

**ACTION MINUTES OF TULARE
CITY COUNCIL, CITY OF TULARE**

June 7, 2016

A regular session meeting of the City Council, City of Tulare was held on Tuesday, June 7, 2016, at 7:00 p.m., in the Tulare Public Library & Council Chambers, 491 North "M" Street.

COUNCIL PRESENT: David Macedo, Carlton Jones^{7:01 p.m.}, Craig Vejvoda, Shea Gowin

COUNCIL ABSENT: Maritsa Castellanoz

STUDENTS PRESENT: Evelyn Coronado, Viviana Davila, Sandeep Kang

STAFF PRESENT: Don Dorman, Paul Melikian, Martin Koczanowicz, Fred Ynclan, Willard Epps, Janice Avila, Darlene Thompson, Joe Carlini, Rob Hunt, Michael Miller, Steve Bonville, Nick Bartsch, Jason Bowling, Sara Brown, Shonna Oneal

I. CALL TO ORDER REGULAR SESSION

Mayor Macedo called the regular meeting to order at 7:00 p.m.

II. PLEDGE OF ALLEGIANCE AND INVOCATION

Student Athletes led the Pledge of Allegiance, and an invocation was given by Fire Chief Willard Epps.

III. CITIZEN COMMENTS

Mayor Macedo requested those who wish to speak on matters not on the agenda within the jurisdiction of the Council, or to address or request a matter be pulled from the consent calendar to do so at this time. He further stated comments related to general business matters would be heard at the time that matter is addressed on the agenda.

Marvin Krueger of Tulare addressed the Council regarding water conservation.

Philip Clarey of Tulare addressed the Council to express his concern for his employees due to safety issues surrounding the bus depot, which is near his business, and provided suggestions to help reduce those safety concerns.

IV. COMMUNICATIONS

There were no items for this section on the agenda.

V. CONSENT CALENDAR:

It was moved by Vice Mayor Jones, seconded by Council Member Gowin, and unanimously carried that the items on the Consent Calendar be approved as presented.

- (1) Authorization to read ordinances by title only.**
- (2) Approve minutes of May 17, 2016 special/regular meeting(s).**
- (3) Adopt Resolution 16-26 authorizing the sale of four (4) City Police Patrol Vehicles to the College of Sequoias in the amount of \$4,000.**
- (4) Adopt Resolution 16-27 authorizing the surplus of three (3) City Police Patrol Vehicles.**
- (5) Authorize the City Manager to execute Agreement Supplement No. 7, in the annual amount of \$60,000 plus 4.8% administrative costs and expenses, with Townsend Public Affairs (TPA) public sector funding advocates to lobby for funding for City projects.**
- (6) Adopt Resolution of Intent 16-22 receiving the draft report of Tulare Downtown Association (TDA) Board of Directors, and setting June 21, 2016, as the public hearing date regarding annual downtown district assessments.**
- (7) Accept as complete the contract with David Knott Incorporated (DKI) on Project FM0018 – Pool Demolition and Removal of Structures at 830 S. Blackstone Ave. Authorize the City Project Manager to sign the Notice of Completion, and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder’s Office.**
- (8) Accept as complete the contract with Teichert/MCM, a Joint Venture for work on Project EN0002 to construct the Cartmill Avenue/Hwy 99 Interchange Project. Authorize the City Engineer to sign the Notice of Completion, and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder’s Office.**
- (9) Accept as complete the contract with 99 Pipeline, Inc. of Porterville, CA on Project EN0053 – ‘B’ Street Improvements project. Authorize the City Project Manager to sign the Notice of Completion, and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder’s Office.**
- (10) Accept as complete the contract with Cen-Cal Construction of Bakersfield, CA on Project PK0020 – Centennial Park Improvements Project. Authorize the City Project Manager to sign the Notice of Completion, and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder’s Office.**

- (11) **Accept as complete the contract with JT2 INC., dba TODD COMPANIES of Visalia, CA on Project TR0002 – Transit Building Drop-Off and Driveway Improvements Project. Authorize the City Project Manager to sign the Notice of Completion, and direct the City Clerk to file the Notice of Completion with the Tulare County Recorder’s Office.**
- (12) **Approve and authorize the City Manager to sign contract change orders to Emmett’s Excavation, Inc. for Project EN0019 for an estimated amount of \$77,650 to make necessary paving repairs on Prosperity Avenue between ‘E’ St. and the Union Pacific Railroad and for an estimated amount of \$199,815 for improvements to ‘E’ St., extending the project approximately an additional 500’ to the South in order to maintain street alignment and improve drainage; review and consider the approval the contract change order to Labor Consultants of California in the amount of \$5,100 for services beyond the original anticipated project timeframe; approve the revised Project Budget for Project EN0019, including the transfer of funds from Project EN0059 to cover the additional costs associated with the repairs on Prosperity; and authorize the City Manager to approve contract change orders in an amount up to a total of 10% of the revised contract amounts.**
- (13) **Accept April Investment Report.**
- (14) **Cancel the City Council Meeting of Tuesday, July 5, 2016, due to holiday closure and lack of business.**

VI. SCHEDULED CITIZEN OR GROUP PRESENTATIONS

- (1) **Proclamation presentation Tulare Public Library Summer Reading Program for Families June 11 through July 23, 2016.** Library Manager Sara Brown addressed the Council regarding the features of the summer reading program. Vice Mayor Jones presented Ms. Brown with a Proclamation recognizing the Tulare Public Library Summer Reading Program for Families.
- (2) **Certificates of Recognition to Mission Oak High School Softball Team, Tulare Western Baseball Team and Tulare Western High School Swimmer Mallory Korenwinder.** Council Member Vejvoda presented a Certificate of Recognition to the Mission Oak High School Softball Team for their achievements in softball. Coach DaSilva introduced the assistant coaches and the softball team. Council Member Gowin presented a Certificate of Recognition to Tulare Western High School Swimmer Mallory Korenwinder for her achievements in swimming. Ms. Korenwinder addressed the Council regarding the swimming season and her upcoming Olympic trials at the end of June. Mayor Macedo presented a Certificate of Recognition to the Tulare Western Baseball Team for their achievements in baseball. Coach Searcy thanked the Council for the recognition and introduced the baseball team.

VII. MAYOR'S REPORT

- (1) **Certificates of Recognition to Teens on Board Student City Council Members.** Mayor Macedo presented Certificates of Recognition to Sandeep Kang, Evelyn Coronado and Viviana Davila. Ms. Kang, Ms. Coronado and Ms. Davila thanked the Council for the recognition and expressed their gratitude for the experience of serving on Teens on Board Student City Council. Council thanked the students for their participation.

VIII. STUDENT REPORTS

Student Members Sandeep Kang, Evelyn Coronado & Viviana Davila reported on various school related activities.

IX. GENERAL BUSINESS

Comments related to General Business Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Council.

(1) Public Hearing:

- a. **Public Hearing to Adopt Resolution 16-23 approving the 2016/17 city operating budget (with all component parts as listed below), to Adopt Resolution 16-24 approving the 2016/17 Position Control Budget and fixing the rate of compensation of regular full-time employees, regular part-time employees, City Council members and seasonal/temporary employees of the City of Tulare, and to Adopt Resolution 16-25 establishing the 2016/2017 appropriation limit; and to receive the BPU-adopted Utility Enterprise Fund Budgets.** City Manager Don Dorman provided a PowerPoint slide presentation highlighting the proposed budgets for Council's review and consideration. Mayor Macedo opened the public hearing at 7:45 p.m., receiving no public comment he closed the public hearing at 7:45 p.m. With no further discussion, it was moved by Council Member Vejvoda, seconded by Vice Mayor Jones and carried 4-0 (Council Member Castellanoz absent) to adopt Resolution 16-23; it was moved by Council Member Gowin, seconded by Vice Mayor Jones and carried 4-0 (Council Member Castellanoz absent) to adopt Resolution 16-24; it was moved by Vice Mayor Jones, seconded by Council Member Vejvoda and carried 4-0 (Council Member Castellanoz absent) to adopt Resolution 16-25, as presented.
- b. **Public Hearing to pass-to-print Ordinance 16-07 repealing Chapter 8.68 of the City of Tulare Municipal Code and Adding a New Chapter 8.68 related to Cable System Franchise Regulations.** City Manager Don Dorman provided a report for the Council's review and consideration. Mayor Macedo opened the public hearing at 7:51 p.m., receiving no public comment he closed the public hearing at 7:52 p.m. The Council supported

placing the audio recordings of meetings on the City's website and expressed a desire to review options available for future projects related to audio and video recordings. Following discussion, it was moved by Council Member Gowin, seconded by Vice Mayor Jones and carried 4-0 (Council Member Castellanoz absent) to pass-to-print Ordinance 16-07 as presented.

(2) City Manager:

- a. **Consideration of the Tower Square District Property-Based Business Improvement District (PBID) Assessment Ballots for APN 176-091-038 and APN 176-091-029 and direction to staff as to whether the City approves of the assessment or not and authorize the City Manager to execute same.** City Manager Don Dorman provided a report for the Council's review and consideration. Following discussion, it was the consensus of the Council to withhold the PBID vote.
- b. **Review and advise staff on Council Member attendance for the League of California Cities 2016 Annual Conference & Expo, October 5 – 7, 2016 in Long Beach, California.** City Manager Don Dorman provided a report for the Council's review and consideration and advised the Council that they could move to the next item prior to making a decision on this item. The consensus of the Council was to pull this item to trail General Business 2(c).

Following discussion of General Business 2(c), Council Member Vejvoda, Council Member Gowin and Vice Mayor Jones expressed a desire to attend the conference. The Council further advised staff Council Member Castellanoz would also like to attend the conference.

- c. **Adopt Resolution 16-21 establishing a policy providing guidelines for the selection of its members to attend conferences, meetings, seminars or events that serve a demonstrable public purpose and necessity and charging expenses related thereto to the appropriate account.** City Manager Don Dorman provided a report for the Council's review and consideration. It was the consensus of the Council to add the following provisions to the resolution:
 - League of California Cities New Mayors and Council Members Academy for newly elected Councilmembers is exempted from the \$2,500.00 budget and will be allocated to elections reserve; and
 - Costs related to any request to upgrade travel accommodations over conference rate or economy fares shall be borne by the requesting Councilmembers by reimbursement to the City.

Following a brief discussion, it was moved by Council Member Gowin, seconded by Council Member Vejvoda and carried 4-0 (Council Member Castellanoz absent) to adopt Resolution 16-21 subject to the amendments stated on the record.

(3) Community Development:

- a. **Authorize an amendment to the subdivision improvement agreement for the Tesori subdivision reflecting a twelve (12) month time extension from date of Council approval, resulting in a new subdivision improvement agreement expiration date of June 7, 2017.** City Engineer Michael Miller advised the Council the item should be pulled and rescheduled for the June 21 meeting. Council inquired if the applicant was in agreement with this change and Mr. Miller confirmed the applicant's agreement.
- b. **Authorize the Mayor to execute a long-term deferred improvement agreement with Robert M. Wasnick to defer the construction of curb and gutter, sidewalk, street pave-out, streetlights, landscaping and drainage facilities along the frontage of 2236 North "J" Street. Require the project applicant to post security for future construction of deferred improvements in an amount and form acceptable to the City Engineer and City Attorney.** City Engineer Michael Miller provided a report for the Council's review and consideration. City Attorney Martin Koczanowicz advised Council the agreement attached to the staff report would be revised from a lien to a bond, which is what staff would recommend. Following discussion, it was moved by Council Member Vejvoda, seconded by Council Member Gowin and carried 4-0 (Council Member Castellanoz absent) to follow the staff recommendation and defer the improvements subject to the filling of a bond, or some other type of security.

X. COUNCIL/STAFF UPDATES, REPORTS OR ITEMS OF INTEREST – GC 54954.2(a)(2)**XI. ADJOURN REGULAR MEETING**

Mayor Macedo adjourned the regular meeting at 8:46 p.m.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

Chief City Clerk and Clerk of the
Council of the City of Tulare

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager's Office / Project Management

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Award a contract for street and utility improvements associated with Project EN0065 Pavement Management System project on 'H' Street to 99 Pipeline, Inc. of Porterville, CA in the amount of \$1,486,380.07; approve the revised Project Budget; and Authorize the City Manager to approve contract change orders in an amount not to exceed 15% (\$222,957) of the contract award amount.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Capital Improvement Program Project EN0065 is a street and utility improvement project on 'H' Street between Cross Avenue and Prosperity Avenue. The project will include ADA compliance improvements to intersection curb returns and alley/sidewalk intersections that fall within the project limits. Additionally, it will address necessary water, sewer and storm drain improvements necessary within those limits. The need for the project was identified through the City's Pavement Management System, and is programmed in the City's transportation CIP program for construction during the summer of 2016.

Through the design development process, a street subsurface investigation was performed, identifying location, depth and condition of utility lines. Contrary to the original information provided to the project team, further investigation found that portions of the storm drain, water and sewer mainlines did not meet current standards and are in poor condition. Therefore, the installation of approximately 2,150 lineal feet of water mainline, 1,085 lineal feet of sewer mainline and 517 lineal feet of storm drain mainline will be required to replace portions of the existing. Additionally, the shallow depths of other utilities prevented a traditional pavement section design from being utilized. Therefore, a full depth reclamation with cement stabilization process will be required to prevent damage to existing utilities and allow for the reconstruction of the street section. This will minimize the depth of excavation and potential impact to those utilities.

Additionally, since the original development of the project scope and budgeting process took place, staffing availability, capacity and priorities have changed and with the additional complexity of the scope of the work, the reliance on consultants and contractors for key functions of the project such as design, surveying, construction, inspection and

labor compliance on this project is required. These changes have been reflected in the revised project budget and will be funded through Gas Tax Fund Balance.

On June 16, 2016, ten (10) bids were opened for the subject contract. The Engineer's Estimate for this project was \$1,476,728.85. The bids ranged in cost from \$1,486,380.07 to \$2,418,924.58. The bids were evaluated to determine if they were responsive to the requirements and instructions contained in the bid documents. It has been determined that 99 Pipeline of Porterville, CA submitted the lowest responsive bid in the amount of \$1,486,380.07. 99 Pipeline possesses a current and active Class "A" General Engineering Contractor's license issued by the State of California, and has submitted a list of licensed and experienced subcontractors who will be performing portions of the work. Bid opening results are attached.

Due to its complexity, Staff's unfamiliarity with this method of construction and potential impacts from the proximity of this work to existing shallow utilities, a 15% contingency has been budgeted to cover potential unforeseen conditions. The revised Project Sheet for EN0065 is attached and takes into account the updated projected costs of this work and provides adequate funding to complete it.

STAFF RECOMMENDATION:

Award a contract for street and utility improvements associated with Project EN0065 Pavement Management System project on 'H' Street to 99 Pipeline, Inc. of Porterville, CA in the amount of \$1,486,380.07; approve the revised Project Budget; and Authorize the City Manager to approve contract change orders in an amount not to exceed 15% (\$222,957) of the contract award amount.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Gas Tax / TBD
Measure 'R' Local / TBD
Water CIP Fund / TBD
Sewer CIP Fund / TBD

Submitted by: Nick Bartsch

Title: Project Manager

Date: June 13, 2016

City Manager Approval: _____

CITY OF TULARE - H STREET IMPROVEMENTS - CONTRACT No. EN0065

BID SUMMARY 06/16/16

#1

#2

#3

BASE BID SCHEDULE											
				Engineer's Estimate		99 Pipeline Inc		American Paving Co.		Avison Construction	
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	1	LS	Mobilization (\$20,000 Maximum)	\$20,000.00	\$20,000.00	\$18,500.00	\$18,500.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
2	1	LS	Traffic Control	\$40,000.00	\$40,000.00	\$2,500.00	\$2,500.00	\$50,000.00	\$50,000.00	\$28,000.00	\$28,000.00
3	1	LS	Dust Control	\$5,000.00	\$5,000.00	\$4,500.00	\$4,500.00	\$5,000.00	\$5,000.00	\$1,500.93	\$1,500.93
4	1	LS	Clearing and Grubbing	\$35,000.00	\$35,000.00	\$31,500.00	\$31,500.00	\$148,700.00	\$148,700.00	\$68,000.00	\$68,000.00
5	300	CY	Roadway Excavation ^(F)	\$6.00	\$1,800.00	\$228.12	\$68,436.00	\$76.00	\$22,800.00	\$50.00	\$15,000.00
6	670	LF	Concrete Curb and Gutter	\$25.00	\$16,750.00	\$26.25	\$17,587.50	\$24.00	\$16,080.00	\$45.00	\$30,150.00
7	30	EA	Concrete Curb Ramp	\$4,500.00	\$135,000.00	\$3,150.00	\$94,500.00	\$4,100.00	\$123,000.00	\$4,200.00	\$126,000.00
8	1,850	SF	4" Concrete Sidewalk ^(F)	\$6.00	\$11,100.00	\$5.25	\$9,712.50	\$7.00	\$12,950.00	\$10.00	\$18,500.00
9	700	SF	6" Concrete Sidewalk ^(F)	\$8.00	\$5,600.00	\$7.35	\$5,145.00	\$7.00	\$4,900.00	\$12.00	\$8,400.00
10	264	SF	Concrete Protection Slab	\$20.00	\$5,280.00	\$21.00	\$5,544.00	\$13.20	\$3,484.80	\$22.00	\$5,808.00
11	2	EA	Concrete Collar Connection	\$10,000.00	\$20,000.00	\$4,275.00	\$8,550.00	\$2,200.00	\$4,400.00	\$2,400.00	\$4,800.00
12	63	LF	54" Class III RGRCP	\$225.00	\$14,175.00	\$308.00	\$19,404.00	\$550.00	\$34,650.00	\$600.00	\$37,800.00
13	750	SF	Drive Approach	\$13.00	\$9,750.00	\$8.40	\$6,300.00	\$9.00	\$6,750.00	\$14.00	\$10,500.00
14	450	SF	Modified Concrete Drive Approach	\$10.00	\$4,500.00	\$10.50	\$4,725.00	\$10.00	\$4,500.00	\$10.00	\$4,500.00
15	23,275	SY	Grind and Remove Existing Asphalt Concrete	\$2.25	\$52,368.75	\$1.32	\$30,723.00	\$2.10	\$48,877.50	\$4.00	\$93,100.00
16	23,400	SY	Full Depth Reclamation with Cement	\$9.00	\$210,600.00	\$9.99	\$233,766.00	\$10.90	\$255,060.00	\$10.50	\$245,700.00
17	1	LBS	Increase or Decrease in Cement for FDR-C Method	\$0.10	\$0.10	\$0.07	\$0.07	\$0.10	\$0.10	\$0.07	\$0.07
18	5,200	TN	Hot Mix Asphalt Concrete ^(F)	\$80.00	\$416,000.00	\$71.17	\$370,084.00	\$73.00	\$379,600.00	\$80.00	\$416,000.00
19	4	EA	Reconnect Fire Hydrant	\$600.00	\$2,400.00	\$3,680.00	\$14,720.00	\$3,400.00	\$13,600.00	\$3,700.00	\$14,800.00
20	51	EA	1" Water Service	\$500.00	\$25,500.00	\$1,210.00	\$61,710.00	\$1,700.00	\$86,700.00	\$1,800.00	\$91,800.00
21	28	EA	4" Sewer Service with Cleanout	\$1,000.00	\$28,000.00	\$1,230.00	\$34,440.00	\$1,200.00	\$33,600.00	\$1,250.00	\$35,000.00
22	6	EA	8" Water Valve	\$1,500.00	\$9,000.00	\$1,575.00	\$9,450.00	\$2,200.00	\$13,200.00	\$2,400.00	\$14,400.00
23	2,185	LF	8" C-900 Water Main	\$55.00	\$120,175.00	\$51.00	\$111,435.00	\$35.00	\$76,475.00	\$37.00	\$80,845.00
24	464	LF	8" Storm Drain C-900 Pipe	\$40.00	\$18,560.00	\$67.00	\$31,088.00	\$85.00	\$39,440.00	\$90.00	\$41,760.00
25	30	LF	10" Storm Drain C-900 Pipe	\$100.00	\$3,000.00	\$75.00	\$2,250.00	\$97.00	\$2,910.00	\$105.00	\$3,150.00
26	23	LF	12" Storm Drain C-900 Pipe	\$100.00	\$2,300.00	\$88.00	\$2,024.00	\$134.00	\$3,082.00	\$145.00	\$3,335.00
27	4	LF	18" Storm Drain Pipe C-900	\$250.00	\$1,000.00	\$210.00	\$840.00	\$136.00	\$544.00	\$150.00	\$600.00
28	85	LF	6" SDR-35 PVC Sewer Pipe	\$60.00	\$5,100.00	\$67.00	\$5,695.00	\$65.00	\$5,525.00	\$70.00	\$5,950.00
29	1,464	LF	8" SDR-35 PVC Sewer Pipe	\$40.00	\$58,560.00	\$47.00	\$68,808.00	\$36.00	\$52,704.00	\$40.00	\$58,560.00
30	540	LF	10" SDR-35 PVC Sewer Pipe	\$60.00	\$32,400.00	\$49.50	\$26,730.00	\$37.00	\$19,980.00	\$41.00	\$22,140.00
31	461	LF	Trench Resurfacing	\$10.00	\$4,610.00	\$50.00	\$23,050.00	\$51.00	\$23,511.00	\$50.00	\$23,050.00
32	15	EA	Storm Drain Inlet	\$2,500.00	\$37,500.00	\$3,780.00	\$56,700.00	\$4,200.00	\$63,000.00	\$4,500.00	\$67,500.00
33	8	EA	Sanitary Swer Manhole, Type I	\$3,500.00	\$28,000.00	\$3,820.00	\$30,560.00	\$3,700.00	\$29,600.00	\$4,100.00	\$32,800.00
34	7	EA	Storm Drain Manhole, Type I	\$2,500.00	\$17,500.00	\$3,355.00	\$23,485.00	\$3,300.00	\$23,100.00	\$3,500.00	\$24,500.00
35	3	EA	Remove Storm Drain Manhole	\$1,000.00	\$3,000.00	\$1,000.00	\$3,000.00	\$1,800.00	\$5,400.00	\$1,900.00	\$5,700.00
36	2	EA	Remove Sanitary Sewer Manhole	\$1,000.00	\$2,000.00	\$1,000.00	\$2,000.00	\$1,800.00	\$3,600.00	\$1,900.00	\$3,800.00
37	12	EA	Adjust Manhole Frame and Cover to Grade	\$600.00	\$7,200.00	\$1,000.00	\$12,000.00	\$1,000.00	\$12,000.00	\$2,000.00	\$24,000.00
38	18	EA	Adjust Valve Frame and Cover to Grade	\$600.00	\$10,800.00	\$775.00	\$13,950.00	\$700.00	\$12,600.00	\$1,200.00	\$21,600.00
39	2	EA	Relocate Sign and Post	\$500.00	\$1,000.00	\$100.00	\$200.00	\$250.00	\$500.00	\$375.00	\$750.00
40	1	EA	Relocate Mailbox and Post	\$500.00	\$500.00	\$100.00	\$100.00	\$250.00	\$250.00	\$700.00	\$700.00
41	4	EA	Remove Tree and Grind Stump	\$4,500.00	\$18,000.00	\$426.00	\$1,704.00	\$2,500.00	\$10,000.00	\$1,650.00	\$6,600.00
42	90	LF	Remove and Salvage Existing Fence	\$10.00	\$900.00	\$11.00	\$990.00	\$20.00	\$1,800.00	\$70.00	\$6,300.00
43	1	LS	Pavement Striping, Markers and Markings	\$15,000.00	\$15,000.00	\$8,000.00	\$8,000.00	\$5,600.00	\$5,600.00	\$6,100.00	\$6,100.00
44	14	EA	Reset Monument and Adjust Frame & Cover to Grade	\$1,200.00	\$16,800.00	\$391.00	\$5,474.00	\$300.00	\$4,200.00	\$550.00	\$7,700.00
45	1	LS	Miscellaneous Facilities and Operations	\$5,000.00	\$5,000.00	\$4,500.00	\$4,500.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
TOTAL:					\$1,476,728.85		\$1,486,380.07		\$1,693,673.40		\$1,747,199.00

CITY OF TULARE - H STREET IMPROVEMENTS - CONTRACT No. EN0065

BID SUMMARY 06/16/16

				#4			#5			#6			#7
				Emmits Excavation			Bush Engineering, Inc.			Lee's Paving, Inc.			Papich Construction
BASE BID SCHEDULE													
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	1	LS	Mobilization (\$20,000 Maximum)	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
2	1	LS	Traffic Control	\$25,000.00	\$25,000.00	\$175,000.00	\$175,000.00	\$167,000.00	\$167,000.00	\$167,000.00	\$167,000.00	\$159,017.82	\$159,017.82
3	1	LS	Dust Control	\$1,500.00	\$1,500.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$15,000.00	\$15,000.00	\$20,000.00	\$20,000.00
4	1	LS	Clearing and Grubbing	\$32,000.00	\$32,000.00	\$73,000.94	\$73,000.94	\$167,925.00	\$167,925.00	\$167,925.00	\$167,925.00	\$40,000.00	\$40,000.00
5	300	CY	Roadway Excavation ^(F)	\$77.00	\$23,100.00	\$220.00	\$66,000.00	\$43.00	\$12,900.00	\$112.00	\$33,600.00	\$112.00	\$33,600.00
6	670	LF	Concrete Curb and Gutter	\$21.00	\$14,070.00	\$27.00	\$18,090.00	\$24.50	\$16,415.00	\$27.60	\$18,492.00	\$27.60	\$18,492.00
7	30	EA	Concrete Curb Ramp	\$2,900.00	\$87,000.00	\$3,500.00	\$105,000.00	\$3,870.00	\$116,100.00	\$4,034.88	\$121,046.40	\$4,034.88	\$121,046.40
8	1,850	SF	4" Concrete Sidewalk ^(F)	\$9.00	\$16,650.00	\$6.00	\$11,100.00	\$7.50	\$13,875.00	\$8.27	\$15,299.50	\$8.27	\$15,299.50
9	700	SF	6" Concrete Sidewalk ^(F)	\$16.00	\$11,200.00	\$7.00	\$4,900.00	\$8.85	\$6,195.00	\$8.27	\$5,789.00	\$8.27	\$5,789.00
10	264	SF	Concrete Protection Slab	\$14.00	\$3,696.00	\$13.00	\$3,432.00	\$10.60	\$2,798.40	\$17.79	\$4,696.56	\$17.79	\$4,696.56
11	2	EA	Concrete Collar Connection	\$3,600.00	\$7,200.00	\$15,000.00	\$30,000.00	\$17,000.00	\$34,000.00	\$2,960.00	\$5,920.00	\$2,960.00	\$5,920.00
12	63	LF	54" Class III RGRCP	\$520.00	\$32,760.00	\$300.00	\$18,900.00	\$312.00	\$19,656.00	\$93.00	\$5,859.00	\$93.00	\$5,859.00
13	750	SF	Drive Approach	\$13.50	\$10,125.00	\$7.00	\$5,250.00	\$10.85	\$8,137.50	\$12.00	\$9,000.00	\$12.00	\$9,000.00
14	450	SF	Modified Concrete Drive Approach	\$12.00	\$5,400.00	\$6.00	\$2,700.00	\$9.50	\$4,275.00	\$14.00	\$6,300.00	\$14.00	\$6,300.00
15	23,275	SY	Grind and Remove Existing Asphalt Concrete	\$2.60	\$60,515.00	\$4.00	\$93,100.00	\$3.65	\$84,953.75	\$1.40	\$32,585.00	\$1.40	\$32,585.00
16	23,400	SY	Full Depth Reclamation with Cement	\$9.50	\$222,300.00	\$8.00	\$187,200.00	\$9.30	\$217,620.00	\$10.00	\$234,000.00	\$10.00	\$234,000.00
17	1	LBS	Increase or Decrease in Cement for FDR-C Method	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.20	\$0.20	\$0.20	\$0.20
18	5,200	TN	Hot Mix Asphalt Concrete ^(F)	\$81.00	\$421,200.00	\$73.00	\$379,600.00	\$65.35	\$339,820.00	\$67.00	\$348,400.00	\$67.00	\$348,400.00
19	4	EA	Reconnect Fire Hydrant	\$3,300.00	\$13,200.00	\$3,100.00	\$12,400.00	\$3,050.00	\$12,200.00	\$3,782.00	\$15,128.00	\$3,782.00	\$15,128.00
20	51	EA	1" Water Service	\$1,800.00	\$91,800.00	\$1,500.00	\$76,500.00	\$1,448.00	\$73,848.00	\$4,445.00	\$226,695.00	\$4,445.00	\$226,695.00
21	28	EA	4" Sewer Service with Cleanout	\$2,800.00	\$78,400.00	\$1,500.00	\$42,000.00	\$1,500.00	\$42,000.00	\$6,052.00	\$169,456.00	\$6,052.00	\$169,456.00
22	6	EA	8" Water Valve	\$1,800.00	\$10,800.00	\$2,000.00	\$12,000.00	\$1,915.00	\$11,490.00	\$3,705.00	\$22,230.00	\$3,705.00	\$22,230.00
23	2,185	LF	8" C-900 Water Main	\$57.00	\$124,545.00	\$42.00	\$91,770.00	\$42.80	\$93,518.00	\$35.00	\$76,475.00	\$35.00	\$76,475.00
24	464	LF	8" Storm Drain C-900 Pipe	\$72.00	\$33,408.00	\$60.00	\$27,840.00	\$58.00	\$26,912.00	\$43.50	\$20,184.00	\$43.50	\$20,184.00
25	30	LF	10" Storm Drain C-900 Pipe	\$64.00	\$1,920.00	\$70.00	\$2,100.00	\$68.00	\$2,040.00	\$211.00	\$6,330.00	\$211.00	\$6,330.00
26	23	LF	12" Storm Drain C-900 Pipe	\$78.00	\$1,794.00	\$85.00	\$1,955.00	\$84.00	\$1,932.00	\$264.00	\$6,072.00	\$264.00	\$6,072.00
27	4	LF	18" Storm Drain Pipe C-900	\$300.00	\$1,200.00	\$500.00	\$2,000.00	\$435.00	\$1,740.00	\$190.50	\$762.00	\$190.50	\$762.00
28	85	LF	6" SDR-35 PVC Sewer Pipe	\$170.00	\$14,450.00	\$80.00	\$6,800.00	\$74.75	\$6,353.75	\$201.00	\$17,085.00	\$201.00	\$17,085.00
29	1,464	LF	8" SDR-35 PVC Sewer Pipe	\$66.00	\$96,624.00	\$50.00	\$73,200.00	\$45.00	\$65,880.00	\$51.00	\$74,664.00	\$51.00	\$74,664.00
30	540	LF	10" SDR-35 PVC Sewer Pipe	\$66.00	\$35,640.00	\$90.00	\$48,600.00	\$85.00	\$45,900.00	\$71.00	\$38,340.00	\$71.00	\$38,340.00
31	461	LF	Trench Resurfacing	\$47.00	\$21,667.00	\$50.00	\$23,050.00	\$70.50	\$32,500.50	\$36.50	\$16,826.50	\$36.50	\$16,826.50
32	15	EA	Storm Drain Inlet	\$5,000.00	\$75,000.00	\$5,000.00	\$75,000.00	\$4,850.00	\$72,750.00	\$5,820.00	\$87,300.00	\$5,820.00	\$87,300.00
33	8	EA	Sanitary Swer Manhole, Type I	\$3,400.00	\$27,200.00	\$4,000.00	\$32,000.00	\$3,220.00	\$25,760.00	\$6,260.00	\$50,080.00	\$6,260.00	\$50,080.00
34	7	EA	Storm Drain Manhole, Type I	\$3,000.00	\$21,000.00	\$4,000.00	\$28,000.00	\$3,735.00	\$26,145.00	\$6,244.00	\$43,708.00	\$6,244.00	\$43,708.00
35	3	EA	Remove Storm Drain Manhole	\$800.00	\$2,400.00	\$1,200.00	\$3,600.00	\$1,160.00	\$3,480.00	\$2,328.00	\$6,984.00	\$2,328.00	\$6,984.00
36	2	EA	Remove Sanitary Sewer Manhole	\$650.00	\$1,300.00	\$1,200.00	\$2,400.00	\$1,160.00	\$2,320.00	\$3,700.00	\$7,400.00	\$3,700.00	\$7,400.00
37	12	EA	Adjust Manhole Frame and Cover to Grade	\$830.00	\$9,960.00	\$800.00	\$9,600.00	\$2,000.00	\$24,000.00	\$2,910.00	\$34,920.00	\$2,910.00	\$34,920.00
38	18	EA	Adjust Valve Frame and Cover to Grade	\$665.00	\$11,970.00	\$600.00	\$10,800.00	\$1,800.00	\$32,400.00	\$1,852.00	\$33,336.00	\$1,852.00	\$33,336.00
39	2	EA	Relocate Sign and Post	\$350.00	\$700.00	\$250.00	\$500.00	\$300.00	\$600.00	\$435.00	\$870.00	\$435.00	\$870.00
40	1	EA	Relocate Mailbox and Post	\$550.00	\$550.00	\$300.00	\$300.00	\$1,000.00	\$1,000.00	\$750.00	\$750.00	\$750.00	\$750.00
41	4	EA	Remove Tree and Grind Stump	\$2,400.00	\$9,600.00	\$5,000.00	\$20,000.00	\$3,000.00	\$12,000.00	\$1,325.00	\$5,300.00	\$1,325.00	\$5,300.00
42	90	LF	Remove and Salvage Existing Fence	\$85.00	\$7,650.00	\$6.00	\$540.00	\$30.00	\$2,700.00	\$84.75	\$7,627.50	\$84.75	\$7,627.50
43	1	LS	Pavement Striping, Markers and Markings	\$6,200.00	\$6,200.00	\$5,000.00	\$5,000.00	\$5,560.00	\$5,560.00	\$7,200.00	\$7,200.00	\$7,200.00	\$7,200.00
44	14	EA	Reset Monument and Adjust Frame & Cover to Grade	\$890.00	\$12,460.00	\$700.00	\$9,800.00	\$1,000.00	\$14,000.00	\$570.00	\$7,980.00	\$570.00	\$7,980.00
45	1	LS	Miscellaneous Facilities and Operations	\$52,000.00	\$52,000.00	\$70,000.00	\$70,000.00	\$61,200.00	\$61,200.00	\$5,291.52	\$5,291.52	\$5,291.52	\$5,291.52
TOTAL:					\$1,757,154.06		\$1,891,028.00		\$1,946,899.96		\$2,069,000.00		\$2,069,000.00

