel have remained in the same facility despite ongoing efforts to improve the situation.

The Department has located property which consists of a 4,000 sq/ft office space and 2,000 sq/ft warehouse storage space. The property was initially offered to the Department at \$0.85/sqft in 2008, however the budget for the property was frozen. The Department has been recently approached with a proposal for the same 6,000 sq/ft of space at \$0.45/sqft.

The property in question would meet both current and future needs of the SEB personnel. The 4,000 sq/ft is significantly larger in size than the current location and consists of several individual offices, a men's & women's restroom, and a 2,000 sq/ft bullpen area. The 2,000 sq/ft warehouse storage area is unfinished but would satisfy the needs for a storage space for asset seizures and allow the Department to vacate the location currently on loan to the Narcotics Unit as a temporary fix.

Purchase of networking equipment would still be a requirement in order to provide network access and DOJ database access to the SEB personnel at this facility, which would be necessary to perform their related duties.

The budget listed below identifies monies requested to be “unfrozen” from the line-item request identified for the remainder of FY09/10, network equipment needs (1-time cost), and funds to equip a briefing room and format the bullpen area of the site.

***Budget:***

|   | FY09/10 (Feb-June) |                    |
|---|--------------------|--------------------|
|   | Monthly Rate       | Total              |
| Lease of 6627/ 6631A W. Pershing @ \$0.45/sqft (6,000 sf) | \$2,700.00         | \$13,500.00        |
| Utilities (estimated)                                     | \$500.00           | \$2,500.00         |
| Networking Equipment                                      | N/A                | \$10,000.00        |
| Office Furniture  | N/A                | \$4,000.00         |
| <b>Total:</b>   | \$3,200.00         | <b>\$30,000.00</b> |

3) As a result of a budget shortfall in the 09/10 budget the Department was asked to cut 1.5 million dollars. In order to meet that goal there were (9) sworn positions frozen. Currently the Department has an additional (5) sworn vacancies. The Department is currently in the process of hiring in order to fill those (5) vacant police officer positions. In order to meet operational needs the Department is requesting an advance of monies from the General Fund to Measure T Funds in the amount of \$242,000.00 to fund two sworn officer positions. This would allow the Department to take affirmative steps in advancing its anti-gang strategies while minimizing impacts on general patrol operations affecting service levels.

**Visalia Gang-Related Violence:**

A recent review of Department gang Field Interview cards revealed that the number of validated gang members in Visalia has increased from 972 in 2007 to 1,184 in 2010. While this is largely due to increased intelligence gathering as a result of increased enforcement efforts by the GSU, it remains an area of concern. Enforcement efforts that attributed to this increased intelligence information is a 20% increase in arrests by the SEB Units in 2008 (compared to 2007) and a 73% increase in Field Interview Cards in 2009 (compared to 2008). This increase in the number of validated gang members identifies and strengthens the ongoing and pressing need for suppression and intervention/ prevention activities.

In 2007, the City of Visalia experienced a spike in gang related violent crimes with 6 gang-related homicides, 75 gang-related assaults w/ deadly weapons and 90 drive-by shootings. This resulted in a total of 171 gang-related violent crimes in 2007, an average of 14.25 per month.

In 2008, there were 8 gang-related homicides, 63 gang-related assaults w/ deadly weapons, and 63 drive-by shootings. This resulted in a total of 134 gang-related violent crimes in 2008, an average of 11.2 per month.

In 2009, there were 3 gang-related homicides (a 50% reduction from 2007), 40 gang-related assaults w/ deadly weapon (a 47% reduction from 2007) and 27 drive-by shootings (a 70% reduction from 2007). This resulted in a total of 70 gang-related violent crimes in

2008, an overall decrease of 59% from 2007, and a monthly average of 5.8 incidents. Additionally, there was a 25% decrease in juvenile arrests from 2008 to 2009.

To date in 2010, there have been 2 gang-related homicides, 2 gang-related assaults w/ deadly weapons, and 2 drive-by shootings. This would set the pace for 2010 at 6 incidents of gang-related violent crime per month, already an increase over 2009 averages. Additionally, the last quarter of 2009 showed a slight increase in gang-related violent crime (7.3 incidents per month) when compared to the first three quarters of 2009 (5.8 incidents per month). The collaboration between the Gang Suppression Unit and Violent Crimes Units have led to valuable investigative leads in those cases and one arrest related to those incidents of gang violence in early 2010. This has been accomplished through aggressive investigative work and aggressive gang suppression efforts by the Gang Suppression Unit resulting in a total of 61 arrests and 11 firearm seizures by the SEB in January 2010.

This upward trend in gang-related violent crime, and the number of validated gang members within the City of Visalia, gives rise to concern as to what may be in store for the coming year despite ongoing efforts to curb gang activity.

#### **Visalia Police Department Special Enforcement Bureau:**

The Department's Special Enforcement Bureau (SEB) consists of two full-time police specialty units; the Gang Suppression Unit (1 Sergeant, 1 Agent, 7 Officers, 1 Probation Officer) and the Narcotics Unit (1 Sergeant, 4 Officers). The Special Enforcement Bureau is the Department's dedicated anti-gang force with its primary focus being that of gang suppression, intervention, and prevention. These units fall under the command of the SEB Lieutenant who also oversees collateral assignments consisting of; S.W.A.T., Terrorism Liaison Officers/ Homeland Security, Honor Guard and the Department's gang intervention/ prevention efforts through the Multi-Agency Gang Intervention Task Force.

The Special Enforcement Bureau is also involved in the following gang task forces:

- M.A.G.N.E.T. (Multi-Agency GaNg Enforcement Team) w/ Tulare County Sheriff's.
- Tulare County Gang Suppression Task Force (Chaired by the Tulare County District Attorney's Office). This task force meets on a quarterly basis and serves as a rapid response resource of all Tulare County law enforcement agencies to provide gang suppression countywide.
- Tulare County Gang Prevention Task Force (Chaired by the Tulare County Board of Supervisors).
- City of Visalia Multi-Agency Gang Intervention Task Force (Co-Chaired by the Visalia Police Dept. and Visalia Unified School District).
- City of Visalia S.M.A.R.T. Team (Specific, Measurable, Attainable, Relevant & Time-bound). This is a multi-disciplined collaboration of City Departments to address neighborhood problems.

#### ***SEB Personnel & Responsibilities:***

The Gang Suppression Unit began operating in the early 1990's and consisted of (1) Sergeant, (1) Agent and (4) Officers. The unit added an additional officer in 2003 in order

to meet the increasing administrative demands upon the unit, bringing the total number of officers in the unit to seven. In 2006, the Gang Suppression Unit expanded through the addition of two officers who were immediately assigned to the newly formed Multi-Agency GaNg Enforcement Team (MAGNET) task force in cooperation with the Tulare County Sheriff. This brought the unit to a total of nine officers, although two were assigned to MAGNET. The Narcotics Unit consists of (1) Sergeant and (4) Officers and has not expanded since the 1980's.

The officers in the SEB are not only responsible for proactive enforcement patrols to address gang activity but are also responsible for a variety of administrative duties related to gang enforcement. These duties include, but are not limited to the following:

- Use of informants to develop intelligence and enhance investigations.
- Gang Expert Court Testimony
- Gang Expert Reports prepared to enhance gang prosecutions.
- Court mandated gang registrations.
- Evaluation of Field Interview Cards for gang validation.
- Maintenance and data input of Field Interview Files (intelligence & purging requirements).
- Search warrant preparation, service & completion.
- Community presentations on gangs.
- Assisting other Departmental Units in investigations.
- Surveillance
- Participation in Tulare County Gang Task Force details.
- Management of the City's two civil gang injunctions.
- Narcotics Investigations
- SMART Team Participation

In order for the Department's Special Enforcement Bureau Units to keep pace with ever-increasing administrative responsibilities, enforcement responsibilities, and gang/ narcotic activity in Visalia, the units will need to expand their personnel. Along with a slight upward trend in gang-related violence over the last four months and the increased number of validated gang members, the Department is also faced with the reality of the State's plan to release thousands of state prison inmates and local county jail inmates that will surely impact the gang climate in Visalia. For all these reasons the SEB has a real need to expand in the near future in order to maintain progress that has been gained over the last two years and to continue to make headway with Visalia gangs in the future. This expansion should consist not only of police officers to enhance the Department's gang suppression activities, but should also consist of a non-sworn position that would assist the unit in completing administrative tasks allowing the sworn officers to focus more on sworn officer activities.