CITY OF TULARE - H STREET IMPROVEMENTS - CONTRACT No. EN0065

BID SUMMARY 06/16/16

#8

#9

#10

				Jim Crawford Construction		MAC General Engineering		Cal Valley Construction			
BASE BID SCHEDULE											
Item No.	Quantity	Unit	Item Description	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount		
1	1	LS	Mobilization (\$20,000 Maximum)	\$20,000.00	\$20,000.00	\$18,314.00	\$18,314.00	\$20,000.00	\$20,000.00		
2	1	LS	Traffic Control	\$85,000.00	\$85,000.00	\$54,555.16	\$54,555.16	\$142,000.00	\$142,000.00		
3	1	LS	Dust Control	\$5,100.00	\$5,100.00	\$9,314.00	\$9,314.00	\$2,800.00	\$2,800.00		
4	1	LS	Clearing and Grubbing	\$167,000.00	\$167,000.00	\$62,803.69	\$62,803.69	\$30,000.00	\$30,000.00		
5	300	CY	Roadway Excavation ^(F)	\$400.00	\$120,000.00	\$30.25	\$9,075.00	\$130.00	\$39,000.00		
6	670	LF	Concrete Curb and Gutter	\$29.00	\$19,430.00	\$40.16	\$26,907.20	\$34.50	\$23,115.00		
7	30	EA	Concrete Curb Ramp	\$4,500.00	\$135,000.00	\$4,451.28	\$133,538.40	\$3,900.00	\$117,000.00		
8	1,850	SF	4" Concrete Sidewalk ^(F)	\$7.00	\$12,950.00	\$10.53	\$19,480.50	\$7.50	\$13,875.00		
9	700	SF	6" Concrete Sidewalk ^(F)	\$9.00	\$6,300.00	\$10.26	\$7,182.00	\$9.40	\$6,580.00		
10	264	SF	Concrete Protection Slab	\$24.00	\$6,336.00	\$24.25	\$6,402.00	\$31.00	\$8,184.00		
11	2	EA	Concrete Collar Connection	\$3,100.00	\$6,200.00	\$3,303.67	\$6,607.34	\$2,900.00	\$5,800.00		
12	63	LF	54" Class III RGRCP	\$98.00	\$6,174.00	\$103.83	\$6,541.29	\$94.00	\$5,922.00		
13	750	SF	Drive Approach	\$10.00	\$7,500.00	\$9.74	\$7,305.00	\$10.45	\$7,837.50		
14	450	SF	Modified Concrete Drive Approach	\$12.00	\$5,400.00	\$13.95	\$6,277.50	\$13.75	\$6,187.50		
15	23,275	SY	Grind and Remove Existing Asphalt Concrete	\$1.75	\$40,731.25	\$3.70	\$86,117.50	\$3.50	\$81,462.50		
16	23,400	SY	Full Depth Reclamation with Cement	\$14.00	\$327,600.00	\$9.76	\$228,384.00	\$9.00	\$210,600.00		
17	1	LBS	Increase or Decrease in Cement for FDR-C Method	\$0.08	\$0.08	\$0.07	\$0.07	\$0.08	\$0.08		
18	5,200	TN	Hot Mix Asphalt Concrete ^(F)	\$80.00	\$416,000.00	\$95.95	\$498,940.00	\$84.40	\$438,880.00		
19	4	EA	Reconnect Fire Hydrant	\$4,300.00	\$17,200.00	\$4,218.08	\$16,872.32	\$3,800.00	\$15,200.00		
20	51	EA	1" Water Service	\$1,800.00	\$91,800.00	\$4,955.50	\$252,730.50	\$4,500.00	\$229,500.00		
21	28	EA	4" Sewer Service with Cleanout	\$1,300.00	\$36,400.00	\$6,747.75	\$188,937.00	\$6,100.00	\$170,800.00		
22	6	EA	8" Water Valve	\$4,200.00	\$25,200.00	\$4,129.57	\$24,777.42	\$3,800.00	\$22,800.00		
23	2,185	LF	8" C-900 Water Main	\$37.00	\$80,845.00	\$38.94	\$85,083.90	\$36.00	\$78,660.00		
24	464	LF	8" Storm Drain C-900 Pipe	\$48.00	\$22,272.00	\$48.37	\$22,443.68	\$44.00	\$20,416.00		
25	30	LF	10" Storm Drain C-900 Pipe	\$222.00	\$6,660.00	\$235.98	\$7,079.40	\$214.00	\$6,420.00		
26	23	LF	12" Storm Drain C-900 Pipe	\$295.00	\$6,785.00	\$294.98	\$6,784.54	\$268.00	\$6,164.00		
27	4	LF	18" Storm Drain Pipe C-900	\$200.00	\$800.00	\$212.37	\$849.48	\$200.00	\$800.00		
28	85	LF	6" SDR-35 PVC Sewer Pipe	\$220.00	\$18,700.00	\$224.18	\$19,055.30	\$205.00	\$17,425.00		
29	1,464	LF	8" SDR-35 PVC Sewer Pipe	\$40.00	\$58,560.00	\$57.81	\$84,633.84	\$55.00	\$80,520.00		
30	540	LF	10" SDR-35 PVC Sewer Pipe	\$74.00	\$39,960.00	\$79.05	\$42,687.00	\$72.00	\$38,880.00		
31	461	LF	Trench Resurfacing	\$48.00	\$22,128.00	\$13.20	\$6,085.20	\$16.00	\$7,376.00		
32	15	EA	Storm Drain Inlet	\$4,700.00	\$70,500.00	\$6,489.35	\$97,340.25	\$6,000.00	\$90,000.00		
33	8	EA	Sanitary Swer Manhole, Type I	\$4,200.00	\$33,600.00	\$6,982.54	\$55,860.32	\$6,300.00	\$50,400.00		
34	7	EA	Storm Drain Manhole, Type I	\$3,700.00	\$25,900.00	\$6,961.30	\$48,729.10	\$6,500.00	\$45,500.00		
35	3	EA	Remove Storm Drain Manhole	\$2,400.00	\$7,200.00	\$2,595.74	\$7,787.22	\$2,400.00	\$7,200.00		
36	2	EA	Remove Sanitary Sewer Manhole	\$3,900.00	\$7,800.00	\$4,129.59	\$8,259.18	\$3,800.00	\$7,600.00		
37	12	EA	Adjust Manhole Frame and Cover to Grade	\$3,000.00	\$36,000.00	\$1,898.70	\$22,784.40	\$3,000.00	\$36,000.00		
38	18	EA	Adjust Valve Frame and Cover to Grade	\$1,925.00	\$34,650.00	\$1,314.67	\$23,664.06	\$2,000.00	\$36,000.00		
39	2	EA	Relocate Sign and Post	\$300.00	\$600.00	\$474.76	\$949.52	\$250.00	\$500.00		
40	1	EA	Relocate Mailbox and Post	\$500.00	\$500.00	\$950.63	\$950.63	\$250.00	\$250.00		
41	4	EA	Remove Tree and Grind Stump	\$800.00	\$3,200.00	\$1,769.82	\$7,079.28	\$2,000.00	\$8,000.00		
42	90	LF	Remove and Salvage Existing Fence	\$88.00	\$7,920.00	\$90.57	\$8,151.30	\$82.00	\$7,380.00		
43	1	LS	Pavement Striping, Markers and Markings	\$5,300.00	\$5,300.00	\$7,682.21	\$7,682.21	\$5,900.00	\$5,900.00		
44	14	EA	Reset Monument and Adjust Frame & Cover to Grade	\$1,500.00	\$21,000.00	\$1,769.82	\$24,777.48	\$760.00	\$10,640.00		
45	1	LS	Miscellaneous Facilities and Operations	\$2,000.00	\$2,000.00	\$32,535.24	\$32,535.24	\$259,350.00	\$259,350.00		
TOTAL:					\$2,070,201.33		\$2,292,314.42		\$2,418,924.58		

TRANSPORTATION PROJECT (PMS)

PROJECT #EN0065 (enR2015-2)
'H' St. - Cross to Prosperity
R-EN.16.17 PMS H Pleasant to Prosperity
(Change)

PROJECT MANAGER: Nick Bartsch

PROJECT DESCRIPTION & PURPOSE: PMS Project on 'H' Street from Cross Avenue to Prosperity Avenue. There will be a companion project to install sewer between Allstar Avenue and Prosperity Avenue.

KEY POINTS: Traffic safety; Relief from potential liability concerns; Compliance to the American Disabilities Act

PROJECT STATUS: *Construction Summer 2016* ; Approved by TMT on 2/27/15

PROJECTED START DATE: 7/1/2015

PROJECTED END DATE: 11/30/2016

FUTURE M & O: N/A

CRITERIA (1-8): Criteria 7: Project addresses regulatory, safety, or environmental requirements that could threaten in whole or in part the City's ability to operate a core program or function at some future time if not replaced or repaired.

	Fiscal Year					Total	Unfunded
	2015/16	2016/17	2017/18	2018/19	2019/20		
Costs Description							
001 - Conceptual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
002 - Preliminary Design	\$0	\$0	\$0	\$0	\$0	\$0	\$0
003 - Environmental	\$2,350	\$0	\$0	\$0	\$0	\$2,350	\$0
004 - Final Design	\$75,300	\$58,070	\$0	\$0	\$0	\$133,370	\$0
005 - Construct/Impliment	\$0	\$2,006,337	\$0	\$0	\$0	\$2,006,337	\$0
006 - Close Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs:	\$77,650	\$2,064,407	\$0	\$0	\$0	\$2,142,057	\$0
Funding Sources							
Gas Tax	\$76,500	\$450,500	\$0	\$0	\$0	\$527,000	\$0
Gas Tax Fund Balance	\$1,500	\$1,177,019	\$0	\$0	\$0	\$1,178,519	\$0
Water Fund CIP	\$0	\$222,305	\$0	\$0	\$0	\$222,305	\$0
Sewer Fund CIP	\$0	\$180,233	\$0	\$0	\$0	\$180,233	\$0
Measure 'R' Local	\$0	\$34,000	\$0	\$0	\$0	\$34,000	\$0
Total Funding:	\$78,000	\$2,064,057	\$0	\$0	\$0	\$2,142,057	\$0

Updated 6-21-16

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager’s Office / Project Management

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Award of a contract to NV5 of Fresno, CA in the amount of \$269,468.62 for construction management, construction surveying/staking and materials testing services for Project EN0065, a street improvement project on ‘H’ Street. Authorize the City Manager to approve contract change orders in an amount not to exceed 10% (\$26,946) of the contract award amount.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

A Request for Proposals for construction management services, including materials testing and surveying, for street improvement project EN0065 was issued on May 26, 2016. This project is a street improvement project on ‘H’ Street between Cross Avenue and Prosperity Avenue. The project will include ADA compliance improvements to intersection curb returns and alley/sidewalk intersections that fall within the project limits. Additionally, it will address necessary water, sewer and storm drain improvements necessary within those limits. The need for the project was identified through the City’s Pavement Management System, and is programmed in the City’s transportation CIP program for construction during the summer of 2016.

Full time construction inspection as well as construction management services, materials testing and construction staking will be required on this project. The city engineering staff does not have the resources available to perform these services.

Only one proposal was received from a construction management firm to perform this work. NV5 of Fresno, CA submitted the proposal and was deemed to be qualified based on their past experience on similar projects. Mendoza & Associates is now a subsidiary of this company and has successfully delivered various projects for the City of Tulare. Their cost proposal is structured based on time expended on the project and is in line with past projects with a similar scope of work. The staffing proposed by NV5 appears to adequately cover the needs of the project.

STAFF RECOMMENDATION:

Award of a contract to NV5 of Fresno, CA in the amount of \$269,468.62 for construction management, construction surveying/staking and materials testing services for Project EN0065, a street improvement project on ‘H’ Street. Authorize the City Manager to approve contract change orders in an amount not to exceed 10% (\$26,946) of the contract award amount.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Gas Tax / EN0065-050-0203

Submitted by: Nick Bartsch

Title: Project Manager

Date: June 13, 2016

City Manager Approval: _____

TRANSPORTATION PROJECT

PROJECT # EN0019
Prosperity Avenue / E Street Traffic Signal
(CIP) - CHANGE

PROJECT MANAGER: Nick Bartsch

PROJECT DESCRIPTION & PURPOSE: Prosperity Avenue and E Street realignment and installation of traffic signal. Prosperity Ave. widening at H Street to construct west bound left turn pocket. The proposed improvements will install a traffic signal and realign the existing offset in E Street to address traffic operational deficiencies.

KEY POINTS: Will improve the traffic safety and operations at the intersection.

PROJECT STATUS: *Spring/Summer 2015* ; Transportation (Gas Tax) Fund Balance

PROJECTED START DATE: 7/1/2014

PROJECTED END DATE: 7/30/2016

FUTURE M & O: Unknown

CRITERIA (1-8): Criteria 7: Project addresses regulatory, safety, or environmental requirements that could threaten in whole or in part the City's ability to operate a core program or function at some future time if not replaced or repaired.

	Fiscal Year					Total	Unfunded
	2014/15	2015/16	2016/17	2017/18	2018/19		
Costs Description							
003 - Environmental	\$90,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,500.00	\$0.00
004 - Final Design	\$146.21	\$0.00	\$0.00	\$0.00	\$0.00	\$146.21	\$0.00
005 - Construct/Impliment	\$702,389.00	\$1,098,685.50	\$0.00	\$0.00	\$0.00	\$1,801,074.50	\$0.00
006 - Close Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Costs:	\$793,035.21	\$1,098,685.50	\$0.00	\$0.00	\$0.00	\$1,891,720.71	\$0.00
Funding Sources							
Gas Tax Fund Balance	\$742,835.21	\$719,546.50	\$0.00	\$0.00	\$0.00	\$1,462,381.71	\$0.00
Water Fund	\$0.00	\$5,200.00	\$0.00	\$0.00	\$0.00	\$5,200.00	\$0.00
DIF - Local Streets	\$0.00	\$187,500.00	\$0.00	\$0.00	\$0.00	\$187,500.00	\$0.00
615 - Sewer Fund	\$50,200.00	\$37,300.00	\$0.00	\$0.00	\$0.00	\$87,500.00	\$0.00
<i>EN0059-050-0601 (Gas Tax)</i>	\$0.00	\$149,139.00	\$0.00	\$0.00	\$0.00	\$149,139.00	\$0.00
Total Funding:	\$793,035.21	\$1,098,685.50	\$0.00	\$0.00	\$0.00	\$1,891,720.71	\$0.00

Updated: 6/16/16

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Community Development: Parks, Library, and Recreation

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Grant permission for the Tulare Library Foundation to serve alcohol at a fundraising event scheduled for Monday, September 26, 2016, 5:30-8:30 p.m. for adults 21 and over at the Library.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The Tulare Library Foundation, as part of its effort to raise funds to support the library, is planning a special fundraising event, "A Night at the Library." Tickets for this event are \$50.00 and the event will have six special areas with themes based on famous books (e.g. *Catch 22/Flags of Our Father, Grapes of Wrath; Interview with a Vampire; Jungle Book; Mary Poppins; and, Pride & Prejudice*). Each area will have a separate food and drink menu along with literary characters in costume. This will be our sixth consecutive event. After receiving such positive responses from the community, we look forward to a very successful event this September. Due to existing city regulations, the Foundation requires special permission from the City Council to serve alcohol at this event. TLF event organizers will follow all laws and regulations that regulate the serving of alcohol at this type of event (checking of identification, having security, etc.).

STAFF RECOMMENDATION:

Grant permission for the Tulare Library Foundation to serve alcohol at a fundraising event scheduled for Monday, September 26, 2016, 5:30-8:30 p.m. for adults 21 and over at the Library.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Sara Brown

Title: City Librarian

Date: June 21, 2016

City Manager Approval: _____

DAILY LICENSE APPLICATION/AUTHORIZATION - Non Transferable

*Instructions: Complete all items. Submit to local ABC District Office with required fee (Cashier's Check or Money Order) payable to ABC. Once license is issued, fee cannot be refunded. For a listing of ABC District Offices please visit <http://www.abc.ca.gov/distmap.html>
Pursuant to the authority granted by the organization named below, the undersigned hereby applies for the license(s) described below.*

LICENSE NUMBER	GEO CODE
RECEIPT NUMBER	
FEE	
\$	

1. ORGANIZATION'S NAME Tulare Library Foundation	CONDITIONS REQUIRED <input type="checkbox"/> Yes <input type="checkbox"/> No	DIAGRAM REQUIRED <input type="checkbox"/> Yes <input type="checkbox"/> No
---	---	--

2. LICENSE TYPE (Check appropriate license type AND organization type)

a. **Daily General (\$25.00)** (Includes beer, wine and distilled spirits)

Political Party/Affiliate Supporting Candidate for Public Office or Ballot Measure

Organization Formed for Specific Charitable or Civic Purpose

Other: _____

Fraternal Organization in Existence Over Five Years with Regular Membership

Religious Organization

Vessel per Section 24045.10 B&P (\$50.00)

NUMBER OF DISPENSING POINTS _____

b. **Special Daily Beer (\$25.00)** **Special Daily Beer & Wine (\$50.00)** **Special Daily Wine (\$25.00)**

Charitable Fraternal Social Political Other: _____

Civic Religious Cultural Amateur Sports Organization

NUMBER OF DISPENSING POINTS _____

c. **Special Temporary License (\$100.00)** (Different privileges depending on statute)

Television Station per Section 24045.2 or 24045.9 B&P

Nonprofit Corporation per Sections 24045.4 and 24045.6 B&P

Person conducting Estate Wine Sale per Section 24045.8 B&P

Women's Educational and Charitable Organization per Section 24045.3 B&P

Other Special Temporary Licenses, per Section _____

License number _____ Amount \$ _____

3. EVENT TYPE

Dinner Dance Wedding Lunch Picnic Barbeque Social Gathering Festival

Sports Event Concert Birthday Mixer Carnival Dinner Dance Other: _____

4. TOTAL # OF DAYS: 1

5. ESTIMATED ATTENDANCE: 300

6. HOURS OF ALCOHOLIC BEVERAGE SALES, SERVICE AND/OR CONSUMPTION
From 5:30pm To 8:30pm

7. EVENT DATE(S): September 26, 2016

8. EVENT IS OPEN TO THE PUBLIC
 Yes No

9. EVENT LOCATION (Give facility name, if any, street number and name, and city)
Tulare Public Library, 475 North M Street, Tulare, CA 93274

10. LOCATION IS WITHIN THE CITY LIMITS
 Yes No

11. TYPE OF ENTERTAINMENT
Book Characters & Themes

12. SECURITY GUARDS
 Yes No If yes, how many? 3

13. AUTHORIZED REPRESENTATIVE'S NAME
Tony Taylor

14. REPRESENTATIVE'S TELEPHONE NUMBER
559-685-8989

15. REPRESENTATIVE'S ADDRESS
305 South M Street Tulare, CA 93274

16. ORGANIZATION'S MAILING ADDRESS (If different from #15 above)
475 North M Street, Tulare, CA 93274

17. AUTHORIZED REPRESENTATIVE'S SIGNATURE
Tony Taylor

18. DATE SIGNED

PROPERTY OWNER APPROVAL BY (Name), REQUIRED	PHONE NUMBER	PROPERTY OWNER SIGNATURE	DATE SIGNED
LAW ENFORCEMENT APPROVAL BY (Name), IF APPLICABLE	PHONE NUMBER	LAW ENFORCEMENT SIGNATURE	DATE SIGNED
DISTRICT OFFICE APPROVAL BY (Name)		ABC EMPLOYEE SIGNATURE	ISSUANCE DATE

The above-named organization is hereby licensed, pursuant to the California Business and Professions Code Division 9 and California Code of Regulations, to engage in the temporary sale of alcoholic beverages for consumption at the above named location for the period authorized above. This license does not include off-sale ("to-go") privileges.
This license may be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State.

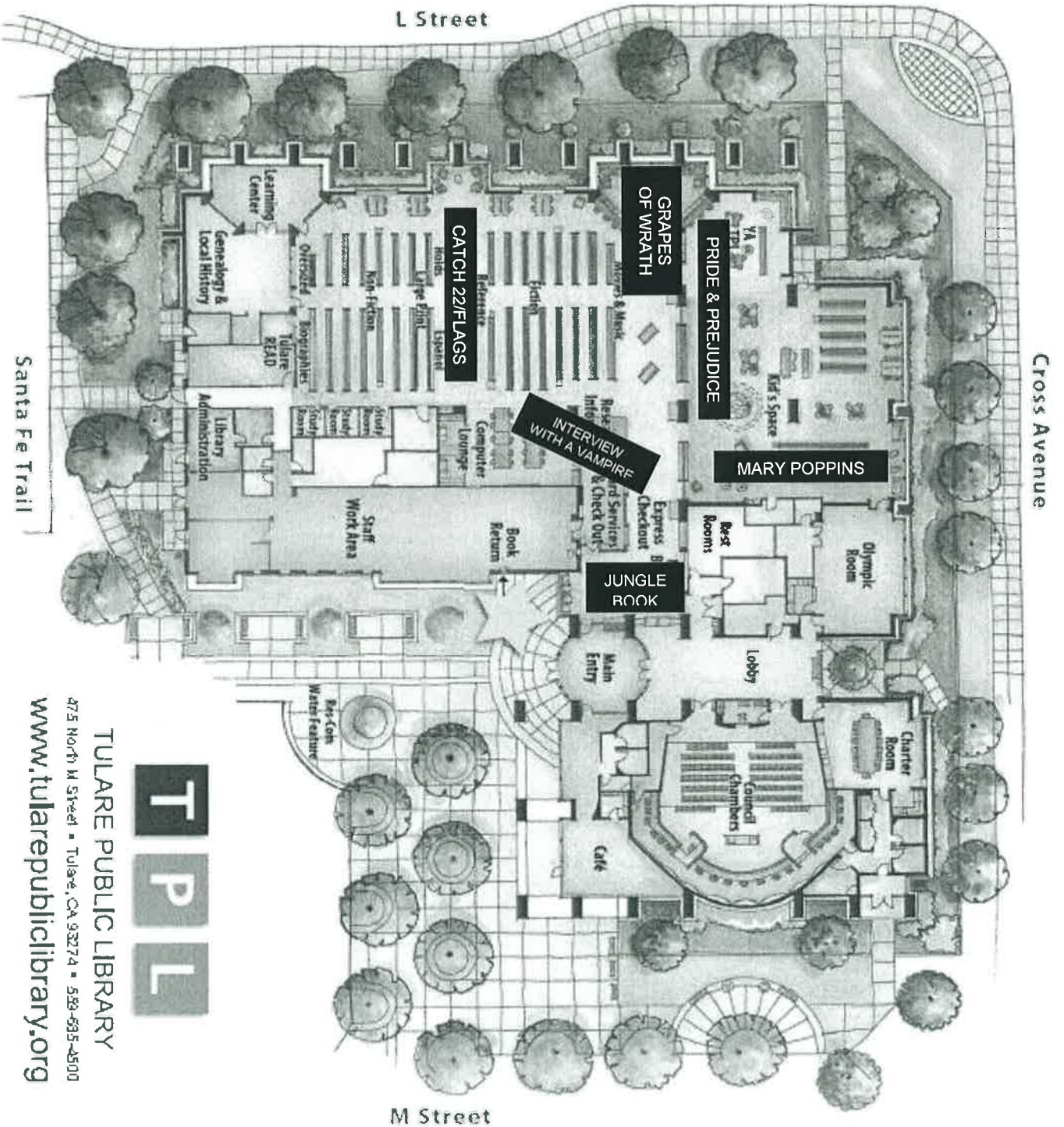
Night at the Library Map:

Hosted by
 Tulare Library Foundation on
 Monday, Sept. 26th, 2016
 5:30-8:30pm



*Library is closed on Monday.
 Books Represented:

- Catch 22/ Flags of Our Father
- Grapes of Wrath
- Interview with a Vampire
- Jungle Book
- Mary Poppins
- Pride & Prejudice



T P L
 TULARE PUBLIC LIBRARY
 475 North H Street • Tulare, CA 93274 • 559-595-4500
www.tularepubliclibrary.org

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Approve a list of pre-qualified consultants for on-call general engineering and land surveying services, and authorize the City Manager to enter into consultant professional service contracts, not to exceed the total amount authorized under the City’s adopted purchasing policy, with Peters Engineering Group, Provost & Pritchard, Willdan and 4Creeks for providing general engineering and land surveying services for a period of one year, with up to four subsequent one year renewals.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The Engineering Department is establishing a short list of pre-qualified firms to provide general engineering and land surveying services to supplement its staff capacity to provide the following:

1. Design, permitting, construction support and inspection services related to City capital improvement projects
2. Review of private land development projects to ensure compliance with City standards
3. The services of a licensed land surveyor for the approval of final subdivision and parcel maps as “City Surveyor”.

Many cities and other government entities retain engineering and land surveying consultants on an on-call basis to provide these services in the event that the volume of work exceeds the capacity of staff. On April 14, 2016, a Request for Qualifications (RFQ) for on-call engineering and land surveying professional services was issued. Ten (10) firms submitted all the necessary information to be considered for inclusion in a list of pre-approved consultants to provide these services. The proposals were reviewed and rated in accordance with the consultant selection procedures identified in the RFQ, and the top four (4) firms are recommended for inclusion on the list of prequalified general engineering and land surveying consultants. The recommended firms, based upon their respective qualifications, were identified as follows:

- 1) Willdan Engineering of Fresno, CA
- 2) Peters Engineering Group of Clovis, CA
- 3) Provost & Pritchard of Visalia, CA
- 4) 4Creeks of Visalia, CA

It is proposed that the City enter into contract agreements for on-call services with these firms for a period of one (1) year, with up to 4 subsequent one year renewals possible. Rates are agreed upon up front, then specific work orders are developed for each project. Authorized expenditures under the contracts shall not exceed the total amount authorized under the City Council’s adopted purchasing policy (up to \$50,000 City Manager approval; up to \$25,000 Dept. Head approval) and shall be approved by the City Engineer in accordance with the approved budgets for the individual projects.

STAFF RECOMMENDATION:

Approve a list of pre-qualified consultants for on-call general engineering and land surveying services, and authorize the City Manager to enter into consultant professional service contracts, not to exceed the total amount authorized under the City's adopted purchasing policy, with Peters Engineering Group, Provost & Pritchard, Willdan and 4Creeks for providing general engineering and land surveying services for a period of one year, with up to four subsequent one year renewals.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Various / To be determined

Submitted by: Michael Miller

Title: City Engineer

Date: June 13, 2016

City Manager Approval: _____

AVERAGE OF RATINGS
RFQ's For On-call Engineering and Surveying Services

		Possible Points	4 Creeks	BkF	GHD	Lane Engineers	Lars Anderson	OmniMeans	Peters	Provost & Pritchard	Quad Knopf	Willdan
1	Correct Format	5	4.3	4.3	4.3	4.5	3.8	4.8	4.5	4.8	4.3	4.8
2	Scope of Work	10	7.3	6.5	6.8	6.3	5.0	5.8	8.0	6.8	6.5	9.3
3	Work Plan	10	7.3	8.0	6.5	6.3	5.3	5.0	7.8	7.0	6.8	8.8
4	Project Manager	15	11.5	11.5	12.5	12.3	11.5	11.5	14.3	12.0	11.3	14.3
5	Support Staff	10	8.0	7.0	8.0	6.5	6.5	7.8	9.0	7.3	7.0	9.5
6	Overall Firm	10	7.5	7.3	7.3	7.0	5.8	6.5	8.8	7.3	6.5	8.8
7	Project Timing	5	2.5	3.0	2.8	2.5	2.0	2.3	2.5	2.5	2.3	2.5
8	Local Firm	5	4.3	0.3	2.3	4.8	3.0	4.3	3.0	4.3	4.3	3.0
TOTAL		80	52.5	47.8	50.3	50.0	42.8	47.8	57.8	51.8	48.8	60.8
RANKING			3	9	5	6	10	8	2	4	7	1

AGENDA ITEM: Consent 7

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Authorize an amendment to the subdivision improvement agreement for the Tesori subdivision reflecting a twelve (12) month time extension from date of Council approval, resulting in a new subdivision improvement agreement expiration date of June 21, 2017.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Tesori is a subdivision containing 45 residential lots, and is located between Bella Oaks and Ribolla Avenues west of Mooney Boulevard. The subdivider is Del Lago Place, LLC, a California Limited Liability Company. The existing final map and original subdivision agreement were approved by the Council at the November 5, 2013 meeting.

As a condition of project approval, Caltrans required improvements to Mooney Boulevard (State Route 63) to install a right-turn lane at the intersection of Bella Oaks Avenue. This will require the relocation of existing overhead power lines. Initial efforts to relocate the lines in an overhead fashion have been unsuccessful due to the inability of obtaining guy anchor easements from a property owner located on the east side of Mooney Boulevard. The existing lines will therefore need to be relocated in an underground fashion, negating the need for the guy anchor easement. The subdivider has been working with Caltrans to try and eliminate the requirement for a right-turn lane, and modify the required width of pave-out along the Mooney Blvd. frontage of the subdivision.

The subdivider is requesting that the subdivision agreement be extended for a twelve (12) month term as allowed by the Subdivision Map Act. Existing bonding amounts have been reviewed by staff and determined to be sufficient to cover expected construction cost escalation that may occur over that extension period. If approved, the extension would result in a 12-month extension from the date of Council action, resulting in a new subdivision improvement agreement expiration date of June 21, 2017.

A reduced copy of the subdivision map is attached for reference.

STAFF RECOMMENDATION:

Authorize an amendment to the subdivision improvement agreement for the Tesori subdivision reflecting a twelve (12) month time extension from date of Council approval, resulting in a new subdivision improvement agreement expiration date of June 21, 2017.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

The subdivision improvement agreement signed by the subdivider is a standard City agreement approved as to form by the City Attorney.

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

(If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Michael Miller

Title: City Engineer

Date: June 13, 2016

City Manager Approval: _____

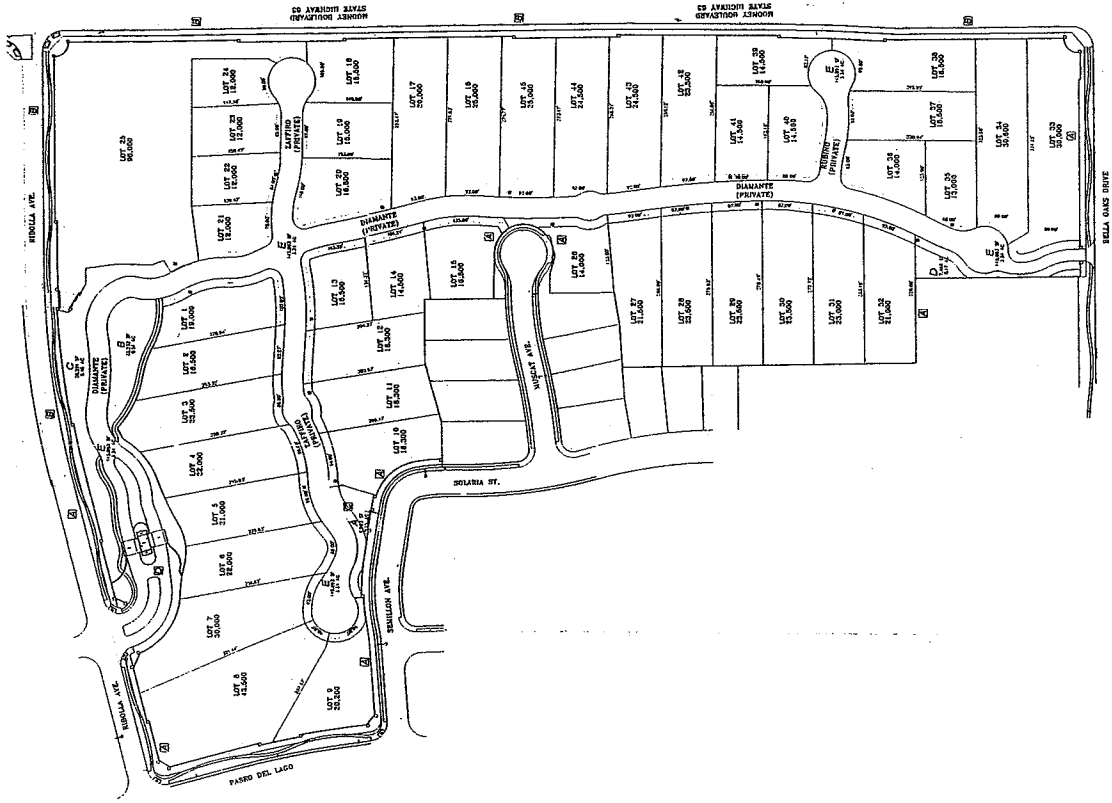
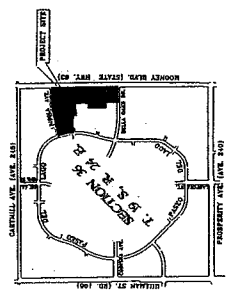
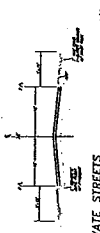
TESORI

TENTATIVE SUBDIVISION TESORI

LEGAL DESCRIPTION OF LOTS 1, 10 & 11 OF THE 3RD LAGO WINDMILL
 SUBDIVISION, BEING A PART OF THE 3RD LAGO WINDMILL
 SUBDIVISION, BEING A PART OF THE 3RD LAGO WINDMILL
 SUBDIVISION, BEING A PART OF THE 3RD LAGO WINDMILL
 COUNTY OF TULARE, STATE OF CALIFORNIA.

DEVELOPER: TRESOR INC.
 PROJECT NO. T-13
 COUNTY OF TULARE, STATE OF CALIFORNIA
 100% AREA: 11.37 ACRES (400,000)

- 1. LOT 1, 10 & 11 ARE SUBJECT TO BE OWNED AND UNIMPROVED BY
 HOMEOWNERS ASSOCIATION
- 2. LOT 10 & 11 ARE SUBJECT TO BE OWNED AND UNIMPROVED BY
 HOMEOWNERS ASSOCIATION
- 3. LOT 10 & 11 ARE SUBJECT TO BE OWNED AND UNIMPROVED BY
 HOMEOWNERS ASSOCIATION
- 4. LOT 10 & 11 ARE SUBJECT TO BE OWNED AND UNIMPROVED BY
 HOMEOWNERS ASSOCIATION



AGENDA ITEM: Consent 8

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Finance/Transit

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Approve a one-month extension (July, 2017) with MV Transportation, Inc. for the management and operation of the city’s fixed-route and dial-a-ride transit services.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The current agreement with MV Transportation, Inc. will expire on June 30, 2016. Both the City of Tulare and MV Transportation would like to extend the 2015-2016 agreement for an additional month so adjustments for the 2016-2017 agreement can be negotiated. The current agreement allows changes to the agreement if annual vehicle service hours change by more than 20%. Over the past three years the City extended week day services (Monday-Friday) from 7 p.m. to 10 p.m., and Saturday services from 6 p.m. to 7 p.m. and started Sunday services. The increase in service has reopened this agreement beyond the normal extension option. Both parties are requesting minor adjustments to the agreement and need additional time to complete. A complete Request for Proposals will be done within the next two years in conjunction with City of Visalia and possible other transit agencies in Tulare County.

STAFF RECOMMENDATION:

Approve a one-month extension (July, 2017) with MV Transportation, Inc. for the management and operation of the city’s fixed-route and dial-a-ride transit services.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

Submitted by: *Darlene Thompson*

Title: Finance Director

Date: June 13, 2016

City Manager Approval: _____

CITY OF TULARE
SUMMARY TREASURER'S REPORT
SUMMARY OF ALL INVESTMENTS
MAY 31, 2016

AGENDA ITEM Consect 9

TYPE OF INVESTMENT	BOOK VALUE	MARKET VALUE	CURRENT YIELD	BOOK VALUE	
				% OF TOTAL	TOTAL
UNRESTRICTED INVESTMENTS - SEE PAGE 2	82,466,710	82,429,511	1.065%		69.74%
RESTRICTED INVESTMENTS - SEE PAGE 4	35,788,394	35,977,404	N/A		30.26%
TOTAL INVESTMENTS	118,255,104	118,406,915	N/A		100.00%

Note: The City's financial statements will report market values, not book values, at June 30 each year.

I certify that this report reflects all City investments and complies with the investment policy of the City of Tulare as approved by City Council. Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditures for the next six months.

Presented to the City Council on June 16, 2016. Presented to the Board of Public Utility Commissioners on June 16, 2016.

Respectfully submitted, Darlene J. Thompson, CPA, Finance Director/Treasurer Darlene J. Thompson 6-15-16
Date

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF UNRESTRICTED INVESTMENTS
MAY 31, 2016

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED GAIN/(LOSS):		ESTIMATED EARNINGS: ANNUAL THIS MONTH	BOOK VALUE
		ACQUISITION MATURITY	STATED CURRENT YIELD	THIS MONTH				ANNUAL THIS MONTH	LAST MONTH		
				THIS MONTH	LAST MONTH						
Petty Cash	N/A	N/A	N/A	N/A	N/A	6,825	N/A	N/A	N/A	N/A	0.01%
Checking Account - City	Wells Fargo Bank	N/A	N/A	N/A	N/A	6,825	N/A	N/A	N/A	N/A	2.83%
		On Demand	None			2,334,855	N/A	N/A	N/A	N/A	
						2,334,855	N/A	N/A	N/A	N/A	
						Balance per bank is \$2,652,351					
Local Agency Investment Fund (LAIF)	State of California	Various	N/A	N/A	N/A	40,700,000	8,997	224,664	224,664	18,722	49.35%
		On Demand	0.552%			40,708,997	7,339	18,722	18,722		
Certificate of Deposit	Various (See page 5)	Various	N/A	N/A	N/A	245,000	(15)	2,695	2,695		0.30%
Investments in Safekeeping With BNY Western Trust Company	Various	Various	1.100%			244,985	66	225	225		
						43,286,680	8,982	227,359	227,359		52.49%
Sub-Total						43,295,662	7,405	18,947	18,947		
						Per BNY WTC					
Fixed Income Investments	Various (See page 6-8)		N/A	N/A	N/A	39,180,030	(46,181)	650,675	650,675		47.51%
Investments in Safekeeping With BNY Western Trust Company			1.660%			39,133,849	8,418	54,223	54,223		
TOTAL UNRESTRICTED INVESTMENTS						82,466,710	(37,199)	878,034	878,034		100.00%
						82,429,511	15,823	73,170	73,170		

* LAIF market values are based on the most currently available amortized cost information - March, 2016:

1.000221060

~ U/I = Unrestricted Investments

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
MAY 31, 2016

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES	
								AS-OF DATE	DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):									
2008 Lease Revenue and Refunding Bonds (Account No. 120887000)									
	FA Prime Obl CL D Corp Trust	Various	On Demand	Various	N/A	66	66		05-31-16
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	1,164,399	1,164,399		05-31-16
						1,164,465	1,164,465		
2009 Sewer Revenue Bonds (Account No. 133007000)									
	U S Bk Mmkt	Various	On Demand	Various	N/A	307	307		05-31-16
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	1,230,593	1,230,593		05-31-16
	Ge Funding Cap Mkt Svcs GIC	08-06-09	08-06-19	3.812% Reserve Fund	N/A	5,600,028	5,600,028		05-31-16
						6,830,928	6,830,928		
2010 Sewer Revenue Bonds (Account No. 145190000)									
	U S Bk Mmkt	Various	On Demand	Various	N/A	260	260		05-31-16
	U S Treasury	Various	11-12-15 to 11-15-15	Various	N/A	12,572,780	12,761,790		05-31-16
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	875,457	875,457		05-31-16
						13,448,497	13,637,507		
2012 Sewer Revenue Refunding Bonds (Account No. 162033000)									
	U S Bk Mmkt	Various	On Demand	Various	N/A	516	516		05-31-16
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	923,516	923,516		05-31-16
						924,032	924,032		
2013 Sewer Revenue Refunding Bonds (Account No. 203701000)									
	U S Bk Mmkt	Various	On Demand	Various	N/A	31,707	31,707		05-31-16
	Guarantee Invest. Cont.	08-01-13	11-15-22	2.310% Reserve Fund	N/A	2,745,126	2,745,126		05-31-16
						2,776,833	2,776,833		
2015 Sewer Revenue Refunding Bonds (Account No. 261594000)									
	U S Bk Mmkt	Various	On Demand	Various	N/A	300,000	300,000		05-31-16
	Investment Repurchase GIC	11-15-15	11-15-25	1.960% Reserve Fund	N/A	6,668,131	6,668,131		05-31-16
						6,968,131	6,968,131		

- CONTINUED ON PAGE 4 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
MAY 31, 2016

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES
								AS-OF DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):								
2010 Redevelopment Tax Allocation Bonds - Series A Tax Exempt (Account No. 141617000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	0	0	05-31-16
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	771,574	771,574	05-31-16
						<u>771,574</u>	<u>771,574</u>	
2010 Redevelopment Tax Allocation Bonds - Series B Taxable (Account No. 141617010)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	348	348	05-31-16
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	440,467	440,467	05-31-16
						<u>440,815</u>	<u>440,815</u>	
2010 Redevelopment Tax Allocation Bonds - Series C Taxable (Account No. 141618000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	1,496,619	1,496,619	05-31-16
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various Reserve Fund	N/A	980,534	980,534	05-31-16
						<u>2,477,153</u>	<u>2,477,153</u>	
TOTAL BOND FUNDS						<u>35,802,428</u>	<u>35,991,438</u>	
Restricted Insurance Deposits Managed by Fiscal Agents:								
Employee Welfare Fund (60)	Various	N/A	N/A	Various	N/A	(14,034)	(14,034)	05-31-16
Workers' Comp Fund (61)	Various	N/A	N/A	Various	N/A	0	0	06-30-15
General Insurance Fund (62)	Various	N/A	N/A	Various	N/A	0	0	06-30-15
				* Adjusted annually.		<u>(14,034)</u>	<u>(14,034)</u>	
TOTAL RESTRICTED INVESTMENTS				30.26%		<u>35,788,394</u>	<u>35,977,404</u>	

* NOTE: Reported as information is made available.

TOTAL RESTRICTED INVESTMENTS = **Book Value % of Total Investments** =

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
CERTIFICATES OF DEPOSIT
MAY 31, 2016

INSTITUTION	CUSIP NUMBER	INTEREST RATES:		DATES:		BOOK VALUE	UNREALIZED GAIN/(LOSS)	ESTIMATED EARNING:
		STATED	CURRENT YIELD	ACQUISITION	INVESTED			
GE Capital	36160YTT2	1.100%	1.100%	03/01/2013		245,000	(15)	2,695
			1.100%	03/01/2018		244,985	66	229
						PerBNY WTC		
TOTAL CERTIFICATES OF DEPOSITS						245,000	(15)	2,695
All are in safekeeping with BNY Western Trust Company						244,985	66	229

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS
MAY 31, 2016

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:
		ACQUISITION	MATURITY	STATED	CURRENT YIELD				
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS</u>									
Federal Farm Credit Banks Cons	3133ECT79	06-27-13	03-01-17 C	1.000%	1.000%	1,000,000	997,000	4,810	10,000
							1,001,810	8,200	833
Federal Farm Credit Bks Cons	3133ECB45	12-26-12	12-26-17 C	0.900%	0.900%	1,500,000	1,500,000	0	13,500
							1,500,000	15	1,125
Federal Farm Credit Bks Cons	3133ECCZ5	01-16-13	01-16-18 C	0.900%	0.900%	1,000,000	1,000,000	(1,760)	9,000
							998,240	(410)	750
Federal Farm Credit Banks	3133ECNY6	05-08-13	05-08-18 C	0.950%	0.950%	2,000,000	2,000,000	140	19,000
							2,000,140	80	1,583
Federal Nat'l Mig Assn	3136G23H8	08-15-14	11-15-18 C	1.600%	1.600%	1,500,000	1,500,000	2,775	24,000
							1,502,775	4,140	2,000
Federal Farm Credit Banks	3134G8UC1	03-30-15	09-30-19 C	1.450%	1.450%	1,500,000	1,500,000	(2,370)	21,750
							1,497,630	240	1,813
Federal Farm Credit Banks Cons	3133EFP43	03-23-16	06-17-20 C	1.650%	1.650%	1,000,000	999,500	60	16,500
							999,560	580	1,375
Federal Home Ln Bks	3130A5L98	06-30-15	06-30-20 C	2.000%	2.000%	1,000,000	1,000,000	900	20,000
							1,000,900	1,890	1,667
Federal Home Ln Bks	3130A6KK2	10-08-15	07-08-20 C	1.700%	1.700%	2,000,000	2,000,000	0	34,000
							2,000,000	20	2,833
Federal Farm Credit Banks	3133EFC8	09-08-15	09-08-20 C	1.850%	1.850%	3,185,000	3,185,000	7,389	58,923
							3,192,389	10,447	4,910

- CONTINUED ON PAGE 7 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
MAY 31, 2016

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE		UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:		
		ACQUISITION	MATURITY	STATED	CURRENT YIELD		THIS MONTH	LAST MONTH			ANNUAL	THIS MONTH
U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED												
Federal Home Ln Bks	3130A7LV5	03-30-16		1.650%		1,000,000	999,250	180	16,500			
		09-30-20	C	1.650%			999,430	860	1,375			
Federal Home Ln Bks	3130A6MH7	10-28-15		1.720%		2,000,000	2,000,000	1,560	34,400			
		10-28-20	C	1.720%			2,001,560	2,680	2,867			
Federal Home Loan Mtg Corp	3134G73K5	10-28-15		1.700%		1,500,000	1,500,000	(285)	25,500			
		10-28-20	C	1.700%			1,499,715	270	2,125			
Federal Home Ln Bks	3130A6N52	10-29-15		1.700%		1,500,000	1,500,000	0	25,500			
		10-29-20	C	1.700%			1,500,000	15	2,125			
Federal Home Loan Mtg Corp	3134G7U82	10-29-15		1.750%		2,500,000	2,500,000	(1,925)	43,750			
		10-29-20	C	1.750%			2,498,075	375	3,646			
Federal Nat'l Mortgage Assoc	3136G2P50	10-29-15		1.750%		2,000,000	2,000,000	40	35,000			
		10-29-20	C	1.750%			2,000,040	480	2,917			
Federal Home Loan Banks	3130A6YE1	01-29-16		2.050%		1,500,000	1,500,000	3,060	30,750			
		01-29-21	C	2.040%			1,503,060	4,830	2,563			
Federal Farm Credit Banks	3133EFYX9	02-10-16		1.720%		2,500,000	2,500,000	(28,325)	43,000			
		02-10-21	C	1.740%			2,471,675	(19,500)	3,583			
Federal Home Loan Banks	3130A7GD1	03-30-16		1.800%		2,000,000	1,998,000	(10,720)	36,000			
		03-30-21	C	1.810%			1,987,280	(3,280)	3,000			
Federal Home Loan Mtg Corp	3134G8PB9	03-30-16		1.875%		2,000,000	2,000,000	(11,500)	37,500			
		03-30-21	C	1.890%			1,988,500	(4,040)	3,125			

- CONTINUED ON PAGE 8 -

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
MAY 31, 2016

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE		UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:	BOOK VALUE
		ACQUISITION	MATURITY	STATED	CURRENT YIELD		BOOK VALUE	MARKET VALUE			
Federal Home Loan Mfg Corp											
	3134G8PE3	03-30-16		1.800%		2,000,000	2,000,000		(2,860)	36,000	Per BNY WTC
		03-30-21	C	1.800%			1,997,140		400	3,000	
Federal Farm Credit Banks											
	3133EF4E4	04-20-16		2.000%		3,000,000	3,000,000		(7,380)	60,000	
		04-20-22	C	2.000%			2,992,620		90	5,000	
Government National Mortgage Association II Pool											
		01-24-94		8.500%		N/A	1,280		30	102	
		09-20-22		7.780%			1,310		36	9	
TOTAL FIXED INCOME INVESTMENTS											
All are in safekeeping with BNY Western Trust Company											
				N/A		N/A	39,180,030		(46,181)	650,675	
				1.660%			39,133,849		8,418	54,223	

~ U/I = Unrestricted Investments

**CITY OF TULARE
TREASURER'S EXECUTIVE SUMMARY
MAY 31, 2016**

CHANGES IN BALANCES AND YIELDS:

CATEGORY	BOOK VALUE MARKET VALUE DIFFERENCE		AVERAGE STATED YIELD			
	MAY	APRIL	CHANGE	MAY	APRIL	CHANGE
Total Investments	118,255,104	118,453,093	(197,989)	N/A	N/A	N/A
	<u>118,406,915</u>	<u>118,676,893</u>	<u>(269,978)</u>			
	151,811	223,800	(71,989)			
Unrestricted Investments	82,466,710	82,158,715	307,995	1.065%	1.124%	-0.059%
	<u>82,429,511</u>	<u>82,175,258</u>	<u>254,253</u>			
	(37,199)	16,543	(53,742)			
Restricted Investments	35,788,394	36,294,378	(505,984)	N/A	N/A	N/A
	<u>35,977,404</u>	<u>36,501,635</u>	<u>(524,231)</u>			
	189,010	207,257	(18,247)			
Local Agency Investment Fund (LAIF)	40,700,000	33,200,000	7,500,000	0.552%	0.525%	0.027%
	<u>40,708,997</u>	<u>33,207,339</u>	<u>7,501,658</u>			
	8,997	7,339	1,658			
Certificates of Deposit	245,000	245,000	0	1.100%	1.100%	0.000%
	<u>244,985</u>	<u>245,066</u>	<u>(81)</u>			
	(15)	66	(81)			
Fixed Income Investments (Total)	39,180,030	45,180,069	(6,000,039)	1.660%	1.650%	0.010%
	<u>39,133,849</u>	<u>45,189,207</u>	<u>(6,055,358)</u>			
	(46,181)	9,138	(55,319)			

TRANSACTIONS (BOOK VALUE): *

CATEGORY	PURCHASES	SALES / CALLS
	Certificates of Deposit	
Fixed Income Investments	0	0
		Fixed Income Investments
		Government National Mortgage Assn. Pool
		Federal Home Loan Bank, 1.75%
		Federal Home Loan Mtg Corp, 1.80%
		Federal Home Loan Mtg Corp, 1.25%
	0	6,000,039

* Net LAIF transactions are represented by the change in book value balance shown above. Changes in Restricted Investments are not shown.

ORDINANCE 16-__

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF TULARE
REPEALING CHAPTER 8.68 OF THE MUNICIPAL CODE AND ADDING A
NEW CHAPTER 8.68 RELATED TO CABLE SYSTEM FRANCHISE REGULATIONS**

WHEREAS, the Legislature of the State of California has adopted the Digital Infrastructure and Video Competition Act of 2006 (DIVCA), which became effective on January 1, 2007; and,

WHEREAS, DIVCA establishes a regulatory structure for the State to be the exclusive authority to issue franchises to video service providers; and,

WHEREAS, DIVCA establishes that local entities, such as the City of Tulare (the “City”), are responsible for administration and implementation of certain provisions of DIVCA; and

WHEREAS, DIVCA allows for the City to establish, by ordinance, provisions for franchise fees; for Public, Educational and Governmental (PEG) channel fees; enforcement of customer service standards; and other regulations that are not in conflict with DIVCA or other state law; and

WHEREAS, DIVCA allows for local franchises that were in place prior to the adoption of the statute to remain in place until such time as the local franchise agreement expires; and

WHEREAS, Comcast local franchise agreement with the City expired on December 31, 2015 and thereafter has applied for a franchise from the State; and

WHEREAS, the City Council desires to amend the provisions of the City’s Code pertaining to cable franchising to be consistent with DIVCA.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TULARE, CALIFORNIA, AS FOLLOWS:

SECTION 1: Chapter 8.68 of the Tulare Municipal Code (Cable Television) is hereby repealed in total.

SECTION 2: Chapter 8.68 of the Tulare Municipal Code (Cable Television) is hereby added as follows:

Chapter 8.68 – Cable Television

SECTIONS:

8.68.010 Purpose and Application.

- 8.68.020 State Video Franchise.
- 8.68.030 Audit Authority.
- 8.68.040 Customer Service Penalties Under State Video Franchises.
- 8.68.050 City Response To State Video Franchise Applications.

§8.68.010 PURPOSE AND APPLICATION.

This chapter is designed to regulate video service providers holding state video franchises and operating within the City.

On January 1, 2007, the State of California became the sole authority with power to grant state video franchise pursuant to the Digital Infrastructure and Video Competition Act of 2006 (“DIVCA”). Pursuant to DIVCA, the City of Tulare shall receive a franchise fee from all state franchises. Additionally, each state franchisee must remit to the City its pro rata share of any cash payments for the ongoing costs of public, education, and governmental access channel facilities or institutional networks, as long as there are such payment obligations imposed by a City issued franchise. DIVCA confirmed that the City may establish and enforce penalties, consistent with state law, against all state video franchise holders operating within the City for violations of customer service standards. DIVCA precludes the City from adopting its own standards and grants all authority to adopt customer service standards to the state. DIVCA leaves unchanged the City’s authority to regulate the City’s current cable franchises and any City franchise(s) issue on or before January 1, 2008, until the expiration of any such franchise(s).

§8.68.020 STATE VIDEO FRANCHISE FEES.

(A) Any state video franchise holder operating within the boundaries of the City shall pay a fee to the City equal to five percent (5%) of the gross revenue of that state video franchise holder.

(B) Gross revenue, for the purposes of this section, shall have the definition set forth in California Public Utilities Code Section 5860.

§8.68.030 AUDIT AUTHORITY.

Not more than once annually, the City Manager or his/her designee may examine and perform an audit of the business records of a holder of a state video franchise to ensure compliance with Section 8.68.020.

§8.68.040 CUSTOMER SERVICE PENALTIES UNDER STATE VIDEO FRANCHISES.

(A) The holder of a state video franchise shall comply with all applicable state and federal customer service and protection standards pertaining to the provision of video service.

(B) The City Manager or his designee shall monitor the compliance of state video franchise holders with respect to state and federal customer service and protection standards. The City Manager or his/her designee will provide the state video franchise holder written notice of any material breaches of applicable customer service standards, and will allow the state video franchise holder thirty (30) days from the receipt of the notice to remedy the specific material breach. Material breaches not remedied within the thirty (30) day time period will be subject to the following penalties to be imposed by the City:

(1) For the first occurrence of a violation, a fine of up to five hundred dollars (\$500.00) may be imposed for each day the violation remains in effect, not to exceed one thousand five hundred dollars (\$1,500.00) for each violation.

(2) For a second violation of the same nature within twelve (12) months, a fine of up to one thousand dollars (\$1,000.00) may be imposed for each day the violation remains in effect, not to exceed three thousand dollars (\$3,000.00) for each violation.

(3) For a third or further violation of the same nature within twelve (12) months, a fine of up to two thousand five hundred dollars (\$2,500.00) may be imposed for each day the violation remains in effect, not to exceed seven thousand five hundred dollars (\$7,500.00) for each violation.

(C) A state video franchise holder may appeal a penalty assessed by the City Manager to the City Council within sixty (60) days of the initial assessment. The City Council shall hear

all evidence and relevant testimony and may uphold, modify or vacate the penalty. The City Council's decision on the imposition of a penalty shall be final.

§8.68.050 CITY RESPONSE TO STATE VIDEO FRANCHISE APPLICATIONS.

(A) Applicants for state video franchises within the boundaries of the City must concurrently provide complete copies to the City of any application or amendments to applications filed with the California Public Utilities Commission (PUC). One complete copy must be provided to the City Manager.

(B) Within thirty (30) days of receipt, the City Manager will provide any appropriate comments to the PUC regarding an application or an amendment to an application for a state video franchise.

SECTION 3: This ordinance shall be in full force and effect thirty (30) days from and after its passage, adoption and approval.

PASSED, ADOPTED AND APPROVED this _____ day of _____, 2016.

President of the Council and
Mayor of the City of Tulare

ATTEST:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Human Resources

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Reject claim for damages filed by Derik Martin and Lamont Martin on February 12, 2016 per the recommendation of the City's adjuster.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The claim submitted by Derik Martin and Lamont Martin alleged they were arrested without probable cause on August 18, 2016, by officers of the City of Tulare.

STAFF RECOMMENDATION:

Reject claim for damages filed by Derik Martin and Lamont Martin on February 12, 2016 per the recommendation of the City's adjuster.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Janice Avila

Title: Human Resources Manager

Date: 6/9/16

City Manager Approval: _____



TULARE CITY HISTORICAL SOCIETY TULARE HISTORICAL MUSEUM

444 West Tulare Avenue · Tulare, California 93274
TEL: (559) 686-2074 · www.tularehistoricalmuseum.org

June 3, 2016

City of Tulare
Attn: Don Dorman, City Manager
David Macedo, Mayor
Carlton Jones, Vice Mayor
Craig Vejvoda, Councilmember
Maritsa Castellanoz, Councilmember
Shea Gowin, Councilmember

On behalf of the Tulare City Historical Society Board of Directors and the Tulare Historical Museum, I would like to thank the City of Tulare for its continued partnership which has spanned the past four decades! We request and anticipate your continued support in the fiscal year 2016-2017; it would be greatly appreciated! When we receive support from the city of Tulare, it goes far beyond the material monetary figure. By your support every year, you show every citizen of Tulare, as well as our many guests from around the U.S. and the world, that you are invested in the historic culture of our city, and in preserving the very fabric of its rich and varied tapestry that makes it what it is today.

This past year, THM reached a milestone as we celebrated our 30th anniversary. As a result of our existence for the past 30 years, we have been able to save and preserve thousands of items pertaining to our cultural history, which otherwise would have been added to that which has already been lost over the course of time. When items are lost forever, a part of our culture sadly goes along with it. However, when our history is preserved, even by a single item, it helps the cultural identity of our city to grow even stronger! I am Proud to say that this is what the dedicated volunteers and staff at THM have been doing for over 30 years!

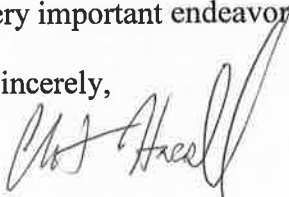
THM embarked upon a new chapter at the beginning of 2016. With the hiring of its first ever full-time Executive Director-Curator, THM is committed now more than ever, towards its next 30 years. The first priority I have had as your new Executive Director-Curator is to increase the value of our institution to its members and guests, and to raise our overall level of service. For example, many cost-saving measures have been implemented, as we strive to make our facility as energy efficient as possible. Many similar measures will also occur this year, including the updating of our overall facility. We want every donor, the City of Tulare included, to feel that their monetary donations are worth much more than their given dollar amounts, when used to their maximum potential.

A few of THM's highlights during the fiscal year of 2015-2016 have been:

- Over 3,000 guests visited from throughout the local area, as well as the U.S. and the world.
- School tours provided for all 45 third grade classes in the Tulare City School District.
- Held several group tours, ranging from boy scout troops and youth groups, to senior citizen centers.
- Sponsored the 'Adopt-An-Animal' naming contest for our 3rd grade school tours.
- Opened our doors to the public for free 12 times throughout the year.
- Selected as site for the West Coast Civil War Round Table Conference.
- Numerous historical research requests through our Tom Hennion Archives Center, from people/organizations throughout the world.
- Inclusion of THM in historical/travel website www.tularecountytreasures.org.
- Hosted 9 local art exhibitions, to include the 28th annual Student Art Show.
- 'War Comes Home: The Legacy' traveling exhibit, in partnership with California Association of Museums and Exhibit Envoy.
- Special photography exhibition in partnership with the Major Lucas Gruenther Legacy Foundation.
- Hosted 30th Anniversary Celebration and weekend long Open House.
- Held four fundraisers throughout the year, to include the 25th annual 'Taste Treats in Tulare.'