**Conclusion:**

The Department remains committed to its three-pronged strategy of gang suppression, gang prevention, and gang intervention as described throughout this report. Significant progress has been made over the course of the last 3 years but a great deal of work remains in order to sustain this progress and drive forward. While the Department recognizes that these

measures will increase the City deficit, it also knows that the strategies in this report, current and proposed, are necessary for combating gangs for the safety and youth of this community and should be vehemently pursued.



## Administration

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Date: February 6, 2010

To: Steve Salomon, City Manager

From: Mark Nelson, Fire Chief

Subject: Revision of the Measure T Plan

The Measure T Plan was developed in 2002 and passed by the voters on March 2, 2004. Eight years have passed since then and changing circumstances in the delivery of fire emergency services have occurred. Because of the changes and emergency response needs, a revision needs to be considered for the Measure T Plan.

### **Background**

To better understand one of the recommended revisions to the Measure T Plan, it is germane to have a historical review of the series of events that have taken place in the southeast portion of our City.

Since May 1990, the City of Visalia had an Automatic Aid agreement with Tulare County Fire (in which fire services were contracted out to California Department of Forestry – CAL Fire) to assist in improving response times for emergency incidents in the southeast portion of the City.

The Tulare County engine was staffed with one fulltime paid firefighter (additionally, a volunteer firefighter would respond, if available, to the scene in their personal vehicle to assist). A Visalia fire unit was also dispatched at the same time to provide aid. In May 2005, the Tulare County Fire Department decided to eliminate the permanent staff at Fire Station #9, located at Lovers Lane and Walnut (due to budget cutbacks). When the permanent staff left Station #9, the southeast portion of our community lost an important part of our delivery system. In response to this issue, the City Council authorized the Fire Department to add an additional Engine Company which was placed into service January 21, 2006; this Engine Company was established to improve service to the southeast portion of the City. The newly staffed engine was housed at Fire Station 51 (309 Johnson) until December 2006, while staff worked on finding a location for a temporary fire station in the southeast portion of the City.

In March 2006, the City Council had authorized the Fire Department and City Manager to begin discussions with the California Department of Forestry (CAL Fire) to lease space at Station #9. The Lease Agreement was approved by the Visalia City Council on November 1, 2006 and Visalia Fire engine #56 moved into the CAL Fire facility (Lovers Lane and Walnut) December 2006.

On July 1, 2007, Tulare County canceled their contract with CAL Fire and established their own fire department; Tulare County Fire.

The decision by the City Council to lease the CAL Fire property has provided an opportunity to greatly improve the fire protection for our community, especially for the residents and businesses located in the southeast portion of our community.

### **Discussion**

After reviewing the current fire station locations, calls for service and response time data, the Fire Department has determined there is a significant need for a fire station to be located in the southwest portion of our community (**Attachment A**). The current “Measure T” spending plan calls for the construction of a permanent southeast fire station in the year 2012 (**Attachment B**). We believe the current trends for fire department emergency response show the need in the southwest portion of the community outweighs the need to build a permanent southeast station by 2012. The response data shows that the current leased fire station location of Fire Station #56 (located at Lovers Lane and Walnut) provides for adequate coverage for the southeast portion of the community and will for many years to come. On January 11, 2010, the City Council approved the Lease Extension Agreement with CAL Fire from November 2011 to November 2018.

With the adequate coverage provided by the current location of Fire Station #56, we believe adding seven years to the current lease with the State of California, for a total of 12 years, will allow us to focus our efforts and “Measure T” money on improving the service delivery for southwest Visalia.

This provides time for the Council and community to consider options. It is unlikely a permanent fire station in the southeast will be built to the terms of the current lease.

### **Needs for the southwest portion of the City**

The Fire Department is in need of a fire station in the southwest area of the city. Currently, there are 2000 calls for service that do not meet the standard response time goal of five minutes or less; 1,231 of these calls are for medical aid requests. The general location that would optimize response times is at the intersection of Akers and Tulare.

The Fire Chief and staff have performed a comprehensive evaluation of emergency response models to best meet the needs of the City of Visalia. The need for improvement in the response times is in the southwest area of the city. It is recommended to locate a fire station within a one mile radius of Tulare and Akers.

The fire department met with the city's planners and engineers to evaluate the various properties that would best suit a fire station location. There were a number of properties that would work within the recommended radius

**Fire Department Service Level Impact**

With the addition of the new fire station (in this location), the city would have a 94% response time standard of five minutes or less. Currently, the overall response time standard for the city is at 86%.

**Recommendation**

It is the recommendation of the City Staff to consider revising the Measure T Plan.

Attachments:

A – Maps

B – Measure T

## Visalia Public Safety Sales Tax Measure Program Guidelines

This sales tax measure will provide a secure, local revenue stream to the City of Visalia that will be used entirely to provide additional police and fire personnel and services to protect our community. Visalians deserve to know how the funds will be spent. Detailed spending plans have been developed so voters can have a clear understanding of how the monies will be spent if the 1/4¢ sales tax is approved. Program guidelines have also been established to govern how the money can be spent, to specify the accounting, audit and oversight guidelines that will be implemented to make certain that the funds are spent according to the voter's direction, and to ensure the public is well-informed of the progress and process.

### Fiscal Accountability Protections

An Independent Auditor will annually review and audit expenditures of funds specifically derived from the Public Safety Measure, to ensure compliance with the expenditure plans and with prudent, established accounting regulations and practices. The results will be part of the City's annual audit.

The City will utilize the existing Citizens Advisory Committee to provide an oversight function - to at least annually review revenues and expenditures, providing a second independent verification that all expenditures are being made as promised to Visalia residents. The findings of both the Citizen's Advisory Committee and the Independent Auditor will be reviewed by the City Council and made available to the public.

Each June, as the City's budget is adopted following public hearings, the City Manager will recertify the plan to the City Council, stating what monies have been received, what monies have been spent and what monies are available. The financial consequences of these changes will be reflected in the recertified plan. The City Manager will also certify that the monies have not been used for purposes other than Public Safety.

On the first City Council meeting in January, 2013, followed by the first meeting in January 2021 and every 8 years thereafter, the City Council will hold a public hearing to review the progress on the Public Safety plan and the continuing need for the sales tax. Public comments will be taken and the Council will consider the appropriateness of the sales tax. To continue the sales tax, 4/5ths of the Council must affirm the tax.

If the Council fails to affirm the tax, all operating expenditures for the tax will discontinue within 90 days of the action and the tax will discontinue as soon as enough resources have been accumulated to satisfy any outstanding indebtedness.

### Dedicated Accounting Structure

This Expenditure Plan specifies that all revenues from the Measure are to be utilized for the sole purpose of improving our community's public safety, with the revenue to be directed to the

police and fire departments respectively, in the proportions of 40% to Fire and 60% to Police. These proportions were mutually agreed upon based upon the historical budgetary funding proportions of the two departments.

The City will establish separate funds into which these specific monies shall be deposited. These accounts shall be separate for police and for fire and shall be the source of their respective expenditures as established in the approved expenditure plans. Any balances in these funds, positive or negative, shall earn or pay interest accordingly.

Based on public safety needs and unique circumstances, the City may opt to advance funds from the City's General Fund into the individual police and fire accounts in order to most effectively accomplish the objectives of the program. If this is done, any advanced funds must be reimbursed to the City's General Fund within twenty-four (24) months of the date of the advance. To ensure the highest level of fiscal accounting, funds may not be shifted or loaned between the separate police and fire accounts.

The City Council will not use public safety revenue measure funds to replace General Fund dollars budgeted for normal operations at the previous year's service levels. In the event of an economic emergency, the City Council may only alter this provision by a supermajority (4/5<sup>th</sup>) vote.

#### Economic Uncertainty Fund

Because the ¼ cent sales tax is used for essential services that are needed during both good and bad economic times, the City Council will establish a contingency/reserve fund adequate to assure that services are maintained in the event sales tax revenues decline.