To this day, the Tulare Historical Museum is regarded not only as an important and valuable resource to the city of Tulare and its residents, but also as a culturally important and desirable point of interest to travelers world-wide. THM looks forward in our continued work of preserving and celebrating Tulare's history, and we look forward to continue working with you in this very important endeavor.

Sincerely,



Christopher Harrell
Executive Director-Curator, THM

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Community Development: Parks, Library & Recreation

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Accept donation in the amount of \$30,000 toward the 1 million dollar pledge made by the Tulare Library Foundation.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

To offset the cost of the new library construction the Tulare Public Library pledged to raise 1 million dollars. The Tulare Library Foundation is presenting its annual donation to the City of Tulare in the amount of \$30,000. This donation brings their total pledge amount to \$420,000. Tulare Library Foundation has also contributed over \$5,000 for the 2016 Summer Reading Program, "Read for the Win @ Tulare Public Library."

STAFF RECOMMENDATION:

Accept donation in the amount of \$30,000 toward the 1 million dollar pledge made by the Tulare Library Foundation.

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Sara Brown

Title: City Librarian

Date: June 21, 2016

City Manager Approval: _____

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Planning & Building Department

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Appeal hearing for Council's consideration on an appeal filed by Driven Construction/Greg Nunley (Applicant) of Planning Commission's decision to require a block wall along Seminole Avenue (specifically condition No. 22 of Design Review No. 1075), as approved by the Planning Commission on May 9, 2016, and Adoption of Resolution 16-_____ either denying or upholding the appeal, or provide direction to staff to remand the project back to Planning Commission for further consideration.

IS PUBLIC HEARING REQUIRED: Yes [Appeal Hearing] No

BACKGROUND/EXPLANATION:

On May 9, 2016, the Planning Commission approved Design Review No.1075 by a 6-0 vote (one commissioner absent), with the added following condition of approval imposed by the Planning Commission:

22) Applicant to construct a block wall consistent with existing block walls along Seminole Avenue of standard height to be approved by the Planning Director.

Design Review No.1075 is a project to construct a gated 32 unit multi-family residential community located on approximately 3.37 acres on the south side of Seminole Avenue, approximately 500 feet east of Mooney Boulevard (portion of APN 172-070-002). The full staff report and meeting minutes are attached. Driven Construction/Greg Nunley (Applicant) has appealed the Planning Commission's decision to add the condition requiring a block wall for the following reasons:

- 1) The condition is not based on Municipal Code, which does not require a block wall and was not required to mitigate any impact and was solely required to match the wall across the street and because "people living in a gated complex will want a block wall".

Staff Comments: Several members of the public testified during the public comment period. Comments generally centered on the need to be consistent with adjacent

development (KCOK Ranch) to the north and (The Greens Subdivision) to the east with regard to the established block walls along Seminole Avenue.

Planning Commission noted that all prior approved residential projects (KCOK Ranch Subdivision, The Greens Subdivision and the Farrar Subdivision) located along the Seminole Avenue corridor incorporated a block wall and landscape design where residential lots “backed up” to Seminole Avenue, also referred to as “backing lot treatment”.

Planning Commission also considered the orientation of the proposed multifamily units in relation to Seminole Avenue: Proposed northern tier units (closest to Seminole Avenue) take access (both pedestrian and vehicle) from the south, off of the internal private drive. Some commissioner’s expressed the need to provide for future tenant privacy, as the Seminole elevations include bedroom/living room windows.

Municipal Code Section 10.36.070 (E) (1) (Multiple-Family Residential District Design Standards) states:

Wherever multiple-family residential uses abut commercial uses, industrial uses or other undesirable features such as freeways, a solid seven-foot tall block wall and dense landscaping shall be provided along abutting property lines and special consideration shall be given to location and orientation of the residential structures so as to minimize any harmful effects created by nearby nonresidential uses. Along streets designated as arterial or primary thoroughfares, the Planning Commission may require proposed uses to backup to the roadway.

Seminole Avenue is categorized as a “Primary Collector” street as defined in the City’s General Plan:

Primary collector streets are intended to transfer traffic from collector and minor streets to an arterial. Average daily traffic on a primary collector will usually average less than 10,000 vehicles per day. Primary collector streets should provide direct linkages to neighborhood shopping areas. Primary collector intersections should be staggered to discourage their use as through access ways by-passing arterials. Direct access for low density residential, commercial and industrial uses and developments should be permitted consistent with adopted improvement standards.

Ultimately, Seminole Avenue is planned to connect Mooney Boulevard to the west and Morrison Street to the east. Municipal Code does not provide a definition for “primary thoroughfares”.

After lengthy public testimony and discussion, Planning Commission added the block wall condition.

STAFF RECOMMENDATION:

Council to consider the appeal filed by Driven Construction/Greg Nunley (Applicant) of Planning Commission’s decision to require a block wall along Seminole Avenue (specifically condition No. 22 of Design Review No. 1075), as approved by the Planning Commission on May 9, 2016, and Adopt Resolution 16-_____ either denying or upholding the appeal, or to provide direction to staff to remand the project back to Planning Commission for further consideration.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Rob Hunt Title: Community Development Director

Date: June 17, 2016 City Manager Approval: _____



Appeal Application

Planning Division	Planning Commission	City Council
Application No.:	Hearing Date:	Hearing Date:
Date Received	Action	Action:
	Resolution No.	Resolution No.:

For Office Use Only

Applicant Information

Applicant: Driven Construction: Greg Nunley		Phone: 559-686-4852	
Mailing address: 1969 Hillman St	City: Tulare	State: CA	Zip: 93274
Agent:		Phone:	
Mailing address: same	City:	State:	Zip:

Describe wherein it is claimed there was an error or abuse of discretion wherein its decision is not supported by the evidence in the record:

The condition is not based on Municipal Code, which does not require a block wall and was not required to mitigate any impact and was solely required to match the wall across the street and because "people living in a gated complex will want a block wall".

	GREG NUNLEY	5-19-16
Signature		Date

Within ten (10) days following the date of a decision of the Planning Commission, or other Board Commission, or Administrative Decision may be appealed to the City Council by the applicant or any other interested party.

Request for Appeal of:
 Appeal of Condition #22 imposed by the Planning Commission requiring a block wall the length of Seminole.

MEMORANDUM

TO: PLANNING COMMISSION
FROM: ROB HUNT, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: DESIGN REVIEW NO. 1075
DATE: MAY 9, 2016

An appeal was filed by San Joaquin Valley Homes on the above referenced project. The appeal was heard by the City Council on April 5, 2016. The City Council referred the project back to the Planning Commission due to improper noticing (invalid 300 ft. mailing list) of the Public Hearing, so that a new public hearing could be held. Due to the improper noticing, the previous actions by the Planning Commission concerning this project are considered null and void. A corrected mailing list was established and a new public hearing scheduled for May 9, 2016. The Planning Commission will be reviewing this project in its entirety, holding a public hearing and ultimately render a decision.

**CITY OF TULARE PLANNING COMMISSION
STAFF REPORT**

Agenda Item No.

May 9, 2016

DESIGN REVIEW No. 1075

PROJECT PLANNER:	David Duda, Contract City Planner	
APPLICANT:	Driven Construction (Greg Nunley)	
LOCATION:	South side of Seminole Avenue, approximately 500 feet east of Mooney Blvd.	
APN:	172-070-002	
ZONING CLASSIFICATION:	RM2 (multi-family residential, 3,000 sq. ft. minimum lot area per unit)	
GENERAL PLAN DESIGNATION:	Medium Density Residential	
SURROUNDING LAND USES AND ZONING:	North: KCOK Subdivision	R-1-6
	South: Vacant Land	RM2
	West: Vacant Land	C-3
	East: Existing Residential	R-1-7

REQUEST:

A request by Driven Construction to construct a gated 32 unit multi-family residential community located on the south side of corner of Seminole Avenue, approximately 500 feet east of Mooney Boulevard. The project will consist of 16 single-story duplex buildings with 2-bedroom and 3-bedroom units with single car attached garages. The development (called Oak Creek) site is situated on 3.37 acres along the south side of Seminole Avenue east of Mooney Boulevard. The property is zoned RM-2 (multi-family residential, 3,000 sq. ft. min. lot area per unit).

DETAILS OF PROPOSAL:

The property is currently vacant land located adjacent to Seminole Avenue, east of Mooney Boulevard. The project is being proposed on a 3.37 acre portion of a larger 18.05 acre parcel (APN 172-070-002). The project is required to go through the Design Review approval process to move forward with the project (*Chapter 10.120 – Design Review*).

STAFF COMMENTS:

This type of use is a permitted use within the Multi-Family Residential (RM-2) Zoning District (*Chapter 10.36 – Multiple Family Residential Zoning District*).

The Site Plan Review Committee reviewed the project with the applicant on January 12, 2016. The site plan and elevations were then revised and submitted to the City for compliance with the Zoning Ordinance.

The proposed project has been reviewed by the Public Works Director and City Engineer and determined that the proposed project be subject to the City's hydraulic water model analysis. The hydraulic model was completed and on February 4, 2016, the Board of Public Utilities approved for project for connection to the City's water system.

Utilities for the project are outlined as follows:

- Water – to be connected from the existing line in Seminole Avenue.
- Sewer – to be connected from the existing line in Seminole Avenue
- Storm Water – a proposed temporary basin will be located west of the project site and will be sized to collect the required storm water of the project. A permanent basin will be established as the balance of the subject property develops.

The project meets the requirements of the multi-family residential (RM-2) Zoning District and complies with the following details of the Multi-Family Design Guidelines:

- **Project Density:** The proposed project is consistent with the General Plan Medium Density Residential designation (7.1 to 14 units per acre) with the proposed density of 9.5 units to the acre. The proposed project is consistent with the RM-2 zoning density (multi-family residential, 3,000 sq. ft. min. lot area per unit), with proposed project density of 1 unit per 4,587 sq. ft. of lot area.
- **Building Design:** The proposed building and design will contain a mix of building materials, building architectural pop-outs, and colors to break up the building elevations and avoid monotonous blank wall space for the elevations viewable from public right-of-way. The building design includes a staggered front elevation to break up the continuous elevation that will be viewable from the public right-of-way. Front yard setbacks along Seminole Avenue are proposed at 16 feet, which are within a 20% minor deviation (MC, Title 10, section 10.132.010 (A)). An administrative approval for this minor deviation is recommended and has been added as a condition of project approval. Planning Director has the authority to declare what constitutes the front of a lot (MC Title 10, section 10.132.010 (A)). Proposed elevations show no roof mounted equipment, all A/C units are to be ground mounted. Of the 32 units proposed, 16 are 3 bedroom units (at 1,028 sq. feet each) and 16 are 2 bedroom units (at 944 sq. feet each).

- **Circulation/Parking:** Ingress/egress to the site will be from 2 locations, one entry/exit located off the New Street to the west of the project, and the other to be an exit only onto Seminole Avenue. The project will include 1 single car garage per unit (32), plus 32 covered stalls, and 7 uncovered guest spaces for a total of 71 parking stalls for the site (meeting Zoning Ordinance requirements of 2 covered parking spaces per unit, plus 1 guest space per 5 units).
- **Landscaping:** Landscaping is being provided along the Seminole Avenue frontage, around the interior of the site, and within parking areas to soften the paved areas and provide an aesthetic amenity. The landscaped islands within the parking area have been staggered to enhance the overall appearance of the parking facilities and building. Landscaping exceeds the 10% minimum required by the Zoning ordinance for multi-family projects.
- **Site Design:** The building design provides varied planes of the exterior walls to prevent long, blank spans of walls. The project also includes a staggered front yard setback along Seminole Avenue ranging from 16' to 20' to further provide an aesthetic appeal to the project (minor deviation subject to administrative approval as previously noted under *Building Design*). Subject property is located within the KCOK Landscape Maintenance District, which included maintenance estimates for backing lot treatment (block wall and landscaping) along the south side of Seminole Avenue (adjacent to the subject project site) should that development pattern be proposed. This project proposes a visually open concept, with wrought iron type fencing (connecting between the duplex buildings) along Seminole Avenue frontage, and wrought iron type fencing along the new north/south street frontage to allow visibility into the development. One pedestrian access point/gate is located off of Seminole Avenue (adjacent to the vehicle access drive) and one pedestrian access point with gate is located off of the new street (adjacent to the vehicle access drive). No other pedestrian access is proposed to the site from Seminole Avenue or the new street.
- **Other Considerations/Features:** The project site also includes a 2,000 sq. ft. recreational play area for children as required by the Zoning Ordinance for multi-family projects. The project includes approximately 50 sq. ft. of storage space within the garage area of each unit (as required by the Zoning Ordinance for multi-family projects). The project also includes an on-site manager (as required by the Zoning Ordinance for multifamily developments with 16 or more units). Applicant will be processing a parcel map to separate the subject project area (3.37 acres) from the larger 18.05 acre parcel (APN 172-070-002).

ENVIRONMENTAL FINDINGS:

On January 25, 2016, the Environmental Impact Review Committee recommended a Mitigated Negative Declaration for this project. An initial study/mitigated negative declaration has been prepared for the project in compliance with the California Environmental Quality Act (CEQA).

- 1) That a mitigated negative declaration has been prepared in accordance with the California Environmental Quality Act.
- 2) That the Planning Commission has considered the proposed mitigated negative declaration and finds that there is no substantial evidence that the project will have a significant effect on the environment.
- 3) That the Planning Commission finds that the proposed mitigated negative declaration reflects the independent judgement of the lead agency.

DESIGN REVIEW FINDINGS:

Staff recommends that the Planning Commission make the following findings with regards to Design Review No. 1075:

- 1) That the request is in conformance with the goals and objectives of the General Plan.
- 2) That the proposed location of the project is in accordance with the objectives of the Zoning Title and the purposes of the District in which the site is located.
- 3) That the proposed location of the use and the conditions under which it would operate or be maintained will not be detrimental to the public health, safety, welfare or be materially injurious to properties or improvements in the vicinity.
- 4) That the project meets the intent of the Design Review policies of the City of Tulare.

RECOMMENDATIONS:

- A. Adopt the Mitigated Negative Declaration for Design Review No. 1075.
- B. Based on the approved findings, staff recommends that Design Review No. 1075, be approved subject to the following conditions:

Planning:

- 1) All requirements of Title 10 (Zoning Ordinance) shall be met.
- 2) Approval does not authorize any deviation from Fire and Building Codes.
- 3) Development shall conform to the site plan and elevations for the proposed multi-family residential project as shown in Attachment II and III.
- 4) Applicant shall comply with San Joaquin Valley Air Pollution Control District regarding dust control during construction as required.

- 5) In accordance with Section 10.120.130, this Design Review approval shall lapse and become void (3) years from the effective date of approval, unless a building permit is issued by the City and construction is being diligently pursued.
- 6) All air-conditioning units shall be ground mounted.
- 7) Applicant to provide for an on-site manager.
- 8) Applicant shall submit three copies of Landscape and Irrigation plans consistent with the City Landscape Ordinance (Title 10, Section 10.196) and shall be approved prior to building permits being issued.
- 9) Landscaping shall be used to screen storage areas, trash enclosures, parking, public utilities and other similar elements. The landscaping shall screen these elements within three years of installation.
- 10) Fencing along street frontages shall be decorative type fencing, with final design to be approved by the Planning Director.
- 11) Applicant to provide fenced on-site children's play area with equipment. Equipment is subject to review and approval of the Parks & Recreation Director.
- 12) Applicant shall comply with Engineering and Fire Department comments/conditions (Attachments IV).
- 13) Applicant to allow for an annual inspection by the City of Tulare to ascertain compliance with fire, building code and City standards and conditions including but not limited to Design Review Conditions of approval.
- 14) On-site lighting shall be installed so as to not cause a nuisance to residential properties to the east.
- 15) Covered parking structures to be color matched to the apartment buildings.
- 16) Applicant to submit Administrative Approval application for building setback of 16 feet (pursuant to Minor Deviation, MC Title 10 Section 10.132.010) along Seminole Avenue.
- 17) Applicant to provide and locate mailbox cluster as approved by the U.S. Postmaster, Tulare.
- 18) Submittal of a grading plan which proposes elevations with greater than six inches in elevation to adjacent lots may be subject to a retaining wall. All grading plans are subject to approval of the City Engineer.

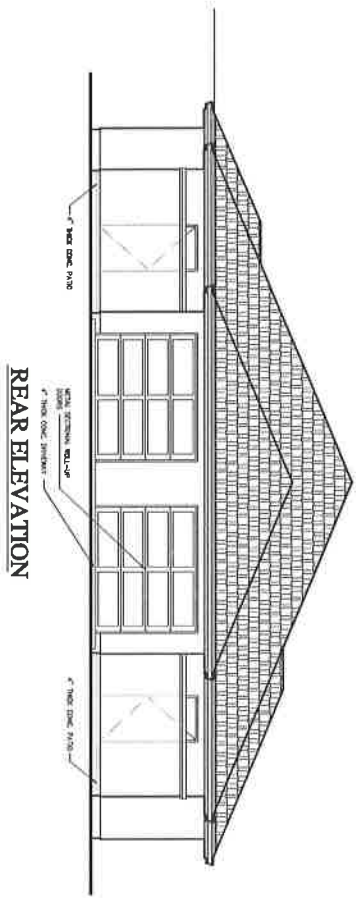
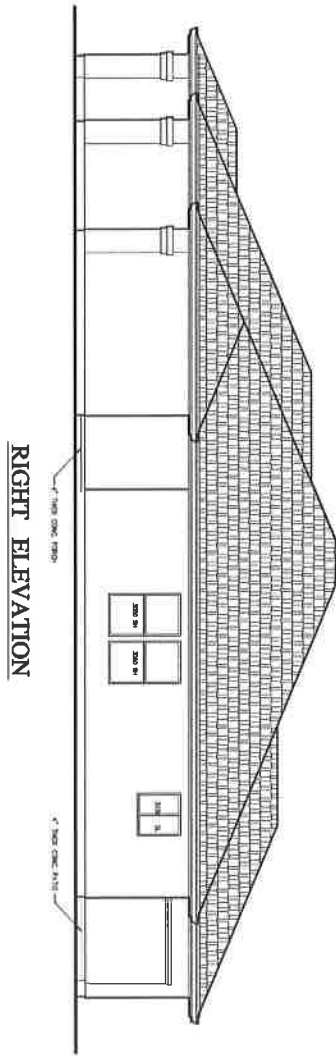
- 19) Full compliance with all conditions of approval stated in this document shall be achieved prior to the issuance of any Certificates of Occupancy or as modified by the Community Development Director. Any minor modifications shall be submitted to the Director to review and determine compliance with the original Conditions of Approval.
- 20) Prior to issuance of first building permit, confirmation by the Public Works Director that the firm supply of the City water system has not significantly decreased from the date of conditional approval, that connecting the units will not cause water pressure to drop below City standards at any place in the City solely because of connecting the project, that estimated demand is still less than or equal to the estimated firm supply, and that based on the first three assessments, that the connection will not put public health and safety risk.
- 21) The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(a), these conditions constitute a written notice of the amount of such fees, and a description of the dedications, reservations, and other exactions. The Owner/Developer is hereby notified that the 90-day protest period, commencing from the date of approval of the project, begins as of the date of Planning Commission's conditional approval of the project. If the Owner/Developer fails to file a protest regarding any of the fees, dedication requirements, reservation requirements, or other exactions contained in this notice, complying with all the requirements of Government Code Section 66020, the Owner/Developer will be legally barred from later challenging such exactions.

Attachments:

- I. Project Vicinity Map
- II. Site Plan
- III. Exterior elevation
- IV. Conceptual landscape plan
- V. Public Comment Letter dated 5/5/2016 from SJVH
- VI. Public Comment Letter dated 5/3/2016 from Lance Koepp
- VII. Public Comment Letter dated 5/5/2016 from Dixie J. Fordice
- VIII. Engineering Comments
- IX. Parks Comments
- X. Cal Trans letter dated 2/18/2016
- XI. MND Resolution No. 5176
- XII. Design Review Resolution No. 5177

OAK CREEK APARTMENTS

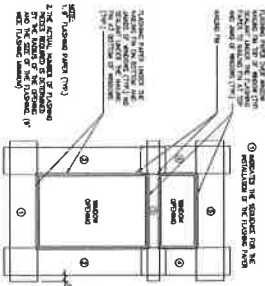




EXTERIOR ELEVATIONS / DETAIL

SCALE: 1/4" = 1'-0" 8P

8H WINDOW FLASHING



A-4

OAK CREEK APARTMENTS
OAK CREEK MULTI-FAMILY
 TULARE CALIFORNIA



SWIFT HOMES INC
 1989 HILLMAN
 TULARE, CALIFORNIA 93274
 (559) 686-4852

NO.	REVISIONS	DATE	BY	APP'D BY
1				WIF
2				JAN 2016
3				
4				



559.732.2660
222 N Garden St • Suite 100
Visalia • CA • 93291

May 5, 2016

City of Tulare Planning Commission
411 East Kern
Tulare, CA 93274
ATTN: Rob A. Hunt, Community Development Director

RE: Design Review 1075 – Proposed Apartments on Seminole and Mooney

Dear Honorable Planning Commissioners;

San Joaquin Valley Homes is the developer of the residential subdivision located across Seminole Avenue from the Project. The Tulare Community Development Department has advised San Joaquin Valley Homes the conditions of approval for the Project to be presented to the Planning Commission at the public hearing for the Project scheduled for May 9, 2016, will be the same conditions of approval presented to the Tulare Planning Commission at the public hearing for the Project held on April 5, 2016. As a result, San Joaquin Valley homes requests the following additional conditions of approval be required by the Planning Commission at the public hearing for the Project on May 9, 2016:

1. A block wall, sidewalk and landscaping be installed along Seminole Avenue for the full frontage of the Project. The block wall and landscaping will be of the same material and quality as installed at KCOK subdivision ("KCOK Subdivision") located across Seminole Avenue from the Project.
2. The landscaping and block wall will be maintained through a landscaping and lighting district ("LLD"). A new LLD can be created for the Project or the Project can be annexed into the KCOK Subdivision LLD. San Joaquin Valley Homes will consent to the annexation of the Project into the KCOK Subdivision LLD.
3. The 16-foot building setbacks for some of the Project apartments located along Seminole Avenue which are subject to a 20% administrative setback variance granted by the City of Tulare is acceptable **ONLY IF** the block wall and landscaping are installed and maintained through an LLD per paragraphs 1 and 2 above.
4. The Project is part of one single 18-acre parcel. The 18-acre parcel is currently zoned for multi-family and commercial uses (approximately 9 acres of multi-family and 9 acres of commercial uses). The "new street" as shown on the Project site plan is planned to eventually connect to Muirfield Street located south of the 18 acre parcel. Muirfield Street is a residential street in an established single family residential neighborhood. Therefore, a master plan for the entire 18 acre parcel (including the connection to Muirfield) must be submitted as part of Design Review No. 1075 for consideration by the Planning Commission. When the application for the KCOK Subdivision was

submitted to the City of Tulare, the City of Tulare required a master plan tentative map for the entire 125 acres showing ultimate street circulation, storm drainage, water, sewer, parks, circulation, block walls, etc. The Project and the remainder of the 18 acre parcel although smaller, must address the same issues. San Joaquin Valley Homes believes master planning the entire 18 acre parcel is good land use planning.

5. A new traffic study must be performed to correctly identify the traffic impacts for the Project and the development of the remainder of the 18 acre parcel. The City should evaluate the traffic impacts of development of all properties south to the Muirfield Street connection. The two (2) page Traffic Evaluation attached to the Mitigated Negative Declaration for Design Review 1075 identified trip generation only for phase 1 of the Project as opposed to traffic impacts upon development of the entire 18 acre parcel and surrounding parcels. The current multi-family zoning in this area allows for 180 to 200 multifamily units plus commercial uses. Traffic generated by development of the 18 acre parcel will flow onto the "New" Street, Muirfield Street and Seminole Street. The traffic impacts for the full development of the 18 acre parcel must be identified in a new Project traffic study. Further, the Traffic Evaluation for the Project relies upon the 2005 KCOK Subdivision traffic study. The KCOK Subdivision traffic study is eleven (11) years old. Also, on April 24, 2015, the Tulare City Council approved a new General Plan for the City. The 2005 KCOK traffic study does not address any potential traffic impacts resulting from land use changes and development in the area of the 18 acre parcel that will occur as a result of adoption of the new General Plan. Therefore the 2005 KCOK traffic study is outdated and irrelevant as to traffic impacts caused by the Project and the development of the remainder of the 18 acre parcel.

Representatives of San Joaquin Valley Homes will be present at the public hearing on May 9, 2016 to address the issues presented in this letter and answer questions from the Planning Commission. San Joaquin appreciates the Planning Commissions careful consideration of the issues raised in this letter.

Sincerely,
San Joaquin Valley Homes

By: 

Jim Robinson, Vice President

Cc: Michael Noland

Rob Hunt

From: Lance Koepp <lkoeppe@att.net>
Sent: Tuesday, May 03, 2016 8:05 PM
To: Rob Hunt
Subject: Oak Creek

Dear Mr. Hunt,

I and my family live in a house in The Greens, in Turnberry Ct. It has come to our attention that a gated apartment community, Oak Creek, is being built on the south side of Seminole Ave. We have some concerns regarding this apartment complex, as we do not want it to decrease our home's and neighborhood's value.

First, and foremost, we do not want them to be section eight or low income apartments, which would have a devastating effect on the value of the homes in the neighborhood.

The letter you sent out to us stated it Oak Creek is a gated community. We request that a block wall, sidewalk, and landscaping be installed along Seminole Ave. for the full length of the apartment community, and that it be of the same material and quality as Sedona installed along their neighborhood, so that it matches on both sides. We have heard that the apartment complex, as is currently designed, has no fence along Seminole Ave. What good is having a gated community, if the gate doesn't attach to anything? This is very misleading. Also, who wants to look right in to the rear windows of apartments? That would definitely have an effect on our home's and neighborhood's value.

The block wall and landscaping that should be constructed to match that across the street at Sedona, should also be maintained by a Landscape and Lighting District (LLD), just like that at Sedona.

Several of the foundations along Seminole that have been started in the apartment community have 16 foot setbacks to the street. The City Standard setback is 20 feet, and a variance is required to receive the 20% reduced setback to 16 feet. The City of Tulare should approve this shorter setback variance only if the block wall and landscaping are installed and the LLD is put in place as requested above.

A Master Plan for the 18 acres to be developed should be submitted and reviewed by all of us interested neighbors who will be effected, as well as the Planning Commission.

These are the issues that should be addressed. As per your letter, there is a public hearing on Monday, May 9th, at 7:00 p.m. in the City Council Chambers. Please consider this letter a RSVP and we will see you there.

Sincerely,

Lance Koepp
2657 Turnberry Ct. (The Greens)
Tulare, CA 93274

RECEIVED MAY 05 2016

DIXIE J Fordyce
777 SPYGLASS ST
PH 688 2670

Rob Hunt, Secretary,
City of Tulare Planning Commission

This is in reference to the Notice of Public Hearing Design Review No 1075. I would like to see a block wall built around the entire perimeter of the proposed site. Having the site without the block wall will undermine the value of the homes being built across the street and encourage visitors to park on Semiloe and Spyglass St. In addition if the value of the new homes being built are affected so are the homes in the established neighborhood.

I believe the block wall should include the ^{entire} ~~entire~~ perimeter of the site because the wooden fences behind Spyglass homes will not look attractive. If children are playing on the street by these fences, I feel the fences will deteriorate quickly.

I believe the Master Plan should be submitted for review for those of use on the neighborhood. I'd like to know what kind of commercial development is being considered

I believe the landscaping and lighting, ~~and~~ as well as the block wall should be maintained as are its surrounding neighborhoods.

The owner of this proposed site needs to clear the weeds encroaching into the area next to the wooden fences - its a fire hazard. A worker drops a cigarette - a fire starts. Fences and homes are burned.

I was under the impression the housing to be built would be a gated community, but it sounds like only the gate is planned - not the wall around it

Dixie J. Fordice
DIXIE J. FORDICE

May 3, 2016

received
5/6/16

Mr. Rob Hunt
Director
Community Development
411 East Kern Avenue
Tulare, CA 93274

Re: Oak Creek Development / Swift Homes

Dear Mr. Hunt:

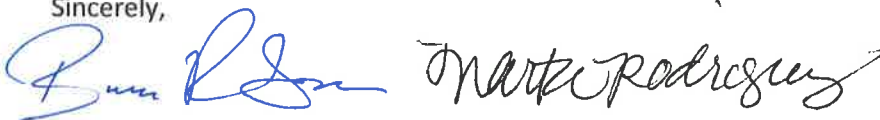
As homeowners just east of the proposed Oak Creek Development, we have some concerns with the design of the project and the impact it may have on our property. We understand that the site for the apartment complex is approximately 3 acres of an 18 acre parcel that is currently zoned for both commercial and residential use. It is of great concern to us that a master plan for all 18 acres was not required prior to the approval of the apartment complex, nor is one available.

Furthermore, the Oak Creek complex is being referred to as a "gated" complex, but current plans show that the complex will remain open along the backside at Seminole Avenue. A block wall, sidewalk and landscaping should be required along Seminole Avenue to match the current walls and landscaping of the existing subdivisions surrounding the complex, as well as acquiring a LLD to maintain such, as required for both The Greens and Sedona subdivisions.

Please also consider making Seminole Avenue a "red zone" to prevent parking along the street as it is anticipated that tenants and visitors will park along the street in order to access the proposed apartments. Preventing parking along Seminole Avenue will help keep traffic traveling into the Greens and Sedona subdivisions safe as well as deterring vandalism and crime.

Thank you for your consideration.

Sincerely,



Brad & Marta Rodriguez

cc: David Macedo, Mayor
Don Dorman, City Manager
Pete Vander Poel, Board of Supervisors, District 2
Craig Matthew Vejvoda, City Council Member, Area 5

Rob Hunt

From: Daniel Martin <dmartin@westernmilling.com>
Sent: Sunday, May 08, 2016 8:44 PM
To: Rob Hunt
Subject: Design Review #1075

Mr Hunt:

My name is Daniel Martin and I along with my wife Jill are a home owner in the Greens. We purchased 2 lots and had a custom home built by the Blains. We have been here since September 1, 2012. That was the day we moved into our dream home at 2599 Doral Ct. My sister and brother in law were already in the Greens and they are our next door neighbors. Since then my mother has purchased a home in the Greens at 311 Torrey Pines, and my other sister and brother in law purchased a home in the Greens at 2564 Muirfield Ave. We are all very pleased with the area. My concern is the landscape and block wall that is being negated along the proposed apartment complex being built to the west of the Greens.

At the Sedona development directly to the North of the proposed apartment complex they did a wonderful job of supplying a simple landscape and wall.

I am just 1 home but I hope you along with city council members strongly consider an enforcement of a block wall and landscape for the new apartment complex. I truly believe this would help the image of this area under development along with any other future development that is planned. Thank you for your time and consideration of this matter.

Daniel, Jill Martin & family.

Sent from my iPhone

Rob Hunt

From: Ryan Junio <jerzjunio@yahoo.com>
Sent: Sunday, May 08, 2016 10:19 PM
To: Rob Hunt
Subject: Design Review #1075

Mr Hunt

My name is Ryan Junio and I live at 2694 Doral Ct in the Greens development along with my wife and 2 yr. old son. We have resided here since May of 2014.

I am writing today to express my concern with the block wall, lighting and landscaping that currently is not part of the plans of the proposed apartment complex that is to be built west of the greens and alongside of Seminole St. The Sedona development north of Seminole just across from the proposed apartments did an excellent job supplying their frontage with a block wall and landscape and I just ask that the apartments be held to the same standard that the Greens and Sedona have both set. The addition of a simple block wall and landscaping will really help maintain the overall positive look of the whole neighborhood, city and future development in the area. Please consider this request.

Thank you for your time.

Ryan Junio & Family

Rob Hunt

From: onesportygrl@comcast.net
Sent: Monday, May 09, 2016 11:45 AM
To: Rob Hunt
Subject: Design Review #1075

Dear Mr. Hunt:

My name is Lisa Veenendaal and I along with my husband Hank are a home owner in the Greens. We purchased our home on Doral Ct. around November in 2010. We love our home and neighborhood and since our purchase, a few of my family members have also moved into the area as well as some friends.

However, I am concerned about the lack of landscape and block wall along the proposed apartment complex being built to the west of the Greens.

At the Sedona development across the street from the proposed apartment complex, they did a wonderful job of supplying a simple landscape and wall, which has helped with the image of the area as well as attracted possible homeowners.

I think that it is only right if the proposed apartment complex also build a wall and provide a simple landscape and I hope you along with city council members strongly consider enforcing that the builders do so.

Thank you for your consideration,
Hank and Lisa Veenendaal

RECEIVED MAY 09 2016

May 4, 2016

Dear Mr. Hunt,

My name is Shannon Beck and I live at 785 Spyglass Street in Tulare with my husband, Stephen, and 8-week-old baby girl, Evelyn. Our home is located directly behind the new apartments that are being built off of Mooney Boulevard and Seminole Avenue. I am not writing this letter to stop the building of the apartments, but to express a few concerns I have with how the apartments will look and affect our neighborhood and our home.

My first concern is that there is to be no block wall along Seminole Avenue. It was my understanding that this was to be a *gated* complex, however it is concerning to me that what I'm seeing built has the rear of the apartment units facing Seminole Avenue with no fencing or wall planned for installation. This means that as I drive up to my home, the apartments will be seen from Seminole due to no block wall along the frontage of the apartment complex. The builders across the street have built a quality block wall and I see no reason why the apartment builder could not construct a quality wall as well.

With no wall comes another concern for me. Parking along Seminole would be very convenient for residents and guests of the complex. In my opinion, Seminole is not set up for parking along the street. Cars parked along Seminole and blocking driving lanes could easily be avoided if there was a block wall.

Another concern I have is when I look at the apartment complex plan I see that a main exit for the complex has a road roughly 5 feet from my back fence and garbage dumpsters roughly 25-30 feet from the fence as well. I'm concerned and not very happy to have a road and dumpsters that close to my back fence. Headlights shining through the fence as we sit in our backyard and play with our daughter sound both frustrating and scary. Who is to say that a car couldn't come through the wooden fence? Who wants a dumpster that close to their backyard? I'm simply asking for a block wall along the East fence of the complex as well.

I know how unhappy I am to have this complex being built behind my home, and I know I cannot stop it from being built, but for me, I know I would be satisfied and feel much more safe with a block wall being built along Seminole Avenue AND along the East fence of the complex.

I thank you for your time and I will be at the public hearing with many of my neighbors on Monday, May 9 to express my concerns.

Thank you,



Shannon Beck

Mr. Chairman and members of the Planning Commission –

My name is Jim Robinson and I am one of the partners of San Joaquin Valley Homes. Joe Leal, one of the other partners is also here this evening. We have been building in Tulare since 1997 when we purchased the first phase of the Del Lago Masterplan from Fred Lagomarsino. We constructed over 1,000 homes in Del Lago managing the homebuilding division of McMillin Homes. During a very busy decade we managed to finish every subdivision we started in several cities in four counties. At Del Lago this included all of the perimeter walls, landscaping and streets, with the exception of Mooney Blvd. We also managed the construction of a thirty-acre park and the man-made lake in Del Lago for the City of Tulare.

Since starting San Joaquin Valley homes in 2013, we purchased two abandoned subdivisions in Tulare. Both of these subdivisions were located in areas where poorly maintained partially finished lots existed. Today those abandoned subdivisions have been replaced by quality developments that benefit the City of Tulare. Our Savannah subdivision is located on West Street on the west side of Tulare. We have built 80 homes to date and plan to build another 150 homes over the next three years. We purchased the Catalina subdivision at Palm Ranch and completed the last of 71 homes there in December. These two projects have added approximately 30 million dollars of value to the city and approximately three million dollars of fees paid to the City and School District in Tulare.

When we purchased the KCOK Ranch property in the 2009 it had been re-possessed by a bank. We have farmed the property for the last five years. We re-designed the tentative map in 2013 for a master plan with approximately 400 units, a new Tulare City Elementary School and a park. The School District owns the school site. Our new Sidona subdivision (KCOK) grand opened last month, and it has been well-received by the public.

I would like to begin my comments by saying that it is not our intention to stop the applicant's project. However, we do have valid concerns about the design and planning of the apartment complex being considered this evening. You have a letter from me in your packet that address the five issues:

1. A block wall, sidewalk and landscaping needs to be installed along Seminole Avenue for the full frontage of the apartment complex. The current plan shows no wall and apartments will be backing directly up to Seminole. The block wall and landscaping should be of the same material and quality as installed at KCOK subdivision located across Seminole Avenue from the project in order to maintain the integrity of the neighborhood.
2. The Landscaping and block wall should be maintained by a landscaping and lighting district. A Landscape and Lighting District (LLD) maintains the block wall and landscaping along Seminole for KCOK and the Green's subdivisions. The Staff Report confirms the project is located within the LLD created for our KCOK subdivision. Therefore, creation of a new LLD will not be necessary.
3. Several of the buildings along Seminole that have been started have 16-foot setbacks to the street. The City Standard setback is 20 feet, and a variance is required to receive the 20% reduced setback to 16 feet. Because the apartments will be backing up to Seminole the block wall and landscaping and the LLD per items #1 and #2 above will mitigate the negative effects of the reduced setback.
4. This 3.2 acre apartment site is part of one single 18 acre parcel. The 18-acre parcel is currently zoned for both apartments and commercial use. Approximately nine acres is zoned for apartments and nine acres are zoned for commercial. The proposed street that has been started on the west edge of the apartment complex will eventually connect to Muirfield Street. A master plan for the 18 acres (including the connection to Muirfield) should be added as a condition of approval for the project so that the development of the entire 18 acre parcel can be properly planned. The effect of the development of the entire 18 acre parcel on streets and infrastructure can only be properly evaluated by the City and all interested neighbors who will be effected when we have an opportunity to understand how the entire 18 acre parcel will be developed.
5. When our company submitted our application for our subdivision we were required to provide a master plan tentative map for the entire 125 acres

showing ultimate street circulation, storm drainage, water, sewer, parks, schools, circulation, block walls, etc. This project and the remainder of the 18 acres, although smaller, has the very same issues to address. We believe master planning the entire 18 acres is good land use planning.

Since I submitted the letter in your packet we have received the City Staff Report and have the following additional concerns:

1. In the Interoffice Memorandum dated February 18, 2016 from the engineering department, Mike Miller (item 11) discussed the need for a City of Tulare encroachment permit in order to tie into utilities in Seminole. This process of tying into the utilities has already started by the applicant, and I do not believe an encroachment permit has been issued to him.

The sewer line in Seminole, the curb and gutter, paving and storm drain line was installed by San Joaquin Valley Homes with the development of our KCOK subdivision. These improvements have NOT been accepted by the City of Tulare. Can the City Engineer please confirm this fact? Until accepted by the City, these improvements belong to San Joaquin Valley Homes. These improvements have now been compromised by the developer of the apartment complex by digging into the street and initiating connections to these improvements. We do not believe the developer has any right to connect to these improvements and use the improvements until we finish them and the City accepts them as complete. We request confirmation from the City Staff that we will not be required to repair any of the damage or correct any work performed by the developer to our work as a condition of the City's acceptance of the improvements.

2. In item 32 of the Memo the City is requiring that the developer to pay the City front footage fees of \$25.00/LF as a condition to connection to the sewer line through a benefit district. We just installed this sewer line as I stated above. How can the City charge the developer for a sewer line we installed? We would like to understand if this reimbursement would be paid to San Joaquin Valley Homes, since we installed and paid for these improvements?

You will note that the 4th box located in item #32 is a front foot fee for streets is not checked. We believe a front footage charge for the Seminole and the Mooney Blvd frontage should be charged to the project and reimbursed because San Joaquin constructed the Seminole and Mooney Blvd. frontage

3. As a comment to the Mitigated Negative Declaration for the project, Cal Trans submitted a letter dated February 18, 2016. This letter was not received by the City in time to be included in your previous packet for the public hearing in February. Item #3 in the letter states that Cal Trans recommends that this project pay their fair share of the SR63/Seminole Ave. intersection based on the KCOK subdivision TIS. We respectfully request that the Planning Commission follow that recommendation of Cal Trans.

Thank you for your consideration.

I am available to answer questions.



INTEROFFICE MEMORANDUM

Engineering Department

Michael W. Miller, City Engineer

TO: Planning and Building

FROM: Engineering

SUBJECT: Design Review Application No.: 1075

LOCATION: East of Mooney Boulevard, southside of Seminole Avenue

OWNER/DEVELOPER: Swift Homes

DATE: 2/18/16

1. All required engineering plans and calculations shall be prepared by a registered civil engineer. Any elevations shown on plans required for the subject development shall be based on the official City of Tulare datum. The Engineer shall provide three (3) copies of each improvement plan set submitted to the City of Tulare for checking. All public improvements shall be on 24" x 36" sheets, in a plan/profile format at a scale of 1"=50' or larger. Private on-site improvements may be plan-view only format, and may be on sheet sizes consistent with the rest of the on-site construction plans. Following approval of the improvement plans, the Engineer shall provide the City of Tulare with two reproducible plan sets. This shall be done prior to scheduling any pre-construction conferences or commencing any improvements.
2. Any work to be done within the City street rights-of-way requires an encroachment permit issued by the Engineering Department, and shall be done under the inspection of the City Public Works Inspector. All contractors working within City street rights-of-way shall possess a valid City of Tulare business license. Separate encroachment permits are also required from the following agencies for work within their rights-of-way or on their facilities: County of Tulare: _____, State: _____, Tulare Irrigation District.
3. All design and construction of public improvements shall be in accordance with applicable City Standards, Specifications, Ordinances, and Standard Operating Procedures, unless specifically modified elsewhere in these conditions. These engineering conditions are intended to deal with major issues apparent to the Engineering Department while reviewing this development proposal. Nothing in these conditions precludes the City Engineer from applying other conditions/modifications necessary for good design, operation, and maintenance of existing and future City facilities, as might become apparent during design review and/or construction.
4. Easements will be required for all utilities to be located outside of dedicated rights-of-way. Six-foot public utility easements will be required along all street frontages, unless otherwise waived by the City Engineer. Additional easements may be required for ingress/egress, drainage, or shared trash enclosures.

5. New City standard curb and gutter shall be installed along the following street frontage(s): New Street south of Seminole Avenue. Any unused depressed curb along project frontages shall be replaced with City standard barrier curb or, subject to City Engineer approval, a full City standard drive approach.
6. Existing curb and gutter along project frontage(s) shall be inspected by the City Public Works Inspector, and any that is determined to be defective or in need of repair shall be replaced in accordance with current City standards.
7. New City standard sidewalk shall be constructed as indicated below. The maximum slope adjacent to the back of any public sidewalk shall not exceed 5:1 for the first 5 feet. For areas located within a Landscape and Lighting District, the maximum slope between the back of the sidewalk and the wall or fence shall not exceed 10:1.

<u>Location</u>	<u>Configuration</u>	<u>Width</u>
Seminole Ave	in a parkway pattern	5-ft
New Street	adjacent to curb	5-ft

8. Existing sidewalk shall be inspected by the City Public Works Inspector, and any that is determined to be defective or in need of repair shall be replaced in accordance with current City standards.
9. New City standard ramped curb returns and/or pedestrian ramps shall be installed at intersection of New Street and Seminole Avenue. .
10. New City standard driveway approach(es) shall be constructed at New Street project entrance south of Seminole Avenue and Seminole Avenue project entrance.
11. The following minimum street improvements are required:

Roadway structural section design shall be based upon the results of "R" Value tests at locations approved by the City Engineer, and the design criteria provided below:

<u>Roadway</u>	<u>Classification, Design T.I.</u>
New Street	Local Street, T.I. = 5.0 3.0" AC / 6.0" AB

12. On-site A.C. pavement design shall be based upon the results of "R" Value tests at locations approved by the City Engineer, and the following traffic index requirements: 4.0 for parking areas, 4.5 for travel lanes, and 6.5 for truck routes (including solid waste collection vehicles).
13. Street Lights (Standard Concrete Marbelite Pole) shall be installed at locations designated by the City Engineer, and shall comply with the following general requirements:
 - LED, SCE Owned/Maintained
 - 5,800 Lumen Equivalent: New Street
 - 9,500 Lumen Equivalent: Seminole Avenue
14. Street name signs, traffic control signs, pavement delineation and/or pavement markings shall be installed as required by the City Engineer.
15. The following right-of-way dedications are required for street/alley purposes:
 - a. 20' property corner radius: at intersection of New Street and Seminole Avenue
 - b. Street: New Street (local standard) - 58' right of way; 36' curb face to curb face
16. The proposed development shall remove or relocate as per serving utility company requirements, any existing utility which conflicts with the installation of required improvements.
17. The proposed development shall be responsible for the following water main extensions and connections: water main extension in New Street from Seminole Avenue south and then looping back through the site, returning to Seminole Avenue at east project entrance

18. Fire hydrants and fire suppression systems shall be provided as required by the City of Tulare Fire Marshall. The proposed development shall demonstrate that sufficient flows are available to support the required improvements. All points of connection to the City water system are subject to the approval of the City Engineer.
19. The current emergency drought condition in the City and the entire State, as well as reduced production of certain wells in the City's system due to contamination, along with significant rise in water service demand on the City's system, has created a need for ensuring that future connections to the system do not adversely affect the City's ability to deliver safe water supply to all of its customers. A full analysis of project impacts to the City's overall water system shall be completed at Developer's expense. The analysis shall be based upon the City's official hydraulic model of the system, and shall be performed by the City's selected consultant. The scope and final determination of the analysis shall be subject to the approval of the Public Works Director, whose decision can be appealed to the Board of Public Utilities. Should the hydraulic model show that connection of the project shall have adverse impacts on the City overall water system, the Developer shall be required to mitigate the adverse impacts to the satisfaction of the Public Works Director and City Engineer prior to approval being granted for connection to the system.
20. The proposed development shall install water services with back flow devices, as approved by Planning and Building. Water sizing calculations shall be provided at time of building permit application. Domestic and landscaping services shall be metered services using the make and model of meter specified by the City of Tulare Public Works Department. No substitutions are allowed.
21. Existing water wells shall be abandoned, filled and sealed in accordance with applicable City, County of Tulare, and State of California standards.
22. The proposed development shall be responsible for the following sanitary sewer main extensions and connections: sewer main extension in New Street from Seminole Avenue to proposed south property line of Oak Creek Apartments, including installation of manholes as required in City of Tulare Design Guidelines
23. The proposed development shall connect to City sewer. If service from an existing lateral is proposed, said lateral shall be exposed for inspection by the Public Works Inspector and upgraded to current City standards if found to be broken or substandard.
24. Existing septic tanks shall be abandoned, filled and sealed in accordance with applicable City, County of Tulare, and State of California standards.
25. The proposed development shall be responsible for the following storm drain line extensions and connections: As required to serve the project.
26. A grading/drainage plan prepared by a Registered Civil Engineer or Licensed Architect and subject to approval by the City Engineer shall be submitted. The plan shall include existing and proposed contours, and detail the means of collection and disposal of storm water runoff from the site and adjacent road frontages in such a manner that runoff is not diverted to adjacent property. On-site retention of storm water runoff is required not required.
A letter certifying that construction was completed according to the approved grading/ drainage plan shall be prepared by a Registered Civil Engineer or Licensed Architect and submitted to the City Engineer prior to the issuance of final occupancy permits. The Engineer or Architect shall affix their stamp and seal to the letter.
27. All unused culverts shall be abandoned and plugged in a manner acceptable to the City Engineer.
28. A trash enclosure is required and shall be shown on the improvement drawings. The type, location and orientation of the enclosure shall be subject to the approval of the Solid Waste Division Manager. For doublewide enclosures, separate bins are required for solid and recyclable waste, and identification signing shall be posted adjacent to all points of direct access. The wording of the signing shall be clear and concise, and shall identify all materials accepted in the recycling bin.
29. A Public Works Inspection Fee is required prior to the construction of improvements.

30. A landscaping plan subject to the review and approval of the Director of Parks and Community Services shall be provided. Approval of the landscaping plan is required prior to approval of engineering improvement plans by the City Engineer. All existing trees that conflict with proposed improvements shall be removed to a depth of two (2) feet below proposed finish grade.
31. If applicable, existing irrigation ditches and/or canals shall be piped, developed into a trail, or relocated outside the project boundaries per the direction of the City Engineer and affected irrigation district. Related irrigation facilities shall be subject to the same requirements for piping or relocation.
32. All applicable City fees shall apply unless specifically waived or modified elsewhere in these conditions. All fees shall be based on the current fee schedule in effect at the time of recordation of the final map. These fees include, but are not limited to:

- Sewer front foot charges of \$ 25.00 per front foot for frontages on Seminole Avenue.
- Sewer lift station fee of \$ _____ per acre.
- Water front foot charges of \$ 17.50 per front foot for frontages on Seminole Avenue.
- Street front foot charges of \$ _____ per front foot for frontages on _____.
- Benefit district creation fee (if applicable): \$ 1,008.19 per district.
- Traffic signal in-lieu fee of \$ _____.
- TID ditch piping In-lieu fee of \$ _____.
- Sewer main construction in-lieu fee of \$ _____.
- Water main construction in-lieu fee of \$ _____.
- Street construction in-lieu fee of \$ _____.
- Engineering inspection fee based on a percentage of the estimated cost of construction.
- Development impact fees to be paid with building permit.
- Engineering plan check fee to be paid at time of plan submittal.
- Final map plan check fee to be paid at time of map submittal.
- Other: _____

33. The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(a), these conditions constitute a written notice of the amount of such fees, and a description of the dedications, reservations, and other exactions. The Owner/Developer is hereby notified that the 90-day protest period, commencing from the date of approval of the project, begins as of the date of Planning Commission's conditional approval of the project. If the Owner/Developer fails to file a protest regarding any of the fees, dedication requirements, reservation requirements, or other exactions contained in this notice, complying with all the requirements of Government Code Section 66020, the Owner/Developer will be legally barred from later challenging such exactions.

Prepared By: Tony Trevino, Engineering Assistant

INTEROFFICE MEMORANDUM

TO: Development Services Division
FROM: Parks Division
SUBJECT: DR NO. 1075 (Swift Homes)
DATE: January 12, 2016

The main objectives of the City of Tulare's Landscaping Ordinance include conserving water through the selection of plants consistent with Tulare's Mediterranean climate; design of water efficient landscapes; and to enhance the aesthetic appearance of the city by promoting development that is well landscaped, properly irrigated and effectively maintained.

Development projects should include the following basic standards from the City's landscape Ordinance:

1. Four (4) sets of detailed landscape and irrigation plans that meet the City of Tulare's standards are required to be submitted prior to building permit issuance.
2. All areas not set aside for parking, storage, driveways, and walkways or loading areas shall be landscaped. A minimum of 5% of the gross lot area shall be developed.
3. Landscaped areas over 500 sq. ft. must comply with AB 1881 Water Efficient Landscape Standards and be certified by the developer.
4. Landscaped areas that front onto a street shall have a minimum tree density of one tree for every 200 sq. ft. of planter area.
5. Shrubs: At least 50% of shrubs within planter areas are to be 5 gallon size and spaced in such a way as to achieve a minimum of 1 plant per 20 square feet.
6. Trees used in parkways shall be from the approved City of Tulare Street Tree list.
7. All parking lots with a capacity of 20 cars or more shall contain shade trees, which within 10 years from installation, shall shade 50% of the parking lot.
8. For each ten parking spaces, a minimum of one 15-gallon shade tree shall be installed, but more may be required to meet the 50% shading requirement.
9. A minimum of 25% of the trees planted shall be 24 inch box trees or larger. The remaining trees shall be 15 gallon or larger and double staked per City Standards.
10. Shade trees planted within a parking lot shall be evenly distributed throughout the lot.
11. Turf shall not exceed 50% of the total landscaped area.
12. A minimum of 2" of forest humus or walk-on bark shall be applied to all planting areas except turf.
13. An approved back-flow device is required upstream of the irrigation system.
14. An automated irrigation controller is required, as well as an automatic rain shut-off device on irrigation systems with seven (7) or more valves.

A complete copy of the City's landscape standards may be viewed on-line at www.ci.tulare.ca.us. If there are questions regarding the above requirements or how they impact the specific project, please contact the City of Tulare, Recreation and Parks Department at 559-684-4310.

DEPARTMENT OF TRANSPORTATION**DISTRICT 6**

1352 WEST OLIVE AVENUE

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February 18, 2016

06-TUL-63-0.457
2135-IGR/CEQA
DR 1075
32 UNIT COMPLEX

Mr. David Duda, Contract City Planner
City of Tulare
Community Development – Planning Division
411 E. Tulare Street
Tulare, CA 93274

Dear Mr. Duda:

Thank you for the opportunity to review Design Review (DR) 1075, proposing to allow a 32 unit multi-family residential complex. The project proposes 8 single story 4-plex buildings with 2 and 3 bedroom units. The project is located on the south side of Seminole Avenue approximately ¼ mile east of the State Route (SR) 63/Seminole Avenue intersection. Caltrans has the following comments:

1. In 2013, Caltrans reviewed a Traffic Impact Study (TIS) for the KCOK subdivision, proposing 327 single family lots, 32 multi-family units, an elementary school and a park, located directly north of the proposed 32 unit subdivision under DR 1075.
2. Per the TIS completed for the KCOK subdivision, the project is responsible for the SR 63/Seminole intersection improvements (median improvements for left turn lanes, widening, frontage improvements & utilities for future signalization) to mitigate the project's impacts to the State Highway System and the City's local circulation system.
3. In lieu of a TIS for DR 1075, Caltrans recommends that the project pay its fair share of project impacts to the SR 63/Seminole Avenue intersection based on the KCOK subdivision TIS.

If you have any other questions, please call David Deel at (559) 488-7396.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Navarro".

MICHAEL NAVARRO, Chief
Planning North Branch

CITY OF TULARE PLANNING COMMISSION

REGULAR MEETING MINUTES

**Council Chambers
491 North M Street**

May 9, 2016

COMMISSIONERS PRESENT: Davis, Crase, Killion, Herrera, Miguel, Rocha

TEENS ON BOARD PRESENT: None

STAFF PRESENT: Rob Hunt, Community Development Director
Traci Myers, Community Development Deputy
Director
David Hale, Assistant City Attorney
Lucie Brown, Commission Clerk

CALL TO ORDER:

Chairman Killion called the regular meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE:

Chairman Killion led us in the flag salute.

CITIZEN COMMENTS:

None

COMMISSIONER COMMENTS:

None

STAFF COMMUNICATIONS:

None

CONSENT CALENDAR:

Minutes of the April 25, 2016 meeting.

Commissioner Crase noted a correction on page 3, noting that she was listed as both voting and as absent. Correction was noted.

It was motioned by Commissioner Crase and seconded by Commissioner Rocha to approve the minutes of the April 25, 2016 meeting with the above noted correction.

Motion carried by unanimous vote.

PUBLIC HEARING:

Modification to Conditional Use Permit No. 2009-13:

Traci Myers, Community Development Deputy Director, provided the Commission with a request by Jonathan Van Ryn for a modification (expansion of the floor plan from 3100 sf to 6156 sf) to CUP 2009-13 which grants applicant, Jonathan Van Ryn for a type 41 ABC license for onsite sale of beer and wine in conjunction with the Bravo Farms restaurant located at 1691 Retherford Street.

Chairman Killion opened the public hearing.

There being no one to speak in favor of or against the project the public hearing was closed.

It was motioned by Commissioner Rocha and seconded by Commissioner Herrera to adopt Resolution 5175, approving Modification of Conditional Use Permit No. 2009-13 based on the findings and subject to the conditions listed in the staff report.

COMMISSIONERS

AYES: Rocha, Herrera, Davis, Crase
Miguel, Killion

ABSENT: Miller

NOES: None

ABSTAIN: None

Conditional Use Permit No. 2016-01:

Rob Hunt, Community Development Director, reviewed with the Commission a request by Daniel Delgadillo to move two houses onto property located at 767 Mariposa Avenue for multi-family residential use.

Chairman Killion opened the public hearing.

There being no one to speak in favor of or against the project the public hearing was closed.

Commissioner Rocha asked if there were other lots in the area that have more than one unit on the residence.

Director Hunt stated that most lots are single family residences.

It was motioned by Commissioner Crase and seconded by Commissioner Rocha to adopt Resolution 5178, approving Conditional Use Permit 2016-01, based on the findings and subject to the conditions as listed in the staff report.

COMMISSIONERS

AYES: Crase, Rocha, Herrera, Davis, Crase
Miguel, Killion

ABSENT: Miller

NOES: None

ABSTAIN: None

Conditional Use Permit No. 2016-10:

Traci Myers, Community Development Deputy Director, reviewed with the Commission a request by Paul Singh for a temporary move-on structure (modular building) to operate a mini-mart/ gas station located at 1297 E. Paige Avenue.

Chairman Killion opened the public hearing.

There being no one to speak in favor of or against the project the public hearing was closed.

Commissioner asked if CalTrans has decided what it to be done with the Paige Avenue off ramp.

Michael Miller, City Engineer, stated that no decision has been made, no study has been conducted.

Commissioner Crase asked if the unit was already on site.

Deputy Director Myers, stated that the unit is currently on-site and operating.

It was motioned by Commissioner Miguel and seconded by Commissioner Rocha to adopt Resolution 5179, approving Conditional Use Permit 2016-10, based on the findings and subject to the conditions as listed in the staff report.

COMMISSIONERS

AYES: Miguel, Rocha, Davis, Crase
Herrera, Killion

ABSENT: Miller

NOES: None

ABSTAIN: None

Mitigated Negative Declaration/ Design Review No. 1075:

Rob Hunt, Community Development Director, reviewed with the Commission a request by Driven Construction (Greg Nunley) to adopt a Mitigated Negative Declaration and Design Review to construct a 32 unit multi-family residential community located on the south side of Seminole Avenue, approximately, 500 feet east of Mooney Boulevard.

Chairman Killion opened the public hearing.

Darlene Mata, spoke in favor of the project. She addressed some of the concerns expressed in letters written by some of the surrounding neighbors regarding, block wall, landscaping, master plan and traffic study. She also noted that this complex will not be Section 8 housing but market rate apartments.

Jim Robinson, San Joaquin Valley Homes, presented the Commission with a letter noting concerns he has with this project. He cited issues with block wall, landscaping and he would like to see a masterplan for the entire 18 acre parcel.

Sam _____, Tulare resident, also requested a block wall along Seminole as well as landscaping and maintenance and he too would like to see a master plan of the entire 18 acre development.

Matt _____, Tulare resident, noted that he is neither in favor or opposed to the project. He too requested a block wall be constructed along Seminole to maintain consistency and asked if the apartments would be section 8.

Darlene Mata, noted that the apartments would be market rate.

Dixie Fordyce, Tulare resident, noted her concern that the developer has been doing work without permits and she too requested a block wall along Seminole.

Lance Koepe, 2657 Turnberry, asked for block wall.

Kelly Perkins, homeowner in the Greens subdivision, noted the importance of maintaining consistency in the neighborhood and requested a block wall along Seminole.

Wayne Ross, Tulare resident, requested a block wall along Seminole and stated that he hoped the two developers could come to some sort of compromise.

Darlene Mata, responded to some of the residents' concerns. She noted that the developer will pay all the fees that he is required to pay, work done without permits is not uncommon, but all work done is done at the risk of the developer, project will have drought tolerant landscaping as required by the City, as far as block wall issues there are several apartment projects in Tulare that do not have block walls.

There being no one else to speak in favor of or against the project, the public hearing was closed.

In the interest of public disclosure Commissioner Davis, and Chairman Killion both met with Mr. Robinson, Commissioner Miguel spoke with Mr. Robinson on the phone, Commissioners Herrera, Rocha and Crase all received emails but did not meet with Mr. Robinson.

Commissioner Rocha asked if there would be parking aloud on Seminole.

Mike Miller, stated that yes parking is allowed on Seminole.

Chairman Killion stated that he feels a wrought iron fence along Seminole would be out of place and not aesthetically pleasing.

Commissioner Miguel asked about access through the pedestrian gates, if it would be key access, card key or code.

Darlene Mata stated that it would be a code access to get in through pedestrian access.

Commissioner Davis stated that he too hoped that the developers could come to an agreement on their own. He noted that he is in favor of a block wall along Seminole, not just for this project but for future projects along Seminole, to keep up the consistency of the neighborhood.

Director Hunt noted for clarification that a block wall is not required by ordinance.

Commissioner Herrera noted that after hearing the residents and their concerns she too sees the need for a block wall.

Commissioner Rocha stated that since the back of the units face Seminole she feels a block wall should be required and would like to see a condition requiring a block wall along Seminole.

Director Hunt stated that if Planning Commission were to require applicant to construct a block wall, the typical landscape setback is 10 feet. Since there is a 16 foot setback proposed, with the 10 foot landscape setback that would leave 6 feet to structure which still meets code.

Commissioner Rocha was prepared to make a motion.

Director Hunt wanted to clarify that if conditioning the project the Commission cannot place a condition requiring that the applicant be added to the Landscape and Lighting District. The applicant cannot be forced to be annexed into Landscape & Lighting District without consent.

Assistant City Attorney Hale, stated that the Commission should also clarify, specifically for the applicant, where the block wall starts, where it ends and the extent of the block wall requirements.

Director Hunt also stated that construction type, and whether or not it is to be made similar to the existing block wall that is across the street. All of this needs to be articulated in the condition.

It was motioned by Commissioner Rocha and seconded by Commissioner Miguel to adopt Resolution 5176, adopting a Mitigated Negative Declaration for Design Review No. 1075 based on the findings included in the staff report.

COMMISSIONERS

AYES: Rocha, Miguel, Davis, Crase
Herrera, Killion

ABSENT: Miller

NOES: None

ABSTAIN: None

It was motioned by Commissioner Rocha to add a condition to the project requiring applicant to construct a block wall on the entire length of the project along Seminole Avenue to conform with existing block walls in the area and to be approved and authorized by the City Engineer.

Director Hunt stated that typically the Chief Building Official or Planning Director approves these block wall permits.

Assistant City Attorney Hale, clarified motion that the applicant is to construct a block wall consistent with existing block walls along Seminole Avenue of standard height to be approved by the Planning Director.