A contingency/reserve account will be established as follows: A contingency/reserve fund containing twenty-five (25) percent of the annually budgeted revenues will be established. In any given year when the reserve fund holds less than the required twenty-five (25) percent of annual revenues, the first use of funds will be to implement the plan's current year program and then establish the contingency/reserve fund in the first year and add to it in the following years.

In the event that actual revenues in any given year are less than budgeted revenues, the City Council may use the reserve fund to make up the difference between budgeted revenues and actual revenues.

#### Priorities if additional revenues are available

In the event that the contingency/reserve is fully funded and all annual planned expenditures have been implemented, the use of the additional unanticipated sales tax revenues will be used first to accelerate the implementation of the plan and then to provide additional public safety facilities, personnel, and equipment based upon the specific needs of the community.

## Public Safety 1/4 Cent Sales Tax Plan

|        |                   |           |
|--------|-------------------|-----------|
| Year 1 | Sales Tax Revenue | 4,500,000 |
|--------|-------------------|-----------|

### **POLICE**

|   |  |           |
|---|--|-----------|
| Staffing South-side Precinct                                      |  |           |
| * Hire 5 new police officers<br>and appropriate staff adjustments |  | (477,097) |
| * Purchase 5 new police vehicles/equipment                        |  | (187,500) |
| * Depreciation for 5 vehicles                                     |  | (19,500)  |

### **FIRE**

|   |  |           |
|---|--|-----------|
| Northwest Fire Station Project -                  |  |           |
| * Land - Station - 2 acres @ \$55k per acre       |  | (37,400)  |
| * Land - Training Area 3 acres @ \$55k per acre   |  | (56,100)  |
| * Architectural & Professional Services - Station |  | (137,982) |
| * Architectural Design & Services - Training Area |  | (67,966)  |
| * Est. Geo-Tech & Environmental @ \$5k per acre   |  | (8,500)   |
| Total - First Year                                |  | (992,045) |

Ending Balance      3,507,955

|        |                   |           |
|--------|-------------------|-----------|
| Year 2 | Sales Tax Revenue | 4,590,000 |
|--------|-------------------|-----------|

|                     |  |           |
|---------------------|--|-----------|
| Interest Earnings   |  | 70,159    |
| Available Resources |  | 8,168,114 |

### **POLICE**

|   |  |           |
|---|--|-----------|
| Staffing North-Side Precinct                                      |  |           |
| * Hire 5 new police officers<br>and appropriate staff adjustments |  | (514,979) |
| * Purchase 5 new police vehicles/equipment                        |  | (191,250) |
| * Depreciation for 5 vehicles                                     |  | (19,988)  |
| Previous Yrs' Ongoing Cost + 3% - POLICE                          |  | (511,495) |

### **FIRE**

|  |  |             |
|--|--|-------------|
| Northwest Fire Station Project                                 |  |             |
| * Site Development - @ \$6 sq. ft. (less building)             |  | (154,877)   |
| * Station Construction - 11,200 sq. ft. @ \$200 sq. ft.        |  | (761,600)   |
| Total Training Area Construction - 2nd Yr                      |  | 0           |
| * Site Develop. - Training Facility @ \$6 sq. ft. (less bldg.) |  | (239,928)   |
| * Training Area Construction                                   |  | (208,080)   |
| Quint Fire Apparatus (Order & Receive in 1st yr) - 1st Payment |  | (119,000)   |
| Southeast Fire Station Site Acquisition - 2 Acres              |  | (37,910)    |
| Total - Second Year  |  | (2,759,107) |

Ending Balance      5,409,007

|        |                   |           |
|--------|-------------------|-----------|
| Year 3 | Sales Tax Revenue | 4,681,800 |
|--------|-------------------|-----------|

|                     |  |            |
|---------------------|--|------------|
| Interest Earnings   |  | 108,180    |
| Available Resources |  | 10,198,987 |

**POLICE**

|  |             |
|--|-------------|
| New Police Admin/Dispatch Center & Precincts | (265,000)   |
| * Hire 5 new police officers                 | (485,947)   |
| * Purchase 5 new police vehicles/equipment   | (195,075)   |
| * Depreciation for 5 vehicles                | (20,487)    |
| Previous Yrs' Ongoing Cost + 3% - POLICE     | (1,077,856) |

**FIRE**

|   |             |
|---|-------------|
| Northwest Fire Station Project                                |             |
| * Staffing - Existing personnel plus 4 new hire (9 Personnel) | (617,634)   |
| * Operations  | (105,000)   |
| Quint Fire Apparatus - Final Payment                          | (119,000)   |
| Total - Third Year  | (2,885,999) |

Ending Balance 7,312,988

|                          |            |
|--------------------------|------------|
| Year 4 Sales Tax Revenue | 4,775,436  |
| Interest Earnings        | 146,260    |
| Available Resources      | 12,234,684 |

**POLICE**

|  |             |
|--|-------------|
| Payment - 20 year bond for infrastructure  | (265,000)   |
| * Hire 5 new police officers               | (501,378)   |
| * Purchase 5 new police vehicles/equipment | (198,977)   |
| * Depreciation for 5 vehicles              | (20,999)    |
| Previous Yrs' Ongoing Cost + 3% - POLICE   | (1,631,818) |

**FIRE**

|   |             |
|---|-------------|
| Northwest Fire Station - Additional Ongoing | (11,000)    |
| Public Safety Building - Fire               |             |
| * Site Development @ \$6 sq ft              | (20,400)    |
| * Building - Fire @ 9,000 sq. ft. @ \$250   | (382,500)   |
| Previous Yrs' Ongoing Cost + 3% - FIRE      | (744,313)   |
|   | (3,776,385) |

Ending Balance 8,458,299

|                          |            |
|--------------------------|------------|
| Year 5 Sales Tax Revenue | 4,870,945  |
| Interest Earnings        | 169,166    |
| Available Resources      | 13,498,409 |

**POLICE**

|   |             |
|---|-------------|
| Payment - 20 year bond for infrastructure           | (265,000)   |
| * Hire 4 new police officers                        | (414,014)   |
| * Purchase 4 new police vehicles/equipment          | (162,365)   |
| * Depreciation for 4 vehicles                       | (17,219)    |
| Previous Yrs' Ongoing Cost + 3% less bonds - POLICE | (2,218,821) |

**FIRE**

|  |           |
|--|-----------|
| Previous Yrs' Ongoing Cost + 3% - FIRE | (777,972) |
|--|-----------|

|               |   |                  |
|---------------|---|------------------|
|               |   | (3,855,392)      |
|               | Ending Balance                                      | 9,643,018        |
| <b>Year 6</b> | <b>Sales Tax Revenue</b>                            | <b>4,968,364</b> |
|               | Interest Earnings                                   | 192,860          |
|               | Available Resources                                 | 14,804,242       |
|               | <b>POLICE</b>                                       |                  |
|               | Payment - 20 year bond for infrastructure           | (265,000)        |
|               | * Hire 2 new police officers                        | (212,085)        |
|               | * Purchase 2 new police vehicles/equipment          | (82,806)         |
|               | * Depreciation for 2 vehicles                       | (8,825)          |
|               | Previous Yrs' Ongoing Cost + 3% less bonds - POLICE | (2,729,556)      |
|               | <b>FIRE</b>   |                  |
|               | Previous Yrs' Ongoing Cost + 3% - FIRE              | (801,312)        |
|               |   | (4,099,584)      |
|               | Ending Balance                                      | 10,704,658       |
| <b>Year 7</b> | <b>Sales Tax Revenue</b>                            | <b>5,067,731</b> |
|               | Interest Earnings                                   | 214,093          |
|               | Available Resources                                 | 15,986,482       |
|               | <b>POLICE</b>                                       |                  |
|               | Payment - 20 year bond for infrastructure           | (265,000)        |
|               | * Hire 2 new police officers                        | (215,643)        |
|               | * Purchase 2 new police vehicles/equipment          | (84,462)         |
|               | * Depreciation for 2 vehicles                       | (9,046)          |
|               | Previous Yrs' Ongoing Cost + 3% less bonds - POLICE | (3,038,980)      |
|               | <b>FIRE</b>   |                  |
|               | Southeast Fire Station Project -                    |                  |
|               |   | Other Sources    |
|               | * Land Acquisition 2 acres - (See Yr. 2)            |                  |
|               | * Architectural Design & Services -                 | (95,856)         |
|               | * Geo-Technical & Environmental Work -              | (3,400)          |
|               | * Site Development at \$6 per sq. ft. -             | (154,877)        |
|               | * Construction 7,070 sq. ft. @ \$200                | (480,760)        |
|               | * Fire Engine - Order & First Payment               | (83,300)         |
|               | Previous Yrs' Ongoing Cost + 3% - FIRE              | (825,351)        |
|               |   | (5,256,674)      |
|               | Ending Balance                                      | 10,729,808       |
| <b>Year 8</b> | <b>Sales Tax Revenue</b>                            | <b>5,169,086</b> |
|               | Interest Earnings                                   | 214,596          |
|               | Available Resources                                 | 16,113,490       |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,361,579)

**FIRE**

SE Fire Engine - Possession & Final Payment (83,300)  
 Previous Yrs' Ongoing Cost + 3% - FIRE (850,111)

(4,559,990)

Ending Balance 11,553,500

|        |                     |                   |
|--------|---------------------|-------------------|
| Year 9 | Sales Tax Revenue   | 5,272,467         |
|        | Interest Earnings   | 231,070           |
|        | Available Resources | <u>17,057,037</u> |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,462,426)

**FIRE**

Southeast Fire Station Staffing - 14 Personnel (1,834,561)  
 Southeast Fire Station Operations (119,405)  
 Previous Yrs' Ongoing Cost + 3% - FIRE (875,615)

(6,557,007)

Ending Balance 10,500,030

|         |                     |                   |
|---------|---------------------|-------------------|
| Year 10 | Sales Tax Revenue   | 5,377,917         |
|         | Interest Earnings   | 210,001           |
|         | Available Resources | <u>16,087,948</u> |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,566,299)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (2,914,468)

(6,745,767)

Ending Balance 9,342,181

|         |                     |                   |
|---------|---------------------|-------------------|
| Year 11 | Sales Tax Revenue   | 5,485,475         |
|         | Interest Earnings   | 186,844           |
|         | Available Resources | <u>15,014,499</u> |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,673,288)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,001,902)

(3,001,902)

Attachment B

(6,940,190)

Ending Balance 8,074,309

| Year |                     |            |
|------|---------------------|------------|
| 12   | Sales Tax Revenue   | 5,595,184  |
|      | Interest Earnings   | 161,486    |
|      | Available Resources | 13,830,980 |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)

Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,783,486)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,091,959)

(7,140,446)

Ending Balance 6,690,534

| Year |                     |            |
|------|---------------------|------------|
| 13   | Sales Tax Revenue   | 5,707,088  |
|      | Interest Earnings   | 133,811    |
|      | Available Resources | 12,531,433 |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)

Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (3,896,991)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,184,718)

(7,346,709)

Ending Balance 5,184,724

| Year |                     |            |
|------|---------------------|------------|
| 14   | Sales Tax Revenue   | 5,821,230  |
|      | Interest Earnings   | 103,694    |
|      | Available Resources | 11,109,648 |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)

Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,013,901)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,280,260)

(7,559,160)

Ending Balance 3,550,488

| Year |                   |           |
|------|-------------------|-----------|
| 15   | Sales Tax Revenue | 5,937,654 |
|      | Interest Earnings | 71,010    |

Available Resources 9,559,152

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,134,318)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,378,667)  
(7,777,985)

Ending Balance 1,781,167

|         |                     |               |
|---------|---------------------|---------------|
| Year 16 | Sales Tax Revenue   | 6,056,408     |
|         | Interest Earnings   | <u>35,623</u> |
|         | Available Resources | 7,873,198     |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,258,347)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,480,027)  
(8,003,375)

Ending Balance (130,176)

|         |                     |                |
|---------|---------------------|----------------|
| Year 17 | Sales Tax Revenue   | 6,177,536      |
|         | Interest Earnings   | <u>(2,604)</u> |
|         | Available Resources | 6,044,756      |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,386,098)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,584,428)  
(8,235,526)

Ending Balance (2,190,770)

|         |                     |                 |
|---------|---------------------|-----------------|
| Year 18 | Sales Tax Revenue   | 6,301,086       |
|         | Interest Earnings   | <u>(43,815)</u> |
|         | Available Resources | 4,066,501       |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)  
 Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,517,680)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,691,961)  
(3,691,961)

Attachment B

(8,474,642)

Ending Balance (4,408,141)

| Year |                     |                  |
|------|---------------------|------------------|
| 19   | Sales Tax Revenue   | 6,427,108        |
|      | Interest Earnings   | (88,163)         |
|      | Available Resources | <u>1,930,805</u> |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)

Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,653,211)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,802,720)

(8,720,931)

Ending Balance (6,790,126)

| Year |                     |                  |
|------|---------------------|------------------|
| 20   | Sales Tax Revenue   | 6,555,650        |
|      | Interest Earnings   | (135,803)        |
|      | Available Resources | <u>(370,278)</u> |

**POLICE**

Payment - 20 year bond for infrastructure (265,000)

Previous Yrs' Ongoing Cost + 3% less bonds - POLICE (4,792,807)

**FIRE**

Previous Yrs' Ongoing Cost + 3% - FIRE (3,916,802)

(8,974,609)

Ending Balance (9,344,887)

**City of Visalia**  
**Agenda Item Transmittal**

**Meeting Date:** February 5 & 6, 2010

**Agenda Item Number (Assigned by City Clerk):** 6e

**Agenda Item Wording:** Measure T evaluation

**Deadline for Action:** None

**Submitting Department:** Finance

**Contact Name and Phone Number:** Eric Frost, x4474

**Department Recommendation:** That the City Council:

- 1) Authorize the Fire Chief to proceed ahead with the development of a new fire station and pursuing a grant to fund 10 fire positions; and,
- 2) Suspended all Police Measure T projects until revenues improve and operating revenues can fully fund all Measure T officers.

**Summary/background:**

The Measure T Ballot Measure had a 20 year expenditure plan. A portion of the plan is shown in Attachment #1 as Plan Years 5 and 6 which are Fiscal Years 2008/09 and 2009/2010, shown in Table I, Measure T Plan. The plan showed, by year, each element that was to be implemented.

The plan projections can be compared to the most recent audit for FY 2008/09. Attachment #1, includes Table II, Measure T Income Statements, which provides information about the current status of Measure T Funds now. A comparison between the plan and what has actually occurred can then be used to monitor the relative health of Measure T. The four elements considered are:

***Accumulated Sales Tax Reserves.*** The plan envisioned that if projects were completed as planned, each of the sales tax funds would have a certain level of accumulated sales tax.

**For action by:**

- City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

- Work Shop  
 Work Session  
 Closed Session

**Regular Session:**

- Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

**Revenues Over/(Under) Expenditures.** The plan stated by year what the expected net income would be for each year.

**Budgeted Revenues – Plan compared to current budget.** The plan had a revenue target for this fiscal year, FY 2009/10.

**Completed capital projects.** The one plan element that has cost more than anticipated in the original plan is capital projects. The completion of these projects can also be compared to plan.

**Fire Evaluation.** Table III, Fire Measure T – Evaluation, indicates that the plan is being implemented fairly close to plan. The major differences are that all the capital projects have not been implemented (911 Dispatch Headquarters) and that last year expenditures were much greater than plan as a capital project envisioned to be completed earlier in the plan was completed last year.

Table III

| <b>Fire - Measure T Evaluation</b>                    |             |              |                   |  |
|---|-------------|--------------|-------------------|--|
| <b>All Amounts in Millions</b>                        |             |              |                   |  |
|   | <u>Plan</u> | <u>Audit</u> | <u>Difference</u> | <u>Comment</u>                                 |
| <b>Accumulated Sales Tax Reserves, 6/30/09</b>        | \$ 5.0      | \$ 6.2       | \$ 1.2            |  |
| <b>Revenues over/(under) expenditures, FY 2008/09</b> | 1.2         | (0.4)        | (1.6)             | completed capital project latter than expected |
| <b>Budgeted sales tax, FY 2009/10</b>                 | \$ 2.0      | \$ 1.8       | \$ (0.2)          | Revenue decline                                |
| <b>Completed capital projects as of 6/30/09</b>       |             |              |                   |  |
| Northwest Fire Station                                | √           | √            |                   |  |
| Southeast Fire Station                                |             |              |                   | Lover's Lane station leased                    |
| Training Center                                       | √           | √            |                   |  |
| 911 Dispatch/Headquarters                             | √           |              |                   | Waiting for Police                             |

The major positive variance is that the fund has more accumulated cash than what was planned. This is partly due to not having paid its share of the 911 Dispatch/Headquarters building cost. But this is also due to spending of the funds at a slower rate than anticipated. Thus, the fund has a small cushion as it goes forward.