It was seconded by Commissioner Crase to adopt Resolution 5177, approving Design Review No. 1075 based on the findings and subject to the 21 conditions listed in the staff report with the addition of condition #22 to read as follows... 22) Applicant is to construct a block wall

consistent with existing block walls along Seminole Avenue of standard height to be approved by the Planning Director.

COMMISSIONERS

AYES: Rocha, Crase, Miguel, Davis,
Herrera, Killion

ABSENT: Miller

NOES: None

ABSTAIN: None

GENERAL BUSINESS- NON PUBLIC HEARING ITEMS:

None

TEENS ON BOARD:

None

ITEMS OF BOARD INTEREST:

None

AJOURNMENT:

There being no other items to come before the Commission, the meeting was adjourned 8:48 p.m.


JEFF KILLION, CHAIRMAN
City of Tulare Planning Commission

ATTEST:


ROB HUNT, SECRETARY
City of Tulare Planning Commission

RESOLUTION NO. 5177

**A RESOLUTION OF THE CITY OF TULARE
PLANNING COMMISSION APPROVING
DESIGN REVIEW NO. 1075**

WHEREAS, the City of Tulare Planning Commission at a regular meeting held on May 9, 2016 to consider a request by Driven Construction to construct a gated 32 unit multi-family residential community located on the south side of Seminole Avenue, approximately 500 feet east of Mooney Blvd.; and,

WHEREAS, the City of Tulare Planning Commission determined that this request is in conformance with the goals and objectives of the General Plan; and,

WHEREAS, the City of Tulare Planning Commission determined that this request is in accordance with the objectives of the Zoning Title and the purposes of the District in which the site is located; and,

WHEREAS, the City of Tulare Planning Commission that the proposed location of the use and conditions under which it would operate or be maintained will not be detrimental to the public health, safety, welfare or be materially injurious to properties or improvements in the vicinity; and,

WHEREAS, the City of Tulare Planning Commission determined that this project meets the intent of the Design Review policies of the City of Tulare; and,

NOW, THEREFORE, BE IT RESOLVED by the City of Tulare Planning Commission that Design Review Application No. 1075 is hereby approved subject to the following conditions:

Planning:

- 1) All requirements of Title 10 (Zoning Ordinance) shall be met.
- 2) Approval does not authorize any deviation from Fire and Building Codes.
- 3) Development shall conform to the site plan and elevations for the proposed multi-family residential project as shown in Attachment II and III.
- 4) Applicant shall comply with San Joaquin Valley Air Pollution Control District regarding dust control during construction as required.

- 5) In accordance with Section 10.120.130, this Design Review approval shall lapse and become void (3) years from the effective date of approval, unless a building permit is issued by the City and construction is being diligently pursued.
- 6) All air-conditioning units shall be ground mounted.
- 7) Applicant to provide for an on-site manager.
- 8) Applicant shall submit three copies of Landscape and Irrigation plans consistent with the City Landscape Ordinance (Title 10, Section 10.196) and shall be approved prior to building permits being issued.
- 9) Landscaping shall be used to screen storage areas, trash enclosures, parking, public utilities and other similar elements. The landscaping shall screen these elements within three years of installation.
- 10) Fencing along street frontages shall be decorative type fencing, with final design to be approved by the Planning Director.
- 11) Applicant to provide fenced on-site children's play area with equipment. Equipment is subject to review and approval of the Parks & Recreation Director.
- 12) Applicant shall comply with Engineering and Fire Department comments/conditions (Attachments IV).
- 13) Applicant to allow for an annual inspection by the City of Tulare to ascertain compliance with fire, building code and City standards and conditions including but not limited to Design Review Conditions of approval.
- 14) On-site lighting shall be installed so as to not cause a nuisance to residential properties to the east.
- 15) Covered parking structures to be color matched to the apartment buildings.
- 16) Applicant to submit Administrative Approval application for building setback of 16 feet (pursuant to Minor Deviation, MC Title 10 Section 10.132.010) along Seminole Avenue.
- 17) Applicant to provide and locate mailbox cluster as approved by the U.S. Postmaster, Tulare.
- 18) Submittal of a grading plan which proposes elevations with greater than six inches in elevation to adjacent lots may be subject to a retaining wall. All grading plans are subject to approval of the City Engineer.

- 19) Full compliance with all conditions of approval stated in this document shall be achieved prior to the issuance of any Certificates of Occupancy or as modified by the Community Development Director. Any minor modifications shall be submitted to the Director to review and determine compliance with the original Conditions of Approval.
- 20) Prior to issuance of first building permit, confirmation by the Public Works Director that the firm supply of the City water system has not significantly decreased from the date of conditional approval, that connecting the units will not cause water pressure to drop below City standards at any place in the City solely because of connecting the project, that estimated demand is still less than or equal to the estimated firm supply, and that based on the first three assessments, that the connection will not put public health and safety risk.
- 21) The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(a), these conditions constitute a written notice of the amount of such fees, and a description of the dedications, reservations, and other exactions. The Owner/Developer is hereby notified that the 90-day protest period, commencing from the date of approval of the project, begins as of the date of Planning Commission's conditional approval of the project. If the Owner/Developer fails to file a protest regarding any of the fees, dedication requirements, reservation requirements, or other exactions contained in this notice, complying with all the requirements of Government Code Section 66020, the Owner/Developer will be legally barred from later challenging such exactions.
- 22) Applicant is to construct a block wall consistent with existing block walls along Seminole Avenue of standard height to be approved by the Planning Director.

Engineering:

1. All required engineering plans and calculations shall be prepared by a registered civil engineer. Any elevations shown on plans required for the subject development shall be based on the official City of Tulare datum. The Engineer shall provide three (3) copies of each improvement plan set submitted to the City of Tulare for checking. All public improvements shall be on 24" x 36" sheets, in a plan/profile format at a scale of 1"=50' or larger. Private on-site improvements may be plan-view only format, and may be on sheet sizes consistent with the rest of the on-site construction plans. Following approval of the improvement plans, the Engineer shall provide the City of Tulare with two reproducible plan sets. This shall be done prior to scheduling any pre-construction conferences or commencing any improvements.
2. Any work to be done within the City street rights-of-way requires an encroachment permit issued by the Engineering Department, and shall be done under the inspection of the City Public Works Inspector. All contractors working within City street rights-of-way shall possess a valid City of Tulare business license. Separate encroachment permits are also

required from the following agencies for work within their rights-of-way or on their facilities: County of Tulare: _____, State: _____, Tulare Irrigation District.

3. All design and construction of public improvements shall be in accordance with applicable City Standards, Specifications, Ordinances, and Standard Operating Procedures, unless specifically modified elsewhere in these conditions. These engineering conditions are intended to deal with major issues apparent to the Engineering Department while reviewing this development proposal. Nothing in these conditions precludes the City Engineer from applying other conditions/modifications necessary for good design, operation, and maintenance of existing and future City facilities, as might become apparent during design review and/or construction.
4. Easements will be required for all utilities to be located outside of dedicated rights-of-way. Six-foot public utility easements will be required along all street frontages, unless otherwise waived by the City Engineer. Additional easements may be required for ingress/egress, drainage, or shared trash enclosures.
5. New City standard curb and gutter shall be installed along the following street frontage(s): New Street south of Seminole Avenue. Any unused depressed curb along project frontages shall be replaced with City standard barrier curb or, subject to City Engineer approval, a full City standard drive approach.
6. Existing curb and gutter along project frontage(s) shall be inspected by the City Public Works Inspector, and any that is determined to be defective or in need of repair shall be replaced in accordance with current City standards.
7. New City standard sidewalk shall be constructed as indicated below. The maximum slope adjacent to the back of any public sidewalk shall not exceed 5:1 for the first 5 feet. For areas located within a Landscape and Lighting District, the maximum slope between the back of the sidewalk and the wall or fence shall not exceed 10:1.

<u>Location</u>	<u>Configuration</u>	<u>Width</u>
Seminole Ave	in a parkway pattern	5-ft
New Street	adjacent to curb	5-ft

8. Existing sidewalk shall be inspected by the City Public Works Inspector, and any that is determined to be defective or in need of repair shall be replaced in accordance with current City standards.
9. New City standard ramped curb returns and/or pedestrian ramps shall be installed at intersection of New Street and Seminole Avenue. .
10. New City standard driveway approach(es) shall be constructed at New Street project entrance south of Seminole Avenue and Seminole Avenue project entrance.
11. The following minimum street improvements are required:

Roadway structural section design shall be based upon the results of "R" Value tests at locations approved by the City Engineer, and the design criteria provided below:

<u>Roadway</u>	<u>Classification, Design T.I.</u>
----------------	------------------------------------

New Street

Local Street, T.I. = 5.0 3.0" AC / 6.0" AB

12. On-site A.C. pavement design shall be based upon the results of "R" Value tests at locations approved by the City Engineer, and the following traffic index requirements: 4.0 for parking areas, 4.5 for travel lanes, and 6.5 for truck routes (including solid waste collection vehicles).
13. Street Lights (Standard Concrete Marbelite Pole) shall be installed at locations designated by the City Engineer, and shall comply with the following general requirements:
 - LED, SCE Owned/Maintained
 - 5,800 Lumen Equivalent: New Street
 - 9,500 Lumen Equivalent: Seminole Avenue
14. Street name signs, traffic control signs, pavement delineation and/or pavement markings shall be installed as required by the City Engineer.
15. The following right-of-way dedications are required for street/alley purposes:
 - a. 20' property corner radius: at intersection of New Street and Seminole Avenue
 - b. Street: New Street (local standard) - 58' right of way; 36' curb face to curb face
16. The proposed development shall remove or relocate as per serving utility company requirements, any existing utility which conflicts with the installation of required improvements.
17. The proposed development shall be responsible for the following water main extensions and connections: water main extension in New Street from Seminole Avenue south and then looping back through the site, returning to Seminole Avenue at east project entrance
18. Fire hydrants and fire suppression systems shall be provided as required by the City of Tulare Fire Marshall. The proposed development shall demonstrate that sufficient flows are available to support the required improvements. All points of connection to the City water system are subject to the approval of the City Engineer.
19. The current emergency drought condition in the City and the entire State, as well as reduced production of certain wells in the City's system due to contamination, along with significant rise in water service demand on the City's system, has created a need for ensuring that future connections to the system do not adversely affect the City's ability to deliver safe water supply to all of its customers. A full analysis of project impacts to the City's overall water system shall be completed at Developer's expense. The analysis shall be based upon the City's official hydraulic model of the system, and shall be performed by the City's selected consultant. The scope and final determination of the analysis shall be subject to the approval of the Public Works Director, whose decision can be appealed to the Board of Public Utilities. Should the hydraulic model show that connection of the project shall have adverse impacts on the City overall water system, the Developer shall be required to mitigate the adverse impacts to the satisfaction of the Public Works Director and City Engineer prior to approval being granted for connection to the system.
20. The proposed development shall install water services with back flow devices, as approved by Planning and Building. Water sizing calculations shall be provided at time of building

permit application. Domestic and landscaping services shall be metered services using the make and model of meter specified by the City of Tulare Public Works Department. No substitutions are allowed.

21. Existing water wells shall be abandoned, filled and sealed in accordance with applicable City, County of Tulare, and State of California standards.
22. The proposed development shall be responsible for the following sanitary sewer main extensions and connections: sewer main extension in New Street from Seminole Avenue to proposed south property line of Oak Creek Apartments, including installation of manholes as required in City of Tulare Design Guidelines
23. The proposed development shall connect to City sewer. If service from an existing lateral is proposed, said lateral shall be exposed for inspection by the Public Works Inspector and upgraded to current City standards if found to be broken or substandard.
24. Existing septic tanks shall be abandoned, filled and sealed in accordance with applicable City, County of Tulare, and State of California standards.
25. The proposed development shall be responsible for the following storm drain line extensions and connections: As required to serve the project.
26. A grading/drainage plan prepared by a Registered Civil Engineer or Licensed Architect and subject to approval by the City Engineer shall be submitted. The plan shall include existing and proposed contours, and detail the means of collection and disposal of storm water runoff from the site and adjacent road frontages in such a manner that runoff is not diverted to adjacent property. On-site retention of storm water runoff is required not required.
A letter certifying that construction was completed according to the approved grading/drainage plan shall be prepared by a Registered Civil Engineer or Licensed Architect and submitted to the City Engineer prior to the issuance of final occupancy permits. The Engineer or Architect shall affix their stamp and seal to the letter.
27. All unused culverts shall be abandoned and plugged in a manner acceptable to the City Engineer.
28. A trash enclosure is required and shall be shown on the improvement drawings. The type, location and orientation of the enclosure shall be subject to the approval of the Solid Waste Division Manager. For doublewide enclosures, separate bins are required for solid and recyclable waste, and identification signing shall be posted adjacent to all points of direct access. The wording of the signing shall be clear and concise, and shall identify all materials accepted in the recycling bin.
29. A Public Works Inspection Fee is required prior to the construction of improvements.
30. A landscaping plan subject to the review and approval of the Director of Parks and Community Services shall be provided. Approval of the landscaping plan is required prior to approval of engineering improvement plans by the City Engineer. All existing trees that conflict with proposed improvements shall be removed to a depth of two (2) feet below proposed finish grade.

31. If applicable, existing irrigation ditches and/or canals shall be piped, developed into a trail, or relocated outside the project boundaries per the direction of the City Engineer and affected irrigation district. Related irrigation facilities shall be subject to the same requirements for piping or relocation.
32. All applicable City fees shall apply unless specifically waived or modified elsewhere in these conditions. All fees shall be based on the current fee schedule in effect at the time of recordation of the final map. These fees include, but are not limited to:
- Sewer front foot charges of \$ 25.00 per front foot for frontages on Seminole Avenue.
 - Sewer lift station fee of \$ _____ per acre.
 - Water front foot charges of \$ 17.50 per front foot for frontages on Seminole Avenue.
 - Street front foot charges of \$ _____ per front foot for frontages on _____.
 - Benefit district creation fee (if applicable): \$ 1,008.19 per district.
 - Traffic signal in-lieu fee of \$ _____.
 - TID ditch piping In-lieu fee of \$ _____.
 - Sewer main construction in-lieu fee of \$ _____.
 - Water main construction in-lieu fee of \$ _____.
 - Street construction in-lieu fee of \$ _____.
 - Engineering inspection fee based on a percentage of the estimated cost of construction.
 - Development impact fees to be paid with building permit.
 - Engineering plan check fee to be paid at time of plan submittal.
 - Final map plan check fee to be paid at time of map submittal.
 - Other: _____

The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(a), these conditions constitute a written notice of the amount of such fees, and a description of the dedications, reservations, and other exactions. The Owner/Developer is hereby notified that the 90-day protest period, commencing from the date of approval of the project, begins as of the date of Planning Commission's conditional approval of the project. If the Owner/Developer fails to file a protest regarding any of the fees, dedication requirements, reservation requirements, or other exactions contained in this notice, complying with all the requirements of Government Code Section 66020, the Owner/Developer will be legally barred from later challenging such exactions

Fire:

- FD-1) Fire apparatus access roads shall have an unobstructed width of not less than 20 feet, exclusive of shoulders, except for approved security gates in accordance with CFC Section 503.6 and an unobstructed vertical clearance of not less than 13 feet 6 inches. CFC 503.2.1
- FD-2) Where required by the fire code official, approved signs or other approved notices or markings that include the words NO PARKING-FIRE LANE shall be provided for fire apparatus access roads to identify such roads or prohibit the obstruction thereof. The means by which fire lanes are designated shall be maintained in a clean and legible condition at all times and is replaced or repaired when necessary to provide adequate visibility. CFC 503.3
- FD-3) Where access to or within structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type and shall contain keys to gain necessary access as required by the fire code official. **An application can be obtained at the City of Tulare Fire Station #61, 800 S. Blackstone St.**
- FD-4) All buildings shall have minimum 4" numbers, and or letters, visible from the street and any other additional locations as approved by the fire code official. CFC 505.1
- FD-5) Additional fire hydrants will be required, and shall be spaced at 500' intervals for residential development. All fire hydrants must be placed and accepted by the fire code official. All fire hydrants shall be in place prior to combustible materials being brought onto the site. CFC 3312.1

Parks:

1. Four (4) sets of detailed landscape and irrigation plans that meet the City of Tulare's standards are required to be submitted prior to building permit issuance.
2. All areas not set aside for parking, storage, driveways, and walkways or loading areas shall be landscaped. A minimum of 5% of the gross lot area shall be developed.
3. Landscape covered areas over 500 sq. ft. must comply with AB 1881 Water Efficient Landscape Standards and be certified by the developer.
4. Landscaped areas that front onto a street shall have a minimum tree density of the one tree for every 200 sq. ft. of planter area.
5. Shrubs: At least 50% of shrubs within planter areas are to be 5 gallon size and spaced in such a way as to achieve a minimum of 1 plant per 20 square feet.
6. Trees used in parkways shall be from the approved City of Tulare Street Tree list.
7. All parking lots with a capacity of 20 cars or more shall contain shade trees, which within 10 years of installation, shall shade 50% of the parking lot.
8. For each ten parking spaces, a minimum of one 15-gallon shade tree shall be installed, but more may be required to meet the 50% shading requirement.
9. A minimum of 25% of the trees planted shall be 24 inch box trees or larger. The remaining trees shall be 15 gallon or larger and double staked per City Standards.
10. Shade trees planted within a parking lot shall be evenly distributed throughout the lot.

11. Turf shall not exceed 50% of the total landscaped area.
12. A minimum of 2" of forest humus or walk-on bark shall be applied to all planting areas except turf.
13. An approved back-flow device is required upstream of the irrigation system.
14. An automated irrigation controller is required, as well as an automatic rain shut-off device on irrigation systems with seven (7) or more valves.

PASSED, APPROVED AND ADOPTED this Ninth day of May, 2016 by the following recorded vote:

AYES: Rocha, Crase, Lewis, Miguel
Heneray, Killion

NOES: o

ABSENT: Miller

ABSTAIN: o


JEFE KILLION, CHAIRMAN
City of Tulare Planning Commission


ROB HUNT, SECRETARY
City of Tulare Planning Commission

RESOLUTION NO. 5176

**A RESOLUTION OF THE CITY OF TULARE PLANNING COMMISSION
ADOPTING A MITIGATED NEGATIVE DECLARATION FOR
DESIGN REVIEW NO. 1075**

WHEREAS, the City of Tulare Planning Commission at a regular meeting held on May 9, 2016 to consider a request by Driven Construction to construct a gated 32 unit multi-family residential community located on the south side of Seminole Avenue, approximately 500 feet east of Mooney Blvd.; and,

WHEREAS, the City of Tulare Planning Commission determined that a Mitigated Negative Declaration has been prepared in accordance with the California Environmental Quality Act; and,

WHEREAS, the City of Tulare Planning Commission considered the proposed Mitigated Negative Declaration and finds that there is no substantial evidence that the project will have a significant effect on the environment; and,

WHEREAS, the City of Tulare Planning Commission determined that the proposed Mitigated Negative Declaration reflects the independent judgment of the lead agency.

NOW, THEREFORE, BE IT RESOLVED that the City of Tulare Planning Commission adopts a Mitigated Negative Declaration for Design Review No. 1075.

Initial Study and Mitigated Negative Declaration are depicted in Exhibit "A"

PASSED, APPROVED AND ADOPTED on the Ninth day of May, 2016 by the following recorded vote:

AYES: Rocha, Miguel, Crase, Harris
Henera, Killian

NOES: 0

ABSENT: Miller

ABSTAIN: _____





JEFF KILLION, CHAIRMAN
City of Tulare Planning Commission



ROB HUNT, SECRETARY
City of Tulare Planning Commission

MITIGATION MONITORING AND REPORTING PROGRAM

As required by Public Resources Code Section 21081.6, subd. (a)(1), a Mitigation Monitoring and Reporting Program (MMRP) has been prepared for the project in order to monitor the implementation of the mitigation measures that have been adopted for the project. This Mitigation Monitoring and Reporting Program (MMRP) has been created based upon the findings of the Initial Study/Mitigated Negative Declaration (IS/MND) for the 32 unit Oak Creek Multi-Family Project proposed by Driven Construction in the City of Tulare.

The first column of the table identifies the mitigation measure. The second column names the party responsible for carrying out the required action. The third column, "Timing of Mitigation Measure" identifies the time the mitigation measure should be initiated. The fourth column, "Responsible Party for Monitoring," names the party ensuring that the mitigation measure is implemented. The last column will be used by the City to ensure that the individual mitigation measures have been monitored.

Plan checking and verification of mitigation compliance shall be the responsibility of the City of Tulare.

Mitigation Measure	Party Responsible for Implementation	Implementation Timing	Responsible Party for Monitoring	Verification
<p>Mitigation Measure CUL-1: Pursuant to CEQA Guidelines 15064.5 (f), provisions for historical or unique archaeological resources accidentally discovered during construction should be instituted. Therefore, in the event that any prehistoric or historic subsurface cultural resources are discovered during ground disturbing activities, all work within 50 feet of the resources shall be halted and a qualified archaeologist or paleontologist shall be contacted to assess the significance of the find. If any find is determined to be significant, project proponents and the qualified archaeologist and/or paleontologist would meet to determine the appropriate avoidance measures or other appropriate mitigation. All significant cultural materials recovered shall be subject to scientific analysis, professional museum curation, and a report prepared by the qualified archaeologist according to current professional standards. If the discovery includes human remains, CEQA Guidelines 15064.5 (e)(1) shall be followed.</p>	<p>CITY OF TULARE</p>	<p>PRIOR AND DURING CONSTRUCTION</p>	<p>CITY OF TULARE</p>	

RESOLUTION 16-____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF TULARE
DENYING THE APPEAL OF DESIGN REVIEW NO. 1075**

WHEREAS, the Council of the City of Tulare at a regular meeting on June 21, 2016 to consider an appeal filed by Driven Construction/Greg Nunley (Applicant) of Planning Commission's decision to require a block wall along Seminole Avenue (specifically condition No. 22 of Design Review No. 1075), as approved by the Planning Commission on May 9, 2016; and; and,

WHEREAS, the Council of the City of Tulare voted _____ to _____ on an appeal of Design Review No. 1075, resulting in denial of said appeal; and,

WHEREAS, the Council of the City of Tulare determined that this request is in conformance with the goals and objectives of the General Plan; and,

WHEREAS, the Council of the City of Tulare determined that this request is in accordance with the objectives of the Zoning Title and the purposes of the District in which the site is located; and,

WHEREAS, the Council of the City of Tulare that the proposed location of the use and conditions under which it would operate or be maintained will not be detrimental to the public health, safety, welfare or be materially injurious to properties or improvements in the vicinity; and,

WHEREAS, the Council of the City of Tulare determined that this project meets the intent of the Design Review policies of the City of Tulare; and,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Tulare that the appeal of Design Review No. 1075 is hereby denied.

PASSED, APPROVED AND ADOPTED this _____ day of June, 2016.

Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Don Dorman, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 16-____ passed and adopted by the Council of the City of Tulare at a regular meeting held on June 21, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Abstention(s)_____.

Dated:

DON DORMAN, CITY CLERK

By Roxanne Yoder, Chief Deputy

RESOLUTION 16-_____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF TULARE
UPHOLDING THE APPEAL OF DESIGN REVIEW NO. 1075**

WHEREAS, the Council of the City of Tulare at a regular meeting on June 21, 2016 to consider an appeal filed by Driven Construction/Greg Nunley (Applicant) of Planning Commission's decision to require a block wall along Seminole Avenue (specifically condition No. 22 of Design Review No. 1075), as approved by the Planning Commission on May 9, 2016; and;

WHEREAS, the Council of the City of Tulare voted _____ to _____ on an appeal of Design Review No. 1075, resulting in upholding of said appeal; and,

WHEREAS, the Council of the City of Tulare determined that this request is not in conformance with the goals and objectives of the General Plan; and,

WHEREAS, the Council of the City of Tulare determined that this request is not in accordance with the objectives of the Zoning Title and the purposes of the District in which the site is located; and,

WHEREAS, the Council of the City of Tulare that the proposed location of the use and conditions under which it would operate or be maintained will be detrimental to the public health, safety, welfare or be materially injurious to properties or improvements in the vicinity; and,

WHEREAS, the Council of the City of Tulare determined that this project does not meet the intent of the Design Review policies of the City of Tulare; and,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Tulare that the appeal of Design Review No. 1075 is hereby upheld.

PASSED, APPROVED AND ADOPTED this _____ day of June, 2016.

Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Don Dorman, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 16-___ passed and adopted by the Council of the City of Tulare at a regular meeting held on June 21, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Abstention(s)_____.

Dated: DON DORMAN, CITY CLERK

By Roxanne Yoder, Chief Deputy

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Community Development Department

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Council consideration to adopt Resolution 16-30 and direction to staff on the request by Alfaro Trucking for a deferral of project related development impact fees in the sum of \$59,619 under section 8.56.080 of the Tulare Municipal Code.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

On September 14, 2015, Alfaro Trucking Inc. received approval from Planning Commission to construct a small office, truck storage, and maintenance shop in support of the trucking business on 2 parcels along south 'K' Street. The project involves truck storage and general maintenance for Alfaro Trucking truck fleet.

On November 17, 2015, project proponent applied for building permits for a metal building for truck storage, a maintenance shop and office space. Applicant paid \$3053 for plan check and inspection fees at the time of the application. Development Impact fees on the project were calculated at \$59,619.

Applicant is requesting a deferral of the development impact fees on the project pursuant to section 8.56.080 of the Tulare Municipal code which provides in part:

8.56.080 Payment of fees.

The fees established pursuant to this chapter shall be paid for the property on which a development project is proposed at the time of the issuance of any required building permit, except as otherwise provided below:

(B) Fees imposed on non-residential development may be deferred by action of the City Council. The action shall consist of the adoption of a resolution consistent with the following terms and conditions:

- (1) A determination is made that such action will promote and stimulate economic development within the city. The City Council shall make specific findings setting forth how the subject project accomplishes this goal;
- (2) Establish a specific timetable for payment in full of the deferred fees. The City Council may also require a percentage to be paid with the issuance of a building permit. In no event shall deferral of payment in full be permitted for more than five years;

- (3) Interest on the unpaid portion of deferred impact fees shall accrue at a rate equal to the Local Agency Investment Fund (LAIF) interest rate in effect at the time the resolution is adopted and shall be articulated in the resolution. Interest shall be due and payable, in full, with the final payment, although interest may be paid earlier at the election of the party developing the project;
- (4) A written guarantee of payment in full of the impact fees, in the form of a surety bond or some other form of surety instrument as may be acceptable to the City Engineer and the City Attorney, shall be executed and delivered to the city prior to the issuance of a building permit for the project. Interest in real property may be deemed an appropriate form of surety; and
- (5) A determination is made that the deferral of the fees shall not materially affect the financial ability of the city to satisfy its then current five year capital improvement program.

STAFF RECOMMENDATION:

Consider adopting Resolution 16-30 approving of applicant's deferral, upon the following conditions:

Applicant to pay \$11,924, which represents twenty percent (20%) of the total fee due and owing on or before the City issues a Certificate of Occupancy for the Project.

Applicant agrees to pay the remaining outstanding eighty (80%) balance in five equal annual installments thereafter commencing July 1, 2017 and continuing on each July 1st thereafter until paid in full. Applicant shall also be subject to paying interest on the unpaid principal balance at a rate equal to the Local Agency Investment Fund (LAIF) interest rate in effect at the time this resolution is adopted. Interest shall be due and payable, in full, with the final payment, although interest may be paid earlier at the election of the Applicant for the project.

Applicant shall execute an Agreement, which shall be recorded in the office of the County Recorder of Tulare County and, from the date of recordation, shall constitute a lien for the payment of the fee, which shall be enforceable against successors in interest to the Property owner or lessee at the time of issuance of the building permit.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Signed: Traci Myers

Title: Community Development Deputy Director

Date: June 13, 2016

City Manager Approval: P. Melikian for

RESOLUTION 16-_____

RESOLUTION OF THE TULARE CITY COUNCIL GRANTING A FIVE YEAR DEFERRAL OF DEVELOPMENT IMPACT FEES FOR ALFARO TRUCKING PURSUANT TO SECTION 8.56.080 OF THE TULARE MUNICIPAL CODE

WHEREAS, Applicant Roberto and Maria Alfaro (Alfaro Trucking) have submitted plans and specifications and applied for associated permits for a development project (the "Project") to be located on the property at 3241 & 3285 South K Street; and

WHEREAS, as a condition of receiving the required permits to commence construction on the Project, Applicant must agree to pay the required development impact fees in the sum of \$59,619 with interest, which includes sewer, drainage and transportation impact fees which have been set by Resolution of the City Council and in conformity with California Government Code Section 66001 et seq.; and,

WHEREAS, City Council has made determination the project will promote and stimulate economic development within the city; and,

WHEREAS, Applicant has requested and City Council approved a five year development impact fee deferral subject to payment of \$11,924, which represents twenty percent (20%) of the total fee due and owing on or before the City issues a Certificate of Occupancy for the Project and payment of remaining outstanding eighty (80%) balance in five annual installments thereafter commencing July 1, 2017 and continuing on each July 1st thereafter until paid in full; and,

WHEREAS, Applicant shall execute an Agreement, which shall be recorded in the office of the County Recorder of Tulare County and, from the date of recordation, shall constitute a lien for the payment of the fee, which shall be enforceable against successors in interest to the Property owner or lessee at the time of issuance of the building permit; and

WHEREAS, Interest on the unpaid portion of deferred impact fees shall accrue at a rate equal to the Local Agency Investment Fund (LAIF) interest rate in effect at the time the resolution is adopted, which for purposes of this resolution is .55%. Interest shall be due and payable, in full, with the final payment, although interest may be paid earlier at the election of the party developing the project; and,

WHEREAS, a determination is made that the deferral of the fees shall not materially affect the financial ability of the city to satisfy its then current five year capital improvement program.

NOW, THEREFORE, BE IT RESOLVED, by the Tulare City Council that the request by Roberto and Maria Alfaro (Alfaro Trucking) for a five year deferral of project related development impact fees in the sum of \$59,619 under section 8.56.080 of the Tulare Municipal Code is approved. The Applicant shall be subject to making an interest payment on any unpaid principal with the final payment at a rate equal to the Local

Agency Investment Fund (LAIF) interest rate in effect at the time of the Council's approval of this resolution which is .55%.

PASSED, APPROVED, AND ADOPTED this 21st day of June, 2016.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Don Dorman, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 16-___ passed and adopted by the Council of the City of Tulare at a regular meeting held on June 21, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Absent/Abstention(s) _____.

Dated:

DON DORMAN, CITY CLERK

By Roxanne Yoder, Chief Deputy

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager's Office

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Review and provide direction to staff whether to pursue Southern California Edison (SCE) Street Light Purchase.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

SCE's rate case began in 2011 with a request by the utility for further annual increases to its street light rates.

Following pressure by the Coalition for Affordable Street Lights ("CASL") SCE announced in the fall of 2012 a new program by which municipalities are able to acquire the utility-owned streetlights within the city limits.

On July 16, 2013 the City Council authorized payment of \$10,000 to SCE for feasibility studies and system appraisal for the purchase of SCE owned streetlights.

In May of 2014, the City Council approved a consultant agreement with Utility Cost Management, LLC (UCM) who conducted the Feasibility Analysis for consideration of the SCE Street Light Purchase.