The one area of concern is that current revenues are coming in less than plan. This difference will be a dampener a future plan items, but does not yet vary dramatically from the plan. The one plan adjustment which the Council may have to consider in the future is:

- Can the plan support the anticipated hiring of 14 fire personnel in FY 2012/13? Because annual revenues are less than plan, it would appear wise to plan to support less than the full 14 employee addition scheduled in FY 2012/13. If each firefighter represents a \$100,000 a year cost, the current revenues could not support 14 but rather 12. Given that revenues may further decline, the Council may wish to be even more conservative.

**Staff recommendation: Authorize the Fire Chief to proceed ahead with the development of a new fire station and pursuing a grant to fund 10 fire positions.**

**Police Evaluation.** Table IV, Police Measure T – Evaluation, shows a greater variance than the Fire evaluation. This difference is due to lower sales tax revenues and more expensive capital projects than the Fire plan. The accumulated cash is less than what the plan called for and fewer capital elements have been implemented. Further, the expected revenues this year are less than what the plan called for. The main issue is:

- The plan, as originally envisioned, cannot be implemented as revenues now stand. Council has authorized the acceleration of hiring the last two Measure T positions.

Table IV

| <b>Police - Measure T Evaluation</b>                  |             |                        |                   |   |
|---|-------------|------------------------|-------------------|---|
| <b>All Amounts in Millions</b>                        |             |                        |                   |   |
|   | <u>Plan</u> | <u>Audit or Budget</u> | <u>Difference</u> | <u>Comment</u>                                    |
| <b>Accumulated Sales Tax Reserves, 6/30/09</b>        | \$ 4.7      | \$ 2.3                 | \$ (2.4)          | Past capital projects cost more than plan amounts |
| <b>Revenues over/(under) expenditures, FY 2008/09</b> | (0.2)       | (0.2)                  | 0.0               |   |
| <b>Budgeted sales tax, FY 2009/10</b>                 | \$ 3.0      | \$ 2.7                 | \$ (0.3)          | Revenue decline                                   |
| <b>Completed capital projects as of 6/30/09</b>       |             |                        |                   |   |
| North Precinct  | √           | √                      |                   |   |
| South Precinct  | √           | √                      |                   | Future  |
| 911 Dispatch/Headquarters                             | √           |                        |                   | On hold   |

Given that revenues are coming in less than expected, capital plans will need to be postponed until revenues improve. The fund will also begin to eat away at its cash reserves. If each police officer costs annually approximately \$125,000 a year, the City should expect to run a \$500,000 a year deficit in this fund. Without an improvement in revenues, the Measure T fund could support 5 years of deficit spending at this rate. This means that no additional capital could be purchased and the City would need to develop an out plan for when the fund can no longer support all the Measure T officers.

***Staff Recommendation: That all current capital plans in Measure T be suspended until revenues improve and operating revenues can fully fund all Measure T officers.***

### ***Conclusions***

The City has been rocked by declining Sales Tax revenues. Fire appears to be much closer to being on track to implement its plan because its cash balances are more than what was expected. Therefore, Finance would recommend continuing to implement their plan as outlined with one exception: reducing the number of new firefighter positions from 14 to 10 until revenues at least equal plan revenues year to year.

Police needs to be watched more closely. This last year, operating expenditures equaled revenues. Two new officers were added this year and two more are anticipated later this fiscal year. At the same time, revenues are down. Current revenues cannot support current operating costs over the long run and the fund has no ability at present to support capital costs, namely, the Police 911 center.

Staff recommends that capital plans be suspended for police until revenues improve. Although, the Measure T ballot measure does allow advances to be made to the funds for up to 24 months, such advances must be paid back. Until revenues improve, it is unwise to expect future revenues to be able to repay advances to the Measure T fund. Therefore, cost saving efforts need to be implemented, understanding that the current path will lead to annual deficits in Measure T of \$500,000.

### **Prior Council/Board Actions:**

### **Committee/Commission Review and Actions:**

### **Alternatives:**

**Attachments:** #1, Measure T Ballot Measure Plan, FY 2008/09 (Year 5) and 2009/2010 (Year 6) and Measure T Audit results for FY 2008/09.

**Recommended Motion (and Alternative Motions if expected):**

- 1) Authorize the Fire Chief to proceed ahead with the development of a new fire station and pursuing a grant to fund 10 fire positions; and,
- 2) Suspended all Police Measure T projects until revenues improve and operating revenues can fully fund all Measure T officers.

*Environmental Assessment Status*

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

Attachment #1

Table I  
Measure T Plan

| VISALIA POLICE & FIRE DEPARTMENTS   |   |                  |          |                    |                         |                                   |                  |                                |                  |
|---|---|------------------|----------|--------------------|-------------------------|-----------------------------------|------------------|--------------------------------|------------------|
| Revenue (1/4 Cent Sales Tax & Impact Fee) and Expenditure Plan                              |   |                  |          |                    |                         |                                   |                  |                                |                  |
| Annual Sales Tax Revenue Initially Est. @ \$4.5 Million With A 60/40 Split To Police / Fire |   |                  |          |                    |                         |                                   |                  |                                |                  |
| YR  | Description   | TOTAL Costs      |          | ONGOING Costs      | ANNUAL Sales Tax INCOME | CURRENT YEAR Sales Tax CARRY OVER |                  | ACCUMULATED Sales Tax RESERVES |                  |
|   |   | Police           | Fire     | Sales Tax          | Est. Annual Growth @ 2% | Police                            | Fire             | Est. Annual                    | Interest @ 2%    |
| 5   | <b>POLICE</b>                                       |                  |          |                    |                         |                                   |                  | 94,879                         | 74,287           |
|   | Payment - 20 year bond for infrastructure           | (265,000)        |          | (265,000)          |                         |                                   |                  | interest                       | interest         |
|   | * Hire 4 new police officers                        | (414,014)        |          | (414,014)          |                         |                                   |                  |                                |                  |
|   | * Purchase 4 new police vehicles/equipment          | (162,365)        |          |                    |                         |                                   |                  |                                |                  |
|   | * Depreciation for 4 vehicles                       | (17,219)         |          | (17,219)           |                         |                                   |                  |                                |                  |
|   | <b>Total - Fifth Year</b>                           | <b>(858,598)</b> | <b>-</b> | <b>(696,233)</b>   |                         |                                   |                  |                                |                  |
|   | Previous Yrs' Ongoing Cost + 3% less bonds - POLICE |                  |          | (2,218,821)        |                         |                                   |                  |                                |                  |
|   | Previous Yrs' Ongoing Cost + 3% - FIRE              |                  |          | (777,972)          |                         |                                   |                  |                                |                  |
|   | <b>Sales Tax Revenues &amp; Costs</b>               |                  |          | <b>(3,693,027)</b> | <b>4,870,945</b>        | <b>(154,852)</b>                  | <b>1,170,405</b> | <b>4,683,964</b>               | <b>4,959,054</b> |
| 6   | <b>POLICE</b>                                       |                  |          |                    |                         |                                   |                  | 93,679                         | 99,181           |
|   | Payment - 20 year bond for infrastructure           | (265,000)        |          | (265,000)          |                         |                                   |                  | interest                       | interest         |
|   | * Hire 2 new police officers                        | (212,085)        |          | (212,085)          |                         |                                   |                  |                                |                  |
|   | * Purchase 2 new police vehicles/equipment          | (82,806)         |          |                    |                         |                                   |                  |                                |                  |
|   | * Depreciation for 2 vehicles                       | (8,825)          |          | (8,825)            |                         |                                   |                  |                                |                  |
|   | <b>Total - Sixth Year</b>                           | <b>(568,716)</b> | <b>-</b> | <b>(485,910)</b>   |                         |                                   |                  |                                |                  |
|   | Previous Yrs' Ongoing Cost + 3% less bonds - POLICE |                  |          | (2,729,556)        |                         |                                   |                  |                                |                  |
|   | Previous Yrs' Ongoing Cost + 3% - FIRE              |                  |          | (801,312)          |                         |                                   |                  |                                |                  |
|   | <b>Sales Tax Revenues &amp; Costs</b>               |                  |          | <b>(4,016,778)</b> | <b>4,968,364</b>        | <b>(317,254)</b>                  | <b>1,186,034</b> | <b>4,460,389</b>               | <b>6,244,269</b> |

Table II

| City of Visalia                               |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| Fiscal Year 2008/09                           |                     |                     |                     |
|   | Measure T           | Measure T           | Measure T           |
|   | Fire                | Police              | Total               |
| Revenues                                      |                     |                     |                     |
| Sales Taxes                                   | \$ 1,791,335        | \$ 2,687,002        | \$ 4,478,337        |
| Use of Money and Property                     | 223,283             | 79,098              | 302,381             |
| <b>Total Revenues</b>                         | <b>2,014,618</b>    | <b>2,766,100</b>    | <b>4,780,718</b>    |
| Expenditures                                  |                     |                     |                     |
| Current                                       |                     |                     |                     |
| Public Safety:                                |                     |                     |                     |
| Police  | -                   | 2,754,620           | 2,754,620           |
| Fire  | 601,178             | -                   | 601,178             |
| Capital Outlay                                | 1,817,856           | 212,124             | 2,029,980           |
| <b>Total Expenditures</b>                     | <b>2,419,034</b>    | <b>2,966,744</b>    | <b>5,385,778</b>    |
| Excess (Deficiency) of                        |                     |                     |                     |
| Revenues Over Expenditures                    | (404,416)           | (200,644)           | (605,060)           |
| <b>Net Changes in Fund Balance</b>            | <b>(404,416)</b>    | <b>(200,644)</b>    | <b>(605,060)</b>    |
| Fund Balances - Beginning of                  |                     |                     |                     |
| Year (Deficits)                               | 6,622,703           | 2,512,473           | 9,135,176           |
| <b>Fund Balances - End of Year (Deficits)</b> | <b>\$ 6,218,287</b> | <b>\$ 2,311,829</b> | <b>\$ 8,530,116</b> |

**City of Visalia  
Agenda Item Transmittal**

**Meeting Date:** February 5, 2010

**Agenda Item Number (Assigned by City Clerk):** 6f

**Agenda Item Wording:** Financial trends and fiscal realities

**Deadline for Action:** None

**Submitting Department:** Administrative Services

**Contact Name and Phone Number:** Eric Frost, x4474

**Department Recommendation:** Receive the report on City resources.

**Summary/background:**

Over the last several years, the City has contracted its spending in the General Fund by approximately \$8.5 million. The City projects a need to further reduce costs by another \$2 million this next year. Such reductions are equivalent to the Fire Department's budget.

One of the consequences of these reductions is that staffing has not grown as fast a population. Consider Chart I, City Employees as of 2009. The chart shows employees over the last 20 years in four categories: General Fund Public Safety, Measure T, Enterprises and All Other Employees.

Actual filled "all other" (non-public safety, non-enterprise) positions as of November, 2009 were 0.5 more than in 1990, even though Visalia had grown from roughly 75,000 people to 125,000, a 67% increase. In contrast, Public Safety positions in that period of time have grown by 62 positions or 37%, not including Measure T employees. Including Measure T employees, Public Safety positions have increased by 92 positions or 56% in the last 20 years. Notice also that the Public Safety bars have not declined until this fiscal year. The peak for non-Public Safety employees was 2006/07. Since then, these positions have declined. Neither groups has grown as much as desired nor have either group grown as fast as population.

**For action by:**

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

**For placement on which agenda:**

Work Session  
 Closed Session

**Regular Session:**

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): \_\_\_\_\_

**Review:**

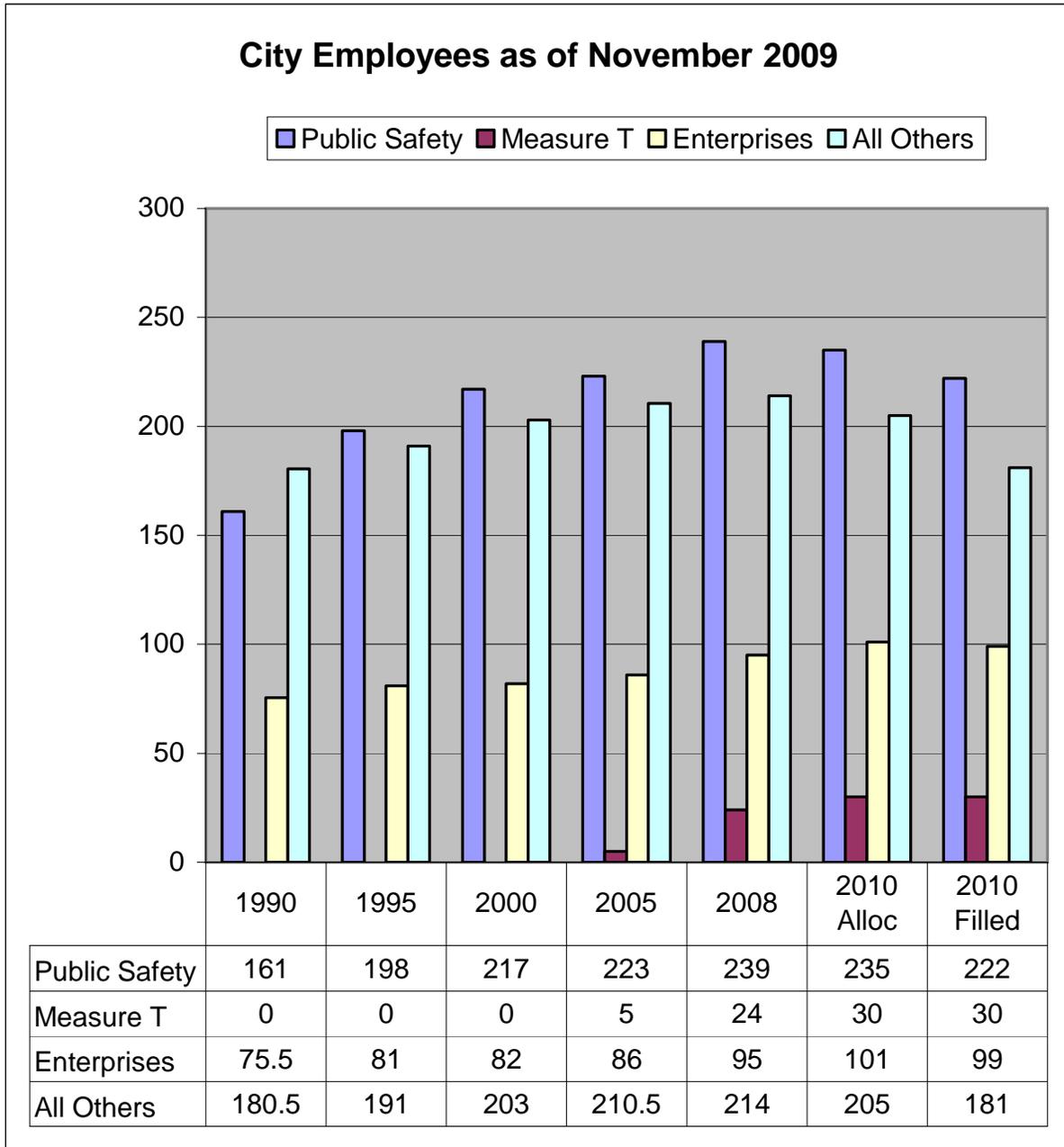
**Dept. Head** \_\_\_\_\_  
**(Initials & date required)**

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
**(Initials & date required or N/A)**

**City Mgr** \_\_\_\_\_  
**(Initials Required)**

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Chart I



The impacts of these reductions are not readily apparent because individuals do their best to continue to provide services so the reduced effort does not impact citizens. But how each department copes with the reductions does cause some problems. For example, consider what has occurred in park maintenance. Chart II, Park Acreage per Full-time Employee, shows how the amount of park land per employee has doubled from 20 years ago.