Following a 16 month delay by SCE, the City received the first proposal in November 2014, which offered to sell 4,055 street lights for a total price of \$3,105,940. Subsequently, SCE changed position on the sale and issued a deadline for decision of August 15, 2016. For the transaction to have a potential pay-off, the City will also need to spend an estimated \$1,300,000 to retro-fit to LED.

On March 30, 2016, in compliance with AB 79, SCE established a new optional tariff provision, Option E as a LED Replacement tariff for LS-1 lights. SCE has factored the capital cost into the rate calculation for Option E, therefore true energy savings are minimal to the customers for the SCE LED replacement and will be paid for over a 20-year term. Using the City's 4,055 streetlights at various wattages, staff estimates cost savings to be just under \$24,000 a year.

Once a municipality owns the streetlights, there exists the possibility of retrofitting with energy efficient lighting technology such as fluorescent (which has been done on city-owned street-

lights at signalized intersections), induction or light emitting diode (LED, which have been re-fitted on city-owned parking lot lighting, the Manor and Estate neighborhood system and on the streetlights around the library) for lower energy cost. Additionally, poles would be available for mounting crime deterrent cameras, “Smart City” efficiency (wireless networks), more City control over customer services, as well as potential new revenues.

	Computed IRR	Simple payback (Years)	Financing Costs	Electricity Costs 4% Inflation	O&M Costs	Electricity Savings only	Computed 25 Yr. net savings
No change	n/a	n/a	n/a	\$24,975,000	n/a	n/a	\$0
Cash LED Convert	9.69%	12.76	1,026,000+ principal	\$12,953,000	\$2,488,000	\$12,022,000	\$4,104,000
Finance entire program	13.05%	n/a	\$1,454,600 + Principal	\$13,053,000	\$2,576,000	\$11,922,400	\$3,488,000
Cash LED – Year #3	8.54%	15.77	\$1,026,000 + Principal	\$13,264,000	\$2,755,000	\$11,711,500	\$3,528,000
Note: the above do not include loss of SCE new streetlight developer subsidy (\$642 - \$710), capital replacement funding, and other small items.						Purchase price: \$3.1M	LED price: \$1.3M

However, certain drawbacks associated with the purchase would include liability insurance costs, potential lawsuits, loss of SCE subsidy for new streetlights, the development of new infrastructure planning and the development of an operations and maintenance program, technology changes, changes in the law, and the pending CPUC protest.

Scenario Analysis:

Scenario Assumption Risks:

The SCE rate assumptions are based upon a 25 year horizon. Maintenance and liability costs, as well as Capital/replacement costs are calculated over 25 years. Factors such as the actual condition of the streetlight poles, realized energy savings, and financing availability are unknown.

Consultant Conclusions:

Following their analysis UCM concluded purchasing the streetlight system and upgrading it to LEDs, represents the best option for the City. If the City does not plan to upgrade the streetlights, UCM would not recommend purchasing the system, as the City will face significant maintenance costs and no improvement to its existing lighting or infrastructure.

Although the proposed SCE price is high, the City, by financing the entire purchase will most likely experience cost savings over time, provided a full assessment of the condition of the streetlights is made. The reports states, "Clearly, the streetlight purchase and upgrade should be viewed as offering long term financial benefits to the City, rather than as a solution that will provide immediate cost savings."

Financing Options:

The City may consider one of the following financing options:

1. Internal financing
2. Municipal debt financing
3. California Energy Commission 1% loan (\$3M cap)
4. Maintenance vendor financing
5. Separate new rates through Prop 218 voter approval

Next Steps:

Staff requests direction whether to continue to pursue the purchase of the City's streetlights from SCE. With regard to the underlying decision about whether to purchase the streetlights, staff has no recommendation because so much depends upon a wide range of factors that must coincide for the transaction to actually be beneficial to the City. There are several scenarios under which the costs could outweigh the benefits from such a purchase. Whether the potential "upside" returns of 13% compensates for all the risk is a matter of judgment for the Council.

STAFF RECOMMENDATION:

Review and provide direction to staff whether to pursue Southern California Edison (SCE) Street Light Purchase.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Don Dorman Title: City Manager

Date: June 21, 2016 City Manager Approval: _____



STREET LIGHT PURCHASE PROJECT

PRELIMINARY FEASIBILITY STUDY AND SOUTHERN CALIFORNIA EDISON
PROPOSAL



Background

- July 2013 – Council authorized feasibility studies and payment to SCE of \$10,000 for system appraisal.
- Long SCE delays – first proposal received November 2014 (16 month delay)
- SCE changes of position on sale; presently not favored with deadline to decide of August 15, 2016
- SCE proposal – sell 4,055 street lights (they keep 424, City owns 291 now) for total price of \$3,105,940



Reasons to Consider

- Potential cost reduction with LED changeover
- Good GHC example
- Poles available for mounting crime deterrent cameras
- Emergency response flashing potential (more cost)
- “Smart City” Efficiency – wireless networks
- Potential new revenues – see UCM report
- More City control over customer service and the streetlight policies and procedures



Risks and Drawbacks

- New infrastructure planning and O&M program
- Liability insurance costs and potential lawsuits
- Loss of SCE subsidy for new streetlights
- Big (multiple) investments – many complicated assumptions – risk of loss
- Potential payment of sales tax on transaction adds to cost
- Potential small lost of property taxes
- Requires City to finance investment; no good new revenue process (Prop 218)



Risks and Drawbacks

- Pending CPUC protest could change rules so that some of the benefits can be had through SCE itself
- Law changes – pressures on electric utilities to increase use of LED and other energy saving devices (capital costs; maintenance cost reductions (about 80%))
- Technology changes – loss of flexibility once committed



Scenario Analysis

- Keep status quo – paying \$685,000/year
- Purchase poles \$3.1M, no LEDs (25 Yr IRR -4.5%)
- Finance pole purchase; \$1.3M LED conversion (25 Yr IRR – 9.69%)
- Finance poles & LED conversion (25 Yr IRR 13.05%)
- Finance poles & cash LED conversion Yr. 3 (25 Yr IRR 8.54%)



Scenario Summary – Only Positive IRR Scenarios

	Computed IRR	Simple payback (Years)	Financing Costs	Electricity Costs 4% Inflation	O&M Costs	Electricity Savings only	Computed 25 Yr. net savings
No change	n/a	n/a	n/a	\$24,975,000	n/a	n/a	\$0
Cash LED Convert	9.69%	12.76	1,026,000+ principal	\$12,953,000	\$2,488,000	\$12,022,000	\$4,104,000
Finance entire program	13.05%	n/a	\$1,454,600 + Principal	\$13,053,000	\$2,576,000	\$11,922,400	\$3,488,000
Cash LED – Year #3	8.54%	15.77	\$1,026,000 + Principal	\$13,264,000	\$2,755,000	\$11,711,500	\$3,528,000
Note: the above do not include loss of SCE new streetlight developer subsidy (\$642 - \$710), capital replacement funding, and other small items.						Purchase price: \$3.1M	LED price: \$1.3M



Scenario Assumption Risks

- SCE rate assumptions -- 25 year horizon
- Maintenance and liability costs over 25 years
- Capital/replacement costs over 25 years
- Current actual condition of streetlight poles
- Energy savings realized
- Financing rates and financing actually available



Consultant Conclusions

- Under most likely future scenarios City saves by purchasing the street lights
- SCE price high – “take it or leave it”
- Finance entire purchase best modeled return
- City must fully assess condition of streetlights
- Other potential benefits of value and possibilities



Financing Options

- Internal financing
- Municipal debt financing
- California Energy Commission 1% loan (\$3M cap)
- Maintenance vendor financing
- Separate new rates (Prop 218 voter approval required)



Consultant Conclusions

UCM report, pg. 7 – **“Clearly, the streetlight purchase and upgrade should be viewed as offering *long term* financial benefits to the City, rather than as a solution that will provide immediate cost savings.”**



Next Steps If Go Forward

- Conduct streetlight condition assessment (consultant or maybe staff)
- Determine if protest hearing concluded
- Determine maintenance program alternatives
 - City staff increase
 - Contract separately
 - Joint agreement with Visalia and Porterville for economies of scale
- Evaluate and determine best financing alternatives
- City Council decision to move forward (SCE deadline of 8/15/2016 looms)
- Develop purchase/sale contract with SCE
- Apply to CPUC (with SCE) for transaction approval
- Transition phase in cooperation with SCE



Staff Requests for Direction

- Is the Council still interested in pursuing this potential purchase of the City's Street Lights from SCE?
- Should staff continue to research and bring decision items to City Council in February or March?
- What additional information would Council like to receive?

SCE Street Light
Purchase
Feasibility Analysis
RFP-13-14-08

Table of Contents

I. Summary of Findings and RecommendationsPage 1

II. Background.....Page 4

III. Analysis of Transaction from City’s Perspective.....Page 6

IV. SCE’s Proposed Purchase Price.....Page 9

 A. SCE’s Offer Price and Valuation Methodology.....Page 10

 1. SCE’s Basic RCNLD Methodology.....Page 10

 2. Adjustments to SCE’s Basic RCNLD Calculations.....Page 12

 B. Comparable Sales.....Page 14

 C. Summary of UCM’s Opinion of SCE’s Valuation.....Page 15

V. Transaction Costs.....Page 17

 A. O&E Fee and Transition Costs.....Page 17

 B. Sales Tax.....Page 17

VI. Negotiating Leverage: Obtain the Streetlights Through Eminent Domain.....Page 19

VII. Maintenance and Other Impacts of Ownership.....Page 21

 A. Ongoing Maintenance and Repair.....Page 21

 1. Maintaining HPS Lights In-House.....Page 21

 2. Using Vendor to Maintain HPS Lights.....Page 22

 3. Maintaining LED Lights.....Page 22

 B. Growth of the Streetlight System.....Page 23

 C. Other Considerations.....Page 24

VIII. Utility Bill Savings.....Page 25

 A. How likely is it that LS-2 savings will continue?Page 25

 B. Increased Savings on Rate LS-2A.....Page 26

IX. Upgrades to Streetlight System.....Page 28

 A. Light-Emitting-Diode (LED) Streetlights.....Page 28

 1. LED Energy and Maintenance Savings.....Page 29

 2. Costs of LED Streetlight Conversion.....Page 30

 3. Impact of SCE Rate Structure on LEDs.....Page 31

 4. Obtaining LEDs on Utility-Owned (LS-1) Streetlights.....Page 32

 5. Potential LED Financing Options.....Page 33

 B. Other Potential Streetlight Upgrades.....Page 33

 C. Solar Powered Streetlights.....Page 35

X. Potential Risks.....Page 37

I. Summary of Findings and Recommendations

Southern California Edison (SCE) has offered to sell 4,055 of its streetlights to the City of Tulare. Utility Cost Management LLC (UCM) has evaluated the opportunity, and is submitting this “Streetlight Purchase Feasibility Analysis” to provide the city with the information that it needs to make a decision on whether or not to proceed with the purchase.

In general, UCM believes that the streetlight purchase, when combined with additional city investments upgrading the streetlight system, could be a cost-saving opportunity for the City of Tulare over the long term – i.e., 25 years or more – provided that the uncertainties and conditions described in this report are resolved favorably. To justify this long-term outlook, city staff should be confident that the streetlight system is in good condition and has decades of useful service life remaining. While it is difficult to forecast SCE electric rates and other financial variables over such a lengthy period, UCM believes that under the most likely scenarios the city will realize an internal rate of return of at least 9%. UCM does have concerns about some aspects of SCE’s requested purchase price, particularly the unsupported adjustments to the streetlight valuation and the excessive transaction costs, and these concerns are addressed more fully below, but in the end the city must evaluate the purchase irrespective of the propriety of SCE’s pricing.

As a result of its analysis, UCM has developed the following findings and recommendations. Each of the findings and recommendations is explained more fully in the following pages.

Analysis of Transaction from City’s Perspective (See Section III, as well as Attachment A.)

- 1. UCM believes the best option for the city is to purchase the lights and then upgrade to Light-Emitting Diode (LED) fixtures.** This approach offers the best financial outcome, and also offers the city an opportunity to improve its streetlight system. If the city does not plan to upgrade its streetlights, UCM does not recommend purchasing the system.
- 2. In general, the streetlight purchase and upgrade offers attractive returns when viewed over 25 years or longer, but less attractive returns for shorter periods.** The streetlight purchase and upgrade should be viewed as offering *long term* financial benefits to the city, rather than as a solution that will provide immediate cost savings.
- 3. In addition to the financial analysis of the streetlight purchase and upgrade, the city should consider more subjective factors in making its decision.** Owning its streetlights may enable the city to provide better, more reliable streetlight service. Additionally, given the long term nature of the streetlight purchase, the city should think about how future technologies and uses for streetlights may affect the value of owning the system.

Evaluation of SCE’s Proposed Purchase Price (See Section IV.)

4. **SCE makes four adjustments to its “RCNLD” valuation methodology that lack adequate support, justification or precedent.** These arbitrary adjustments increase SCE’s offer price by hundreds of thousands of dollars, and essentially change the RCNLD method to some hybrid approach that has never been used in CPUC-approved asset sales.
5. **The analysis of SCE’s valuation method, as well as the review of other valuation approaches, can help the city to assess the reasonableness of SCE’s offer. But in the end, the city should identify the price that it is willing to pay, rather than focusing on how SCE derived its figures.**

Transaction Costs (See Section V.)

6. **SCE’s request for an additional \$147,000 for transaction costs seems excessive.** The transaction costs appear to be too high, whether evaluated based on the estimated man-hours required, or compared to transaction costs in other streetlight sales.

Negotiating Leverage: Obtaining the Streetlights through Eminent Domain (See Section VI.)

7. **The eminent domain process is unattractive to both the city and SCE because of its costs, risks and uncertainty. Nevertheless, the possibility that the city will condemn the streetlight system is the city’s main negotiating leverage.** Without this possibility, SCE has little incentive to adjust any aspect of its proposal. If the city wants to negotiate with SCE, it should not dismiss eminent domain too quickly.

Maintenance and Other Costs of Ownership (See Section VII.)

8. **Maintaining the existing HPS system will require significant resources.** UCM believes that the maintenance costs that SCE has presented to the CPUC are too low, and that the city will incur more substantial maintenance costs if it purchases the HPS system. UCM recommends assuming \$30 per streetlight per year if the system is maintained by the city, and \$36 per streetlight per year if the system is maintained by a vendor.
9. **If the system is upgraded to LEDs, maintenance costs will decrease.** UCM recommends assuming that LEDs will reduce maintenance costs by 70% compared to HPS.

Utility Bill Savings (See Section VIII.)

10. **SCE’s rate for customer-owned streetlights (LS-2) has long been lower than the rate for utility-owned lights (LS-1), and the discount will continue. However, UCM predicts that the LS-2 discount will not increase going forward, because SCE’s rates will have to offer greater reductions for energy efficiency, rather than for streetlight ownership.** The reduction in SCE charges is one of the main benefits of streetlight ownership, and

therefore it is important to forecast how the difference between rates LS-2 and LS-1 will fluctuate in the coming years. UCM believes it is reasonable to assume that current discount levels will remain unchanged.

Upgrades to Streetlight System (See Section IX.)

- 11. LEDs offer reduced energy and maintenance costs, and UCM believes these benefits will increase in the coming years as SCE rates are changed.** Policy makers have been clear about their desire for energy-efficient streetlights, and SCE has lagged behind PG&E and SDG&E in making this happen. SCE will have to adjust its rates to encourage wider adoption of LEDs.
- 12. SCE’s current proposal to offer LED upgrades to *utility-owned* streetlights is not a viable alternative.** The California Street Light Association has protested the SCE proposal, and the CPUC should rule on the protest by November. As a result, there is a small chance that the SCE proposal could be changed significantly enough to make it a realistic option. UCM is monitoring the CPUC proceeding and will notify the city of new developments.
- 13. Aside from installing more energy-efficient lights, owning the streetlights offers the city many other potential upgrade opportunities.** These upgrades can improve streetlight service, enhance public safety, generate revenue, and form the backbone of “smart city” applications that can improve efficiency.

Potential Risks (See Section X.)

- 14. The most significant risk associated with the streetlight purchase is the potential of incurring significant costs for deferred maintenance and repairs.** The city can mitigate this risk if it performs a thorough evaluation of the physical condition of the system prior to completing the purchase.

The findings in this report represent conclusions and judgments reached by UCM based on its review of utility tariffs, regulations and other documents, as well as discussions with utility personnel and others. UCM’s expertise and experience is in the analysis of utility rate and regulatory issues, and does not cover certain other areas that are relevant to the city’s evaluation of the streetlight purchase. For example, UCM is not a law firm, and therefore cannot provide advice on eminent domain proceedings or other legal matters. UCM is not an engineering firm, and therefore is not qualified to assess the physical condition of the streetlight system or its remaining service life. UCM is not an accounting firm, and cannot advise the city on tax matters related to the purchase. The city should consult with an attorney, engineer, or Certified Public Accountant if it has questions in any of these areas.

II. Background

There are approximately 4,861 unmetered streetlights in the City of Tulare.¹ The city pays Southern California Edison (SCE) to provide electricity to the lights, which costs the city more than \$685,000 per year.²

SCE owns roughly 94% of Tulare’s unmetered streetlights. Apparently, when these lights were installed, SCE and property developers, rather than the city, paid for the installations, and over the years SCE has continued to handle the operation, maintenance and repair of the lights. In return, SCE receives a higher rate for electricity service to these utility-owned lights.

Depending on the streetlights’ owner, SCE bills them under rate schedule “LS-1” or “LS-2”. The most recent available breakdown of the city’s unmetered streetlight inventory is as follows:

- LS-1 (SCE-owned) – 4,570 lights
- LS-2 (city-owned) – 291 lights³

This situation, in which SCE owns most of Tulare’s streetlights, is the norm for SCE customers. Today, SCE owns more than 80% of all streetlights in its service territory, far more than those owned by California’s other investor-owned electric utilities.⁴ This is no coincidence. Historically, SCE has refused to work with cities to allow its streetlights to be purchased, while PG&E and SDG&E have been more cooperative. In fact, from 1983 to 2005, at least 30 California cities purchased streetlight assets from PG&E and SDG&E, while during that period no SCE cities did the same.

However, in 2013, SCE changed its position, and began discussing the sale of its streetlight systems to cities. Apparently, questions raised by streetlight advocates in SCE’s 2012 “General Rate Case”⁵ prompted the utility to re-examine its opposition to streetlight purchases.

Surprisingly, SCE reversed course once again in early 2015, and declared that it would no longer sell its streetlights to cities. For cities such as Tulare that initiated the sales process prior to August 15, 2015, SCE agreed to continue to see the process through until completion – i.e., until the sale is completed, or until a city decides it does not want to purchase its streetlights. However, SCE added the requirement that if a city wishes to purchase its streetlights from SCE, it must enter into a sales agreement by August 15, 2016.⁶

¹ Based on inventory provided by SCE in May 2015.

² Based on review of recent City of Tulare electricity bills, and SCE rates effective June 1, 2015.

³ The 291 city-owned lights are for “safety lights” attached to traffic signals at intersections.

⁴ PG&E owns about 33% of the streetlights in its service territory, while SDG&E owns about 19%.

⁵ The General Rate Case, or GRC, is a CPUC process that California’s investor-owned electric utilities go through every three years. The utilities request adjustments to their rates based on detailed analyses of their costs and operations, and the CPUC, with input from various customer groups, must decide appropriate rate levels.

⁶ The August 15, 2016 deadline applies to the City of Tulare purchase.

The City of Tulare initiated the streetlight sales process in July 2013 by paying SCE \$10,000 to perform an initial appraisal of the streetlight system. After the payment was made, the city waited 16 months before SCE finally provided a total valuation price of \$3,105,940 at a meeting on November 10, 2014. At a follow-up meeting held on April 30, 2015, SCE addressed some of the questions raised by the city at the initial meeting, and emphasized that its offer price was non-negotiable and would not change. The SCE price is for the purchase of only 4,055 of the SCE-owned lights; there are at least 424 streetlights that are on wood poles that SCE is refusing to sell because they are part of SCE's distribution system or because SCE has existing agreements with vendors that pay for use of the poles.⁷

For cities, the main benefit from owning their streetlights is a significant reduction in SCE's ongoing charges.⁸ In addition, ownership can partially shield cities from future electric rate increases, allow them to install LED lights and adopt other new technologies to reduce electricity use or improve streetlight performance, and give them control over how the streetlight system is operated in the future. Of course, these benefits must be weighed against the initial cost of the streetlight purchase, as well as the ongoing costs and risks of ownership.

In April 2014, the city executed an agreement with Utility Cost Management LLC (UCM) to complete this "Streetlight Purchase Feasibility Analysis". The completion of this analysis has been delayed by SCE's inability to provide a valuation amount, by difficulty in getting SCE to respond to various questions, and by significant and ongoing changes to SCE's streetlight tariffs. However, given that SCE has created the August 15, 2016 deadline for the city to proceed with the purchase, UCM is submitting its report now in order to give the city adequate time to evaluate the transaction. The purpose of UCM's analysis is to scrutinize SCE's valuation methodology and offer price, evaluate the long-term costs, benefits and risks of streetlight ownership, and provide the City Council with the information that it needs to make a decision on whether or not to complete the purchase.

⁷ SCE's November 10, 2014 valuation shows 4,055 streetlights for sale out of a total of 4,479 LS-1 lights. The difference is 424 non-sellable wood pole streetlights. UCM's May 2015 review of the city's streetlight inventory shows a total of 4,570 LS-1 lights, or 91 more than SCE's valuation. If the sale of the system proceeds, this discrepancy will be resolved during the transition phase, and the sale price will be adjusted based on the actual number of streetlights being sold and the average price per streetlight in SCE's valuation. For the purposes of this analysis, UCM uses the 4,479 total LS-1 lights, and the 4,055 for sale, cited in SCE's valuation.

⁸ Once ownership is transferred from SCE to the city, the streetlights would be billed on rate "LS2" rather than "LS1". LS2 rates have lower fixed monthly charges than LS 1, which is discussed more fully in Section VIII of this Feasibility Analysis.

III. Analysis of Transaction from City’s Perspective

Ultimately, the city’s decision of whether or not to proceed with the streetlight purchase will be based on its answer to one simple question: “Is the streetlight purchase in the best interests of the City of Tulare and its constituents?” The various issues discussed in this report, such as SCE’s valuation methodology and proposed transaction costs, certainly will influence the city’s decision, but in the end this investment must be evaluated from the *city’s* perspective, regardless of external factors.

To assist with this evaluation, UCM has created an Excel financial model that provides the internal rate of return (IRR), cumulative cash flow, and simple payback for the purchase based on several variables. For a long-term investment opportunity like this one, we believe that a dynamic analysis is necessary, because there is no way to accurately predict what certain variables will be in 10, 20 or 30 years. By analyzing the opportunity under varying assumptions, the city can see a range of possible outcomes, and decide if it is comfortable with them.

UCM’s model illustrates the significant impact that seemingly modest changes in assumptions can have over the long term. For example, with all other variables being constant, the model shows that the project’s IRR will increase by one-third over a 25-year period if the annual escalation for the LS-2 rate benefit is increased from 0% to 3%. UCM would be happy to explain the calculations in greater detail so that city staff can work with the model to determine how outcomes are impacted by changes in variables.

UCM also has analyzed the outcome of the streetlight purchase using fixed values that we believe are reasonable, and which are explained in various sections of this report. We have assumed that SCE’s total offer price of \$3,105,940 will not change, and that all of the purchased lights will be billed on rate LS-2B rather than LS-2A. We have used maintenance costs of \$36 per HPS streetlight per year, and annual costs for capital upgrades, insurance, and property taxes of \$17,000. We have projected that these costs will increase by 1% per year, while the benefit of rate LS-2 compared to rate LS-1 will remain constant. Finally, we have assumed that the city will finance the entire purchase at an interest rate of 3.8% over 15 years.

Based on these assumptions, the streetlight purchase appears unattractive if it is viewed individually, *without* any accompanying upgrade to the existing HPS lights. In fact, over a 25-year time horizon, the purchase yields a *negative* return, primarily because the high maintenance costs for the existing lights exceed UCM’s forecasted rate savings.

Of course, it is not realistic to view the purchase in isolation, because if the city purchases its streetlights, as discussed in Section IX of this report, it almost certainly will consider upgrading to LEDs. When the analysis of the purchase incorporates the energy and maintenance savings

City of Tulare – Streetlight Purchase Feasibility Analysis

from LEDs, it looks better, yielding a 25-year cumulative cash flow of more than \$4 million, and an IRR of almost 10%. The simple payback for the project is between 12 and 13 years.

Please see Attachment A for printouts of UCM’s financial analysis of the streetlight purchase, both with and without the upgrade to LEDs.

Using these figures, the main options available to the city can be summarized in the following chart:

	OPTION 1 Do Not Purchase Lights, Keep HPS	OPTION 2 Do Not Purchase Lights, Get SCE LEDs	OPTION 3 Purchase Lights, Keep HPS	OPTION 4 Purchase Lights, Convert to LEDs
GENERAL VIEW	Increasing costs each year for obsolete lighting technology	Current SCE proposal is not a viable option	Without LED upgrade, limited benefit to streetlight purchase	Best option offering both quantitative and qualitative benefits
UCM ESTIMATE OF FINANCIAL IMPACT	Current SCE charges of \$685,000 to grow by 2%-4% per year	Best-case of minor savings if CPUC rules favorably by Nov. '15	Investment yields negative return over 25-year time period	Investment yields IRR of almost 10% over 25-year time period
PROS	City does not have to take any action; no maintenance duties	Reduced energy use, no maintenance responsibilities	City gains control of system, and freedom to upgrade in future	Good financial return, improved lighting, “smart” streetlights
CONS	Obsolete lights, higher costs, higher energy use	Little or no savings, no city control of streetlight system	Poor financial return, high energy use and maintenance costs	Significant initial cost; city must identify best funding source

UCM believes Option 4, purchasing the streetlight system and upgrading it to LEDs, represents the best option for the City of Tulare, offering substantial savings as well as all of the advantages of LED lighting. Of course, Option 4 also will require the greatest initial investment, but UCM believes the benefits justify the cost. If the city does not plan to upgrade the streetlights, UCM would not recommend purchasing the system, because the city will face significant maintenance costs and no improvement to its existing lighting or infrastructure.

One caveat – UCM’s calculations show that when the streetlight purchase and upgrade is viewed over the short term (i.e., 10 or 15 years), it offers negative or slightly positive returns, because the city’s debt service and additional ownership costs exceed the electricity savings. However, once the debt is paid off after 15 years and the purchase is evaluated over 20, 25 or 30 years, the returns are much more attractive, potentially rising to well over 10%. Clearly, the streetlight purchase and upgrade should be viewed as offering *long term* financial benefits to the city, rather than as a solution that will provide immediate cost savings. As a result, to proceed with the transaction, the city should be confident that the streetlight system is in good condition and has decades of remaining service life.

It also is important to note that the city should evaluate the streetlight purchase based on more subjective factors that are difficult to quantify. For example, owning its streetlights may enable the city to provide better, more reliable streetlight service. Additionally, given the long term nature of the streetlight purchase, it makes sense to think about how future technologies and uses for streetlights may affect the value of owning the system. (See Section IX for a discussion of this benefit.)

For example, how does the city value the autonomy that the streetlight purchase brings, or the partial hedge against future SCE rate increases? Does the city's commitment to sustainability influence its decision to install energy-efficient LED lights? Looking further into the future, how should the city value the technologies and alternative uses for streetlight systems? Does the city anticipate adding value and functions to its streetlights in the coming years, or does it view the system as more of a static asset that provides street lighting, and nothing else? The more subjective answers to these types of questions, when combined with the quantitative analysis described above, should help the city to decide if it agrees with UCM that the streetlight purchase and upgrade is the best course of action.

IV. SCE’s Proposed Purchase Price

All sales of streetlights or other utility assets require California Public Utilities Commission (CPUC) approval under Section 851 of the Public Utilities Code.⁹ SCE’s method of valuing the streetlights, as well as the method used by PG&E and SDG&E in the 30 or so streetlight sales that they have completed since 1983, is based on “Replacement Cost New Less Depreciation” (RCNLD). While the details of this method vary among different utilities, the basic idea is the same – streetlights are valued at their current replacement cost, less the accumulated depreciation for each light, which is determined based on its age, useful life, and salvage value.

After so many completed streetlight transactions, it is clear that the CPUC believes that RCNLD complies with PU Code Section 851 and results in valuations that protect ratepayers from adverse effects of asset sales.¹⁰ However, while the CPUC has approved sales based on RCNLD valuations, this in no way suggests that RCNLD is the *only* way to value streetlight systems. As the Commission stated in Decision No. 03-04-032: “Previous Commission decisions have found that a sales price for utility assets based on RCNLD, when negotiated between the parties in arms-length transactions, is fair and reasonable... However, we recognize that RCNLD is only one method of valuation, and we may consider different methodologies in other cases”.

RCNLD is simply a valuation methodology that historically has resulted in sale prices that have been high enough to avoid CPUC objections to asset sales. If some other fact-based methodology is fair and reasonable and results in prices that protect ratepayers from adverse consequences, then it is likely that the CPUC would approve those sales as well.

In the end, then, the potential transaction between the City of Tulare and SCE should be viewed like any other transaction between a willing buyer and a willing seller – the price must be high enough to satisfy the seller, and low enough to make sense for the buyer. The only additional caveat in this case is that a third party, the CPUC, must also be convinced that the transaction is in the best interests of the public.

When viewed in this context, RCNLD becomes just *one* valuation methodology that should be considered in evaluating the reasonableness of the purchase price. It is not the “formula” for determining the “correct” price; only SCE and the City of Tulare can determine that price based on where their mutual interests intersect. Indeed, SCE seems to understand this, for in

⁹ PU Code Section 851 states “A public utility... shall not sell, lease, assign, mortgage, or otherwise dispose of, or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public... without first having either secured an order from the commission authorizing it to do so for qualified transactions valued above five million dollars, or for qualified transactions valued at five million dollars or less, filed an advice letter and obtained approval from the commission authorizing it to do so”.

¹⁰ The CPUC’s 2002 approval of PG&E’s streetlight sale to the City of Yuba City (D. 02-12-015) is typical of its rationale in approving streetlight sales: “We grant the petition. All of the benefits to the public and all of the reasons that supported the Commission’s approval in D. 01-06-004 remain. Among them: The buyer offered a price for the facilities that is greater than RCNLD... ratepayers have not contributed capital to the streetlight system, and PG&E customers will not suffer a decline in service as a result of the sale.”

City of Tulare – Streetlight Purchase Feasibility Analysis

proposing a sale price to the city, it has adopted a valuation methodology that deviates substantially from RCNLD.

A. SCE’s Offer Price and Valuation Methodology

SCE’s offer price is \$3,105,940, broken down as follows:

	<u>Qty</u>	<u>RCNLD</u>
Non-wood poles ¹¹	3,772	\$2,254,146
Wood poles	283	438,775
	<u>4,055</u>	<u>\$2,692,921</u>
Ad Hoc Replacements		196,314
Omissions & Exclusions		53,858
Tax Neutral Adjustment		69,581
Transition Costs		93,265
TOTAL		<u>\$3,105,940</u>

UCM has discussed the details of SCE’s valuation method at length in various meetings with SCE over the past two years. Through these meetings, UCM has come to support SCE’s basic RCNLD methodology, but disapproves of several adjustments that impact the RCNLD calculations. In UCM’s opinion, SCE’s justifications for these changes to RCNLD are dubious or, at the very least, lack adequate support.