- Although Park and Recreation have employed strategies of contracting out mowing, the task of maintaining parks with far fewer employees is daunting. Less labor intensive strategies must be employed to maintain parks. Less litter control, fewer flower

plantings, less gardening must be done. Likewise, similar strategies have been employed throughout the City, particularly

Chart I  
Park Acreage per Full-time Employee

| Year | Acreage | FT Emp. | Ratio        |
|------|---------|---------|--------------|
| 2010 | 252     | 17      | 1:14.8 acres |
| 2005 | 183     | 16      | 1:11.4 acres |
| 2000 | 175     | 15      | 1:11.6 acres |
| 1995 | 130     | 15      | 1: 8.7 acres |
| 1990 | 115     | 15      | 1: 7.7 acres |
|      |         |         |              |

**Note:** Through the year 2000, the table includes acreage for the Valley Oaks Golf Course and the full-time personnel to maintain both the golf course and City parks. After the year 2000, a number of full-time park maintenance positions were eliminated when the Valley Oaks Golf Course transitioned to contract labor. The table does not include part-time or seasonal labor which has fluctuated over the years.

among the non-public safety employees because that group has not grown in 20 years while the City has increased by 2/3. Some concerns would include:

- Street miles maintained have increased from 246 to 483 in 20 years without an increase in staffing
- The street pavement management index has declined from 3.5 to 2.5 out of a 4 point scale over the last 20 years.
- One electrician maintained the City's 40 signals in 1990. Today, the electrician maintains 107.
- The Human Resources division struggles to update its administrative policies, last updated in 1991 which leads to confusion on City policies at best and violations and non-compliance at worst.
- The City's records management system is best described as a series of filing cabinets not actively maintained. Most cities of Visalia's size and many smaller have an electronic records management system that ensures the City remembers and acts upon the actions its Council has taken.
- The City, a \$150 million a year organization, does not have a dedicated safety officer to comply with OSHA standards and help the City avoid injuries. In contrast, the local

Costco has two full-time safety officers at its Visalia store with fewer employees in a much less diverse working environment.

- Visalia, the 4<sup>th</sup> largest City in the South San Joaquin Valley does not have an Assistant City Manager without departmental responsibilities. This leads to greater pressure on fewer management staff to make decisions quicker or not at all.
- Planning staffing is one less today than 20 years ago when the planning update the General Plan then with 50,000 more people.
- All the Battalion Chiefs have shift responsibilities and are much less available to work on administrative work. 20 years ago, two division chiefs worked day shifts and were more available for administrative work.
- The Police Department has had to discontinue taking property crime reports in person. Rather, individuals self-report via the internet or at the station.

Some of these conditions are a natural outgrowth of needing to change with time. However, many are deficiencies in the organization which the City copes with. As time permits, the City finds ways to improve the situation. But long-term staff frequently asks itself if they did a better job in the past.

At least some of these challenges relates to the resources available to the City. Over time, the State has taken money from cities. For example, in the early 1990s, cities lost property taxes that equal over \$3 million a year that the State took. At the time, many cities adopted a utility users' tax as an alternative revenue source. Later, Visalia was a trend setter in passing the first dedicated sales tax for operations. This ¼ sales tax, Measure T, is responsible adds \$4.5 million a year to the City's public safety tax effort. But in comparing Visalia's revenue base to other cities reveals that Visalia is more dependent upon fewer, more volatile revenues.

Table III, Major Tax Revenues, shows that Visalia's share of the property tax is less, for those that have a sales tax override, Visalia's is least, and Visalia does not have a utility users' tax. These disadvantages have been overcome in the past mainly due to Visalia's sales tax dominance. This past dominance has been overcome by other cities, however, as sales tax overrides and utility users taxes have been added to local government revenues.

Table III  
Major Tax Revenues  
T

## Visalia's Tax Base is more narrow

| Cities in Tulare County |                   |                    |                        |
|-------------------------|-------------------|--------------------|------------------------|
| Varied Tax Bases        |                   |                    |                        |
|                         | Property Tax Rate | Sales Tax Override | Utility Users Tax Rate |
| Dinuba                  | 18.79%            | 0.75%              | 7%                     |
| Exeter                  | 15.32%            | None               | 5%                     |
| Farmersville            | 11.81%            | 0.50%              | None                   |
| Lindsay                 | 14.79%            | Failed             | 6%                     |
| Porterville             | 11.80%            | 0.50%              | 6%                     |
| Tulare                  | 14.09%            | 0.50%              | 7%                     |
| Visalia                 | 11.57%            | 0.25%              | None                   |
| Woodlake                | 15.76%            | None               | 6%                     |

To understand this problem better, Finance has compared the major tax revenues of Visalia, Hanford, Porterville and Tulare to each other. The State produces a report annually of financial transactions to better understand trends within cities. The recently available report is for Fiscal Year 2006/07. From that report, each of these cities major governmental revenues are shown on Table IV, Major Tax Revenues.

Table IV  
Major Tax Revenues

| Taxes in Thousands     | FY 2006-07 |         |        |             |
|------------------------|------------|---------|--------|-------------|
|                        | Visalia    | Hanford | Tulare | Porterville |
| Population - 2007      | 117,744    | 50,370  | 55,935 | 51,467      |
| Property Tax - Sec.    | 8,388      | 5,882   | 3,482  | 2,141       |
| Other Property Taxes   | 8,032      | 3,439   | 3,694  | 3,053       |
| Sales Tax              | 19,285     | 4,340   | 9,978  | 4,191       |
| TOT                    | 1,906      | 322     | 808    | 269         |
| Utility Users Tax      | 0          | 0       | 5,370  | 3,665       |
| Other Non-Property Tax | 22,193     | 3,364   | 12,489 | 5,689       |
| Total                  | 59,804     | 17,347  | 35,821 | 19,008      |

Two cities, Tulare and Porterville, have a utility users' tax. This local tax option was a revenue solution frequently used by governments in the 1990s when the State took local revenues. The other major difference is found in Other Non-property taxes. This revenue category represents triple flip revenues given to cities from sales tax taken by the State and override sales tax revenues. These are significant. But what is more telling is to consider these revenues on a per capita basis over time as shown in Table V, Per Capita Revenues By Type FY 2006/07.

Table V  
Per Capita Revenues By Type, FY 2006/07

|                        | Visalia | Hanford | Tulare | Porterville |
|------------------------|---------|---------|--------|-------------|
| Population - 2007      | 117,744 | 50,370  | 55,935 | 51,467      |
| Property Tax - Sec.    | 71      | 117     | 62     | 42          |
| Other Property Taxes   | 68      | 68      | 66     | 59          |
| Sales Tax              | 164     | 86      | 178    | 81          |
| TOT                    | 16      | 6       | 14     | 5           |
| Utility Users Tax      | 0       | 0       | 96     | 71          |
| Other Non-Property Tax | 188     | 67      | 223    | 111         |
| Total                  | 508     | 344     | 640    | 369         |

Chart reveals that Tulare has the most tax revenues per capita. This is a relatively recent occurrence. Table VI, per capita revenues from local cities over time, shows the relative sales tax generated per capita by the cities of Visalia, Hanford, Porterville and Tulare over several years.

Table VI  
Per capita revenues from local cities over time

| Per Capita Revenues | Visalia | Hanford | Tulare | Porterville |
|---------------------|---------|---------|--------|-------------|
| 1999 W/o Utility    |         |         |        |             |
| Users Tax           | 196     | 171     | 155    | 140         |
| 1999                | 196     | 171     | 212    | 195         |
| 2004                | 244     | 190     | 259    | 209         |
| 2006                | 528     | 273     | 506    | 292         |
| 2007                | 508     | 344     | 640    | 369         |

Prior to enacting utility users' taxes, Visalia had the highest tax revenue per capita. Sometime in the 1990s, Tulare enacted a utility users' tax and bridged the tax gap. By 2006, Visalia had a boom in Sales Tax and enacted a ¼ sales tax for public safety. The tax per capita returned to Visalia. However, the following year, the lead returned to Tulare as Tulare enacted its own tax override but at the ½ cent level, not at ¼ like Visalia.

The point in this discussion is that the nature of local government services is complicated and very dependent upon local conditions. How a government manages its resources greatly influences what a government can provide. But equally important is what resources it has to work with.

In the past, Visalia simply had more resources per capita than any of its neighboring cities. This is no longer the case. Due to Tulare having utility users' taxes and higher sales taxes, it is no longer the leader in per capita tax revenues in the region. As a result, Tulare should be able to provide more services than any other community in the area. Although per capita tax revenues are not the only issue in developing and providing services, it is one explanation of why some cities deliver higher levels of services to their residents.

**Prior Council/Board Actions:**

**Committee/Commission Review and Actions:**

**Alternatives:**

**Attachments:**

**Recommended Motion (and Alternative Motions if expected):**

***Environmental Assessment Status***

**CEQA Review:**

**NEPA Review:**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

TO: Visalia City Council

FROM: Ricardo Noguera, Housing & Economic Development Director

DATE: Saturday, February 6, 2010

RE: ACCOMPLISHMENTS OF THE NEIGHBORHOOD PRESERVATION PROGRAM

For the past six years, the City has gradually expanded its' role in Neighborhood Preservation. Initially, the services were carried out by the Building Division (coordinated by two staff) and then in 2007 passed onto the new Housing & Economic Development Department. The role of Neighborhood Preservation has been critical in pro-actively encouraging the revitalization and preservation of neighborhoods in Visalia. Over the past few years, the Council has established a revitalization and preservation program targeting two neighborhoods: Oval Park and Washington School areas. These two neighborhoods are strategically situated within close proximity of Downtown and play critical roles in the historic nature of Visalia and offer amenities for Downtown with respect to nearby housing and an employment base.

In order to gauge the effectiveness of Neighborhood Preservation and its' relationship with other city departments, the Specific Measurable Achievable Relevant Time-Bound (SMART) was formed in 2008. This team, comprised of police, fire, parks/recreation, public works, planning and Housing & Economic Development department personnel, has enabled city staff to collaborate on the enforcement and revitalization of targeted neighborhoods as well as city-wide efforts. In 2009, the key projects and accomplishments of the Division included:

1. Washington School Neighborhood
  - A. Installed traffic safety devices at Garden & Myrtle and along Bridge Street to support school crossing safety;
  - B. Installed 47 new street lamps to improve lighting in the neighborhood;
  - C. Cleaned alleyways and painted over graffiti;
  - D. Secured federal stimulus funds to upgrade Jefferson Park

## 2. Oval Park Neighborhood

A. Coordinated the completion of the Caltrans Oval Park Study and secured CDBG funding for the design phase for the roadway;

B. Participated in neighborhood cleanups with Public Works staff;

C. Through enforcement efforts, were able to get owner of dilapidated gas station at N. Dinuba and Houston to demolish it;

D. Through enforcement efforts, were able to get owner of 4 substandard and abandoned residences to demolish along N. Dinuba and Harold;

E. More than 100 residential units throughout the neighborhood have been brought into compliance;

F. Cleaned alleyways and painted over graffiti;

## 3. City-wide Neighborhood Preservation Accomplishments

A. Demolished 4 Vacant & Abandoned residences serving as eyesores in various neighborhoods;

B. Corrected 82 contaminated pools;

C. Abated 32 nuisance properties including drug/gang properties;

D. Boarded Up and Secured 41 foreclosed homes;

E. Resolved 316 substandard cases;

F. Building Inspector in the Police Department. This two-year pilot program has proven to be financially self-sufficient with liens and fines covering both the inspectors' salary and boarding up and demolition of substandard properties. In total, the staff assessed a total of \$308,000 in 2009. This figure includes \$54,000 in abatement charges (i.e. boarding, pool draining, demolition) and \$71,500 in fines and \$182,000 in cost recovery fees for staff time. A total of \$118,292 has been recovered through payments by property owners.

G. Private Vehicle Abatement Program. This program was transferred from the Fire Department in the Fall of 2009. In just 2 ½ months, more than 200 illegal vehicles have been abated with 90%

abated by owners. This has resulted in improving the physical appearance of private properties throughout town.

H. East Douglas Neighborhood. Coordinated efforts with VPD to address gang/drug activity in the neighborhood over several months. Inspected 113 properties with 58 violations and participated in search warrants with police.

I. Homeless Coordination. With the closing of the St. John's River Camps, host weekly meetings with various city departments to pro-actively address issues surrounding the homeless in Visalia; participate in meetings with key community stakeholders and care-providers to strategize on developing resources for the homeless; provide on-going enforcement of public properties to ensure new camps are not re-established.

On February 16<sup>th</sup>, staff will provide a complete update on the SMART Team to Council in a Work Session format.

TO: Visalia City Council  
FROM: Ricardo Noguera, Housing & Economic Development Director  
DATE: Saturday, February 10, 2010  
RE: HOMELESS ISSUES IN VISALIA

The homeless issue is not new to Visalia or many communities throughout the Valley but most recently has become a high profile topic for many residents, businesses, non-profits and religious institutions. This past Fall 2009, Tulare County personnel began hosting meetings as a result of the growth of homeless camps along the north shore of the St. John's River. Property owners north of the river raised complaints to the County and as a result County staff began holding meetings to establish a strategy to remove the homeless from the area. Representatives from both the Police and Housing and Economic Development Departments participated in these meetings. Although we could not offer specific alternatives to relocate the homeless, staff remained actively engaged and began holding internal meetings in preparation for the closure of the camps. County officials gave a 30-day notice to the campers to vacate the premises by November 16, 2009. The homeless individuals did comply and the area has been vacant since then.

Almost immediately as the County began holding its' meetings, city staff began meeting in preparation for the removal of the homeless and anticipated relocation to various areas throughout Visalia. Representatives from Parks, Police, Public Works, Community Development and Housing & Economic Development have been meeting with the City Manager to strategize on remedies to ensure a smooth transition throughout the community. Meetings have been held with care-providers such as the Rescue Mission, Family Services, Turning Point, Good News Center, religious organizations and the Continuum of Care, to identify services available to the homeless. While staff remained concerned and sensitive to the ongoing needs and challenges faced by the homeless, we did not want to create opportunities for the establishment of new camps in parks and along other public areas. Staff are now in the process of installing signs, fencing, etc. to discourage the illegal camping in parks, waterways, trails, etc.. Neighborhood Preservation staff have approached illegal campers and encouraged them to move on and shared information on local services with them and cleared areas under bridges, parks, etc..

In an effort to address the challenges faced by homeless couples who are unwilling to take up residence from either the Rescue Mission or Family Services (only provide housing for single adults), the City Council approved use of its' Neighborhood Stabilization Program (NSP) funds to purchase and rehabilitate a multi-family complex to house homeless individuals on a permanent basis. This is a pilot program. A total of \$250,000 has been allocated for this purpose. Since approval on January 11<sup>th</sup>, staff has entered escrow on a four-plex near the Oval Park. Plans call for the property to be rehabilitated; a Request For Proposal (RFP) prepared and released; and a non-profit

operator selected to manage the property and target homeless and unemployed individuals to live there. Support services will be offered off-site.

The City has also collaborated with Kaweah Property Management Services (non-profit entity of the Tulare County Housing Authority) to acquire and rehabilitate two foreclosed and abandoned triplexes in the Washington School Neighborhood. A total of \$480,000 in Redevelopment low/mod funds has been loaned to Kaweah for the acquisition and rehabilitation of the properties. It is expected the properties will be rehabilitated and ready for occupancy in early 2011. The City continues to collaborate with Habitat for Humanity to acquire and rehabilitate foreclosed single-family homes for very low-income households. Over the past year, \$550,000 in RDA loans has been released to Habitat to assist such homeowners in acquiring homes. Lastly, the City continues to work closely with the Tulare County Continuum of Care to foster strategies to combat the homeless conditions in Visalia and throughout the County.

Planned next steps include:

1. Close on purchase of 4-plex near the Oval, complete its rehabilitation and select a non-profit operator to house homeless couples. This will serve as a pilot program;
2. Continue holding internal meetings to assess homeless issues throughout Visalia and work with the Continuum of Care and care-providers to ensure services are available to the population but also closely monitor public areas such as parks so they do not become attractive to campers;
3. Reach out to local care-providers to explore the prospects of a possible transitional housing development in Visalia.
4. The City of Fresno has significant experience coordinating efforts on homeless issues. City staff will meet with them to find ways to better improve our activities related to enforcement and services to the homeless in our community;