1. SCE’s Basic RCNLD Methodology

The first step in SCE’s calculations is to determine “replacement cost new”. Here, SCE uses only the “Contribution in Aid of Construction” (CIAC) for concrete and steel streetlights, rather than the actual replacement cost of the lights. For a 23-foot streetlight, the CIAC cost is only \$642, a fraction of the \$2,000 to \$3,000 actual cost for a concrete streetlight installation.¹²

This is an important concession that significantly reduces the RCNLD figures. SCE’s stated rationale for using the CIAC, rather than full replacement cost, is that the utility already was paid for a large portion of the concrete and steel streetlight costs by developers when the lights were installed, and therefore should not be paid again if the lights are valued at full replacement cost.

¹¹ Consists of 3,589 concrete poles, and 183 steel poles.

¹² Based on SCE’s assumed price for ad hoc streetlight replacements. See also CPUC A. 11-06-007, *Phase 2 of 2012 General Rate Case, Marginal Cost and Sales Forecast Proposals*, Exhibit No. SCE-02 workpapers 1.

Next, SCE subtracts the “net salvage” value of the lights, which is a negative amount that basically is the cost of removal.¹³ This value is -\$1,084 for a 23-foot concrete pole. When this negative amount is subtracted from the CIAC amount, the total depreciable base of each streetlight *increases*. Using the figures cited above for a 23-foot concrete pole:

$$\$642 \text{ CIAC minus } -\$1,084 = \text{Depreciable Base of } \$1,726$$

Finally, SCE determines the accumulated depreciation for each light by applying an “Expectancy Life Factor” (ELF) to each light based on its age. The ELF is derived from “Iowa Curves”, which are used to determine the estimated remaining life of streetlights based on observations of the ages at which industrial assets are retired.¹⁴ This “remaining life” method is used by nearly all large California utilities to calculate depreciation expenses.

The ELF is one of the key drivers of the RCNLD calculations, because it determines how much depreciation expense to deduct from the replacement cost. SCE’s ELF is based on an assumed “Average Service Life” (ASL) for streetlights of 40 years. This lengthy ASL results in lower annual depreciation expenses, and therefore higher RCNLD figures. While this ASL is longer than the 35 years SCE has used in the past, and longer than SDG&E’s 26 to 32 years, it is consistent with SCE’s recent CPUC testimony on depreciation.

Again using the above example, and using numbers for a streetlight installed in 1980 with an ELF of 43%, the depreciation is:

$$\text{Depreciable Base of } \$1,726 \times 43\% = \$742$$

This yields RCNLD of:

$$\$642 \text{ minus } \$742 = -\$100$$

UCM believes that SCE’s basic RCNLD methodology is reasonable. The utility properly incorporates the negative salvage value of the streetlights into the calculations, and its depreciation assumptions are, for the most part, consistent with its testimony and workpapers in recent General Rate Cases before the CPUC.¹⁵ Additionally, the use of the CIAC as the “Replacement Cost New” significantly reduces the RCNLD figures.

¹³ For steel poles, the salvage value also includes a small amount for the value of the salvaged steel, but this amount is zero for wood or concrete poles.

¹⁴ There are several families of Iowa Curves that vary depending on the timing of asset retirements. According to SCE’s testimony in its 2015 GRC, for FERC account #373(streetlights), it uses curve L 0.5, with an assumed Average Service Life of 40 years. See Direct Testimony of Dane A. Watson, Exhibit No. SCE-10, page 257.

¹⁵ In its 2015 GRC application, filed in November 2013, SCE’s depreciation expert testified that an average service life of 40 years and a net salvage value of -40% are appropriate for streetlights. These figures are consistent with SCE’s RCNLD method. See direct testimony of Dane A. Watson, *SCE Electric Utility Plant Depreciation Rate Study*, page 97.

2. Adjustments to SCE’s Basic RCNLD Calculations

While UCM generally is supportive of SCE’s RCNLD method, we find four of the utility’s adjustments to RCNLD to be problematic. In our opinion, these unilateral adjustments have been made without adequate support, justification or precedent. As a result, we can only conclude that their primary purpose is to increase SCE’s RCNLD valuation price to a level that the utility finds acceptable.

The difficulty in accepting the validity of the adjustments is that SCE apparently wants to have it both ways. On the one hand, SCE touts RCNLD as the standard means of valuing streetlight assets, endorsed by the CPUC and various cities in dozens of proceedings in recent years. But then SCE proceeds to make significant changes to RCNLD, so that it no longer truly is “RCNLD”, but instead is some hybrid valuation model that has never before been used by a California utility, much less supported by cities or the CPUC.

Each of these RCNLD adjustments is described below.

- **SCE places a “floor” under the RCNLD figures equal to 15% of the CIAC amount for each streetlight.** The calculation in Section III.A.1 above yielded a RCNLD figure of -\$100 for the sample streetlight. There is nothing unusual about a *negative* RCNLD figure. In fact, with relatively low replacement costs and significant negative salvage values, many of the City of Tulare’s older streetlights would turn out to be negative in SCE’s RCNLD calculations.

However, SCE seems to find the idea that some streetlights could have a negative valuation, or a very small valuation, as unacceptable. Consequently, the SCE model adjusts RCNLD to value each streetlight at the *greater of* (a) its actual RCNLD amount, or (b) 15% of the CIAC amount. So, in the above example, SCE’s model returns a value of \$96 (15% of \$642) rather than -\$100.

SCE has provided no rationale for why it is necessary to place any type of floor under the RCNLD amounts, nor has it explained why it chose the 15% figure. In UCM’s opinion, both the application of the adjustment, and its amount, are random and arbitrary. If SCE had wanted to increase its offer price further, it could just as easily have elected to use 20%, 25% or 50% of CIAC as the RCNLD “floor”. If SCE desired a lower price, it could have used 10%.¹⁶ As a result, it is difficult to see this RCNLD adjustment as anything other than a mechanism to derive streetlight sales prices that SCE finds acceptable.

- **SCE adds \$69,581 to the RCNLD calculations to make the transaction “tax neutral”.** SCE has not provided supporting documentation on how it derived this figure, but it appears that SCE management decided that the utility will not sell its streetlights if it incurs a “tax loss”.

¹⁶ It is interesting to note that SCE’s GRC filings seek to maximize the utility’s depreciation expenses. Its testimony emphasizes the negative salvage value of streetlights, which presumably means that the utility has been compensated for these negative values through higher customer rates. But when the time comes to sell the lights, SCE apparently sees no contradiction in refusing to accept negative streetlight valuations.

Presumably, SCE has determined that increasing the City of Tulare price by \$69,581 will allow SCE to cover its tax obligations, whereas a lower price would result in out-of-pocket expenses for taxes.

SCE has not been willing to share details on how it derived this adjustment, but it seems to be based on nothing more than SCE management prerogative. Considering that all of the streetlight sales that UCM has reviewed resulted in taxable gains to PG&E or SDG&E without adjustment, it is surprising that SCE insists that it must increase its RCNLD calculations to eliminate its tax obligations. (For a more detailed discussion of SCE’s tax treatment compared to PG&E and SDG&E, see Section III.D below.)

In its April 1, 2015 Section 851 filing on the sale of its streetlights to the City of Lancaster¹⁷, SCE claims that it will record a pre-tax gain of \$1,811,368, and an after-tax gain of \$569,114. It is unclear why SCE is recognizing a significant gain on this transaction, but is insisting that the City of Tulare sale must be “tax neutral”.

- **SCE adds \$196,314 to the RCNLD calculations for “Ad Hoc Replacements”.** SCE assumes that 2% of Tulare’s streetlights have been replaced on an ad hoc basis. It claims 2% is a system-wide estimate, but it does not provide support for this figure, nor does it take into account that the City of Tulare’s streetlight system is newer than average, and therefore may have experienced fewer replacements.

In any event, SCE believes it should be reimbursed for its additional investment in replaced streetlights. Again, to UCM’s knowledge, there is no precedent for adjusting RCNLD calculations in this way. It also is difficult to understand why SCE should be reimbursed for ad hoc replacement costs, when those costs already have been incorporated into its rate base and recouped through higher customer rates.

- **SCE is refusing to sell 424 streetlights that would be among the most cost-effective to purchase.** SCE has excluded from its offer (a) streetlights attached to wood poles that are part of its distribution system, and (b) streetlights that also have equipment from telecom, wireless, or cable TV providers attached to them.

UCM has confirmed that both PG&E and SDG&E have been willing to sell streetlights connected to distribution poles. In such instances, the fact that the city purchases only the mast arm and luminaire, and not the pole, can significantly lower the streetlight cost. In fact, UCM recently was involved in a negotiation in which SDG&E offered to sell 258 streetlights attached to its distribution system for just \$3,818.¹⁸

¹⁷ The City of Lancaster is the first city that has proceeded with the purchase of its streetlight system since SCE made this option available in 2013, and therefore it is the only SCE city that has thus far completed a section 851 filing at the CPUC.

¹⁸ The remarkably low price, less than \$15 per streetlight, was due in part to the fact that no poles were being sold, and in part to the fact that the streetlights were old and had been fully depreciated.

City of Tulare – Streetlight Purchase Feasibility Analysis

Streetlight poles used by telecom, wireless and cable TV providers also are attractive targets because the owner can charge fees for use of the poles. By excluding these streetlights from the purchase, SCE is denying the city the opportunity to generate revenue in this way.

B. Comparable Sales

From 1983 to 2005, at least 30 California cities purchased streetlight assets from PG&E and SDG&E. Most of these sales involved PG&E, especially in more recent times; in fact, since 1988 only three transactions have involved SDG&E.¹⁹

Streetlight systems vary in the number of fixtures and poles, as well as their age, condition, and type. Additionally, sales may include or exclude utility distribution poles that have streetlights attached. With so many variables, it is difficult to make useful “apples to apples” comparisons among streetlight systems. In addition, the fact that there are no comparable sales that have been completed in the last several years,²⁰ and that none of the completed sales involve SCE, makes comparisons even more difficult.

Nevertheless, UCM has gathered data on several of the larger, more recent streetlight sales (including the only SCE sale that is far enough along to have publicly available data) to see how they compare to SCE’s offer to the City of Tulare:

	Year	Utility	# of Lights	Sales Price	\$ per Light	\$ per Light In 2015 \$ ²¹
Poway	1998	SDG&E	946	\$354,647	\$375	\$549
Watsonville	1999	PG&E	1,427	\$467,403	\$328	\$470
Morgan Hill	1999	PG&E	816	\$323,657	\$397	\$569
Gilroy	1999	PG&E	855	\$217,150	\$254	\$364
Antioch	2000	PG&E	5,486	\$1,682,844	\$307	\$425
Salinas	2000	PG&E	3,558	\$992,288	\$279	\$387
Marysville	2002	PG&E	1,100	\$257,790	\$234	\$310
Concord	2004	PG&E	6,509	\$1,208,806	\$186	\$235
Lancaster	2015	SCE	17,856	\$12,200,000	\$683	\$683
Tulare (SCE Offer)	2015	4,055	\$3,105,940	\$3,105,940	\$766	\$766

Clearly, SCE’s Tulare offer price of \$766 per light far exceeds the average price paid by the PG&E and SDG&E cities. In fact, even after adjusting for inflation by converting all amounts to 2015

¹⁹ Tallies of streetlight sales were compiled through a search of CPUC Section 851 filings.

²⁰ In the past several years, PG&E has changed its position, and no longer offers its streetlight systems for sale. This is the reason that there have been no recent PG&E sales. SDG&E seems to still be willing to sell streetlight assets.

²¹ The “\$ per Light” figure has been converted to “2015 \$” by using the U.S. Department of Labor Bureau of Labor Statistics CPI Inflation Calculator, available at data.bls.gov.

dollars, SCE's offer is 34.6% higher than the price per light paid by the next highest city (Morgan Hill).

The Tulare price per light also is 12% higher than the price paid by the City of Lancaster, the only SCE city with publicly available sales data.²² Given that SCE's methodology in deriving the Lancaster amount essentially is identical to the methodology used for Tulare, this discrepancy is most likely due to the fact that Tulare has an especially new streetlight system, with more than two-thirds of the lights installed since 1990 according to SCE. As a result, the Tulare streetlights may have experienced less depreciation than those in other cities, including Lancaster.

As mentioned above, there are numerous variables that impact the value of streetlight assets,²³ and it is beyond the scope of this report for UCM to analyze each of the above transactions to determine why each sale was completed at a different price than SCE's offer to the City of Tulare. It seems clear, however, that SCE's valuation methodology, and specifically its decision to make adjustments to its RCNLD calculations, is resulting in higher values than would be obtained by PG&E or SDG&E.

C. Summary of UCM's Opinion of SCE's Valuation

The key assumptions used in SCE's basic RCNLD methodology are reasonable. SCE's use of a 40-year ASL increases the valuation compared to a shorter ASL, but this is more than offset by the fact that SCE uses its CIAC as the "replacement cost".

However, the adjustments to RCNLD discussed above are problematic. They lack adequate support or justification, and UCM believes they are an arbitrary means to increasing the sales price to a level that SCE finds acceptable. While UCM has challenged SCE's adjustments in the past, it seems pointless because SCE has been steadfast in insisting that it will not negotiate with cities on the purchase price, nor will it alter its valuation model no matter how unsupported or inequitable certain aspects of the model may be.²⁴ Nevertheless, it is worthwhile for the city to understand how the price was derived, so that there is full transparency in the evaluation of this opportunity.

²² UCM is working with other SCE cities on street light purchases, including the cities of Visalia and Porterville. If the City of Tulare would like information on the SCE prices offered to those cities, UCM can provide this information as long as senior city staff at those cities authorizes us to do so.

²³ For example, the higher SCE price may be caused by the fact that Tulare's system is newer and therefore has incurred less accumulated depreciation. Perhaps the PG&E and SDG&E transactions involved streetlights that were in poor condition and required significant capital investment. Or perhaps SCE's RCNLD methodology and assumptions, including the adjustments to RCNLD discussed in Section III.A.2 of this report, are the main cause for the discrepancies.

²⁴ In meetings with SCE, UCM has asked SCE whether it would share an electronic or hard copy version of its model so that UCM could determine whether there were any errors in the spreadsheet formulas or calculations that were resulting in inaccurate valuations. But SCE has refused to provide this information, so there is no way to verify that the model is error-free. If SCE will not take responsibility for arithmetic errors in its calculations, it seems unlikely that it will accept that its valuation model is based on faulty assumptions.

The city should keep in mind that the RCNLD calculations, and SCE's adjustments to those calculations, are simply a means to an end, and that "end" is the sale price that SCE wants to achieve. SCE can arrive at a wide range of valuations simply by changing the assumptions in its RCNLD model, or by adding or removing adjustments to that model. As a result, the city's evaluation of the streetlight purchase should focus on the price that the *city* is willing to pay, rather than the methods and assumptions that SCE adopted to derive its price. (See Section III of this report for UCM's analysis of the transaction from the city's perspective.)

V. Transaction Costs

SCE's valuation price is only part of the proposed cost of the streetlight purchase. As part of its offer to the City of Tulare, SCE has included a \$53,858 fee for "Omissions and Exclusions" (O&E), and a \$93,265 fee for "Transition Costs". In addition, SCE has suggested that the city may owe sales taxes in connection with the purchase.

A. O&E Fee and Transition Costs

According to SCE, the O&E fee covers "other asset components relevant to the sale", including incidental items such as riser poles, insulators, nuts and bolts, etc., while the Transition Costs reimburse SCE for the in-field and administrative tasks required to verify streetlight inventory, make changes to SCE's mapping records, remove pole tags, and update SCE's internal financial records.²⁵

SCE has provided no supporting documentation for these fees, and only vague explanations on how it arrived at its figures. For the O&E fee, it is unclear as to whether these incidental items have been included in costs submitted to the CPUC, and thus have already been recouped by SCE in its rates. As for the transition costs, if we assume an average rate of \$60 per hour for SCE personnel involved in the transition, SCE's \$93,265 estimate suggests that the Tulare streetlight sale will require *three SCE employees full-time for more than three months*. It is difficult to imagine that the streetlight transition will require so much time to implement.

For comparison purposes, UCM reviewed the Purchase and Sale Agreements for past streetlight sales in California, some of which included information on transaction costs. For example, when PG&E sold 6,509 streetlights to the City of Concord in 2004, the city paid \$37,350 for "Inventory and Appraisal Costs", and \$4,924 for "Severance Costs". Concord's total transaction costs of \$42,274, or \$8.21 per light in 2015 dollars, are *64% less* per light than SCE's proposed \$23 per light for the City of Tulare. The City of Lancaster is paying transition costs of \$410,000 for 17,856 streetlights, or \$22.96 per light, virtually the same as the Tulare amount.

For SCE valuations performed more recently, SCE is charging all cities transition costs of \$30 per streetlight, significantly more than the Tulare and Lancaster amounts. SCE claims the \$30 figure is based on an internal analysis of its actual transition costs, but has provided no supporting details or documentation.

B. Sales Tax

SCE has indicated that the city also may be required to pay sales tax on a portion of the purchase, but the utility's attorneys have not made a final determination. In meetings, SCE personnel suggested that perhaps sales tax would be owed only on the cost of the streetlight

²⁵ These fees are *in addition* to the \$10,000 paid by the city in 2014 for SCE to perform an initial appraisal of the streetlight system.

fixture and conductor and not the poles, which would result in a modest sales tax amount. As of October 6, 2015, SCE still had not determined whether or not sales tax will be owed by the City of Lancaster for its streetlight purchase.

UCM does not have expertise in the application of sales taxes, and has not been able to determine if sales taxes were applied in prior sales of streetlight assets in California. Therefore, UCM cannot render an opinion on the amount of sales tax, if any, that will be owed by the City of Tulare.

VI. Negotiating Leverage: Obtaining the Streetlights Through Eminent Domain

UCM is not aware of any California cities that have utilized eminent domain to seize streetlight assets in the past 20 years. Nevertheless, there appears to be little doubt that cities have a “right to take” streetlights through eminent domain.²⁶ In fact, SCE’s Section 851 filing for the Lancaster sale acknowledges this fact:

SCE wants to sell the Streetlight Facilities because it has received a fair offer from the City. The City has offered to pay SCE a price equal to replacement cost new less depreciation for the Streetlight Facilities. The City and SCE believe the City would be successful if it attempted to obtain ownership of the Streetlight Facilities through an eminent domain action. If the City were successful in an eminent domain action, a court would set the purchase price, and SCE and the City would incur litigation fees associated with the condemnation process. By selling the Streetlight Facilities through a negotiated sale, SCE and the City can avoid the costs of litigation and an uncertain sale price.²⁷

The CPUC has echoed this view in its Section 851 decisions, stating clearly that “the buyer has the right to exercise its power of eminent domain to acquire the streetlight facilities”.²⁸

Thus, the fact that eminent domain has not been used seems to be the result of the costs and risks associated with the valuation process, and not the result of uncertainties regarding cities’ “right to take” the assets. Understandably, cities have opted to avoid costly legal proceedings when they have no assurance as to what value a court will place on their streetlight assets. The level of risk is simply too great.

SCE certainly must understand this, which is why it has little incentive to reduce its offer price, or to negotiate any of the terms of the streetlight sale. SCE knows that the City of Tulare, like all other cities that are considering streetlight purchases, does not find condemnation as an appealing alternative to a negotiated sale. This gives the utility considerable leverage in determining the price and terms of streetlight sales.

To level the playing field and give the city some negotiating leverage, the city should not be too quick to dismiss eminent domain as a means of acquiring the streetlight system. After all, SCE also wants to avoid the costs and uncertainty of condemnation proceedings, especially in the current environment where cities throughout Southern California are considering streetlight purchases for the first time. If even *one* city were to initiate eminent domain proceedings, and if those proceedings resulted in a valuation significantly lower than SCE’s valuation, the impact on SCE’s overall efforts to sell its streetlight assets could be in the tens of millions of dollars.

²⁶ UCM is not a law firm, and does not provide legal services or advice. Legal services and advice can only be provided by an attorney.

²⁷ Section II.E of SCE Section 851 filing dated April 1, 2015. This wording is nearly identical to the language in several PG&E Section 851 applications for streetlight sales that were reviewed by UCM.

²⁸ See CPUC Decision No. 02-12-022, among other Section 851 decisions.

It is worth noting that PG&E refused to sell its streetlights prior to a mid-1980's eminent domain action filed by a group of 12 Marin County jurisdictions.²⁹ In that case, the court rejected PG&E's RCNLD valuation method, and instead adopted an alternative method that resulted in a lower valuation. This decision likely was an important factor in PG&E subsequently agreeing to sell streetlight systems at reasonable prices to more than 20 Northern California cities.

If the city does not find the threat of eminent domain as a viable alternative, there is another approach that can reduce the SCE price. If there are areas of the city that have too many streetlights, the city can request that SCE remove these unnecessary LS-1 poles at the utility's expense. The removals will not only reduce the streetlight system purchase price, but could also encourage SCE to become more cooperative and willing to negotiate, in order to avoid the potentially significant removal costs. If the city is interested, UCM can provide names of vendors that measure the amount of light hitting the roadway throughout the city, to determine which areas are "over-lit" and therefore are good candidates for streetlight removal.

²⁹ See *Marin Street Light Acquisition Joint Powers Authority vs. PG&E*, Marin County Superior Court, Notice of Intended Decision No. 122392 dated September 12, 1986.

VII. Maintenance and Other Impacts of Ownership

The ownership of any sizable asset is accompanied by costs and impacts that should be evaluated prior to purchase. For the City of Tulare, the ongoing maintenance and repair of the system, along with managing the growth of the system as the city expands, are the key issues to consider.

A. Ongoing Maintenance and Repair

If the streetlight system is transferred to the city, ongoing maintenance and repair of the system will become the responsibility of the city, rather than SCE. This obligation will grow over several months rather than occurring all at once, as SCE has expressed a desire to transfer streetlight ownership to cities in phases.³⁰ As a result, the city will have time to build up its maintenance capabilities. Examples of functions to be performed include night patrols to check for burnt-out lamps, assessing the structural integrity of streetlight poles, replacing fixtures and other equipment that has failed, and unscheduled emergency repairs caused by traffic collision “knockdowns” or unexpected events such as vandalism, floods, or earthquakes.

1. Maintaining HPS Lights In-House

City staff already has experience maintaining a system of about 291 city-owned HPS streetlights installed at signaled intersections. However, increasing the city-owned streetlight count by more than 4,000 lights would obviously require increases in manpower, equipment and management, and therefore must be evaluated as part of the purchase analysis.

In its CPUC filings, SCE must provide detailed data on its streetlight maintenance costs. Applying the SCE data to the specific HPS lights located in the City of Tulare, SCE’s maintenance cost is \$14.40 per year per light, broken down as follows:³¹

Annual Replacement Costs (including photocell)	\$7.96
Patrol Costs	0.75
Other Repair Costs	4.32
Routine Mapping Costs	<u>1.37</u>
Total SCE Annual Maintenance Costs Per Light	\$14.40

The SCE figures assume that each HPS lamp replacement takes about 30 minutes at a labor rate of \$64 per hour, or \$32.56 in labor costs per replacement. SCE’s calculations assume that Tulare’s HPS lights cost \$9.90 each, yielding a total replacement cost of \$42.46 (\$32.56 + \$9.90).

³⁰ For example, SCE has stated that the City of Lancaster will obtain all of its streetlights over a 21-month period. For Tulare, with far fewer streetlights, the transition period would be much shorter, most likely 6-9 months.

³¹ Figures taken from SCE workpapers in Phase 2 of 2015 GRC (A. 14-06-014).

This total replacement cost is then divided by SCE's assumed life of 5.797 years³² to get \$7.34 per year. SCE then adds \$0.62 in photocell costs to come up with \$7.96 as the annual replacement cost.

SCE's total maintenance cost estimate of \$14.40 per light per year seems incredibly low, when compared to SDG&E and PG&E, which have quoted \$18 and \$25 respectively in past CPUC filings³³, as well as when compared to other vendors and government entities that UCM has contacted.

SCE's figure may be low because the utility's maintenance program is inadequate; certainly there has been ample anecdotal evidence that cities throughout Southern California have not been satisfied with SCE's service. In any event, it is reasonable to assume that the City of Tulare will want to improve streetlight performance for its citizens by being more attentive to maintenance than SCE, and that there may be some deferred maintenance facing the city. Additionally, in maintaining more than 650,000 streetlights, SCE may have realized economies of scale that are not available to individual cities. Consequently, UCM believes the city should forecast HPS maintenance costs that are considerably higher than SCE's figure, and also higher than the SDG&E and PG&E costs, perhaps \$30 per light per year.

2. Using Vendor to Maintain HPS Lights

Of course, the city also has the option of using an outside vendor to handle maintenance and repairs. Many cities prefer this approach to relieve city staff of this considerable obligation, and to avoid the need to invest in trucks and other equipment that may be used infrequently.

UCM has contacted several California cities and vendors, and has reviewed vendor lighting maintenance proposals. We have found a wide range of prices for HPS maintenance, from \$20 per light per year, to more than \$50. Based on this research, we believe a reasonable estimate of maintenance costs for Tulare's HPS lights is \$36 per pole per year. This amount includes "knockdown" replacement, but assumes that the vast majority of knockdowns will be paid for by the driver's insurance company.

3. Maintaining LED Lights

As discussed in Section IX.A, one of the main benefits of upgrading streetlight systems to LEDs is the significant reduction in maintenance costs. SCE has reported that LEDs reduce its maintenance costs by at least 80%,³⁴ and cities that have installed LEDs also have touted similar savings. For example, the City of Los Angeles expects to save \$2.5 million per year, or \$18 per streetlight, by converting 140,000 HPS lights to LEDs.³⁵

³² Assumed average lamp life of 24,000 hours divided by 4,140 hours per year equals 5.797.

³³ SDG&E figure taken from Prepared Testimony of Susan M. Claffey, Exhibit SCE-08 of Phase 2 of 2012 GRC (A. 11-10-002). PG&E figure taken from Table 8-1 of Chapter 8 of PG&E testimony in Phase 2 of 2011 GRC.

³⁴ SCE Advice Letter 2860-E dated March 12, 2013.

³⁵ *Forbes*, July 31, 2013, "Los Angeles Completes World's Largest LED Street Light Retrofit".

If the City of Tulare installs LEDs after purchasing its streetlights, maintenance needs would be reduced dramatically, making it easier for the city to handle this obligation with existing resources. For forecasting purposes, UCM recommends assuming LED maintenance savings of 70% of the expected HPS costs, or about \$25 per streetlight per year.

LEDs also can be installed with “smart sensors” that use cellular networks to tell cities when they are near the end of their useful life, so that lights can be replaced as soon as – even before – lights burn out. This improves customer service, and also reduces costs associated with monitoring and patrolling to evaluate the condition of the streetlight system.

B. Growth of the Streetlight System

As the City of Tulare grows and new streetlights are needed, the new streetlights will be installed under rate schedule LS-2 (city-owned, unmetered) or LS-3 (city-owned, metered). This will result in additional installation costs for the city and/or property developers, because SCE will no longer make its “Contribution In Aid of Construction” (CIAC) to offset a portion of the initial cost. Currently, the CIAC for streetlights with concrete poles is \$642 or \$710 (depending on pole height), which accounts for roughly one-quarter to one-third of installation costs.

In choosing between LS-2 and LS-3 for new streetlights, the city should consider current rates under each schedule.³⁶

LS-2	\$0.08015/kWh of <i>Estimated Usage</i>	Fixed Charge of \$2.47/mo. <i>per streetlight</i>
LS-3	\$0.07274/kWh of <i>Actual Usage</i>	Fixed Charge of \$15.41/mo. <i>per account</i>

With a considerably lower energy charge, and a fixed charge that is lower whenever there are more than six streetlights served on one account, in most cases LS-3 will be preferable to LS-2. Of course, if the *actual* usage measured on LS-3 is substantially higher than the *estimated* usage used to calculate charges on LS-2, then the benefits of LS-3 billing could be eliminated. Conversely, if the city’s actual usage is lower than the estimated LS-2 usage (for example, if the city installed LED lights that reduced electricity usage by much more than the 50% reduction estimated on rate LS-2), then the benefits of LS-3 could be magnified.

The likely ongoing benefits of being billed on rate LS-3 rather than LS-2 must be weighed against the higher initial cost. In meetings with SCE personnel, the utility has indicated that a meter pedestal required for LS-3 accounts can cost \$2,000. For an LS-3 account with 15 100-watt HPS streetlights, it would take almost 6 ½ years to recoup that investment.³⁷

³⁶ LS-2 rates are for Rate B, because SCE has indicated that all of city’s streetlights likely will be served under Rate B. LS-3 rates are for “Multiple Service” rather than “Series Service”, because Series Service is unusual and typically is found only for very old systems.

³⁷ Calculated using estimated 100-watt HPS usage of 40.365 kWh per month, and LS-2B and LS-3 fixed monthly charges.

C. Other Considerations

If the city purchases the streetlight system, it will presumably incur additional insurance premiums. The city should consult its insurance provider to quantify this increase.

The city may also be subject to a very minor reduction in property tax revenue. For example, if SCE is paying property taxes based on a \$3,000,000 valuation, the lost revenue would be perhaps \$3,000 per year (assuming a property tax rate of 1%, and a 10% city share of property tax revenue).

The city also has raised questions about the impact of streetlight ownership on the establishment of a wireless, “smart” water meter system. In particular, the city is concerned that if there are areas of the city that are served primarily by non-sellable wood poles, there could be gaps in the coverage area for the wireless meter network.³⁸ To alleviate this concern, if the city proceeds with the purchase, when it negotiates the final sales agreement it should ensure that SCE agrees to allow necessary water meter devices to be attached to SCE-owned poles for a reasonable fee.

³⁸ The city’s concern about its water meter system also applies to other city-wide uses for the streetlight system, potentially making this issue even more important. See Section IX.B of this report for examples of these uses.

VIII. Utility Bill Savings

The primary benefit associated with the purchase of the city's streetlight system is the reduction in SCE charges for electricity service. Unmetered streetlights that are owned by SCE are billed on rate schedule "LS-1", while those that are customer-owned are billed using the lower rates on schedule "LS-2".

If the City of Tulare completes the purchase of its streetlight system, 4,055 lights currently billed on LS-1 will be converted to LS-2B. UCM has calculated that, under currently applicable rates, this change will reduce the city's annual SCE charges by \$315,257.³⁹

A. How likely is it that LS-2 savings will continue?

SCE's unmetered streetlight rates consist of two separate charges: (1) an "energy charge" that pays for the generation, transmission and distribution of the electricity used to energize the streetlights, and (2) a "service charge" (also known as a "facilities charge") that reimburses SCE for the costs of owning, operating and/or maintaining the lights.

The *energy charges* on rates LS-1 and LS-2 are identical, and have been for at least the past twenty years. This is not surprising; there is no reason that electricity supplied to SCE-owned lights should be priced any differently than electricity provided to customer-owned lights.

The *service charges*, on the other hand, are very different, and in fact account for all of the difference between LS-1 and LS-2 charges. LS-1 service charges include a large component that annualizes SCE's streetlight investment costs by taking the current streetlight replacement cost and multiplying it by a "Real Economic Carrying Charge".⁴⁰ In addition, LS-1 service charges must account for SCE's operations and maintenance expenses, which SCE details every three years in its GRC filings.⁴¹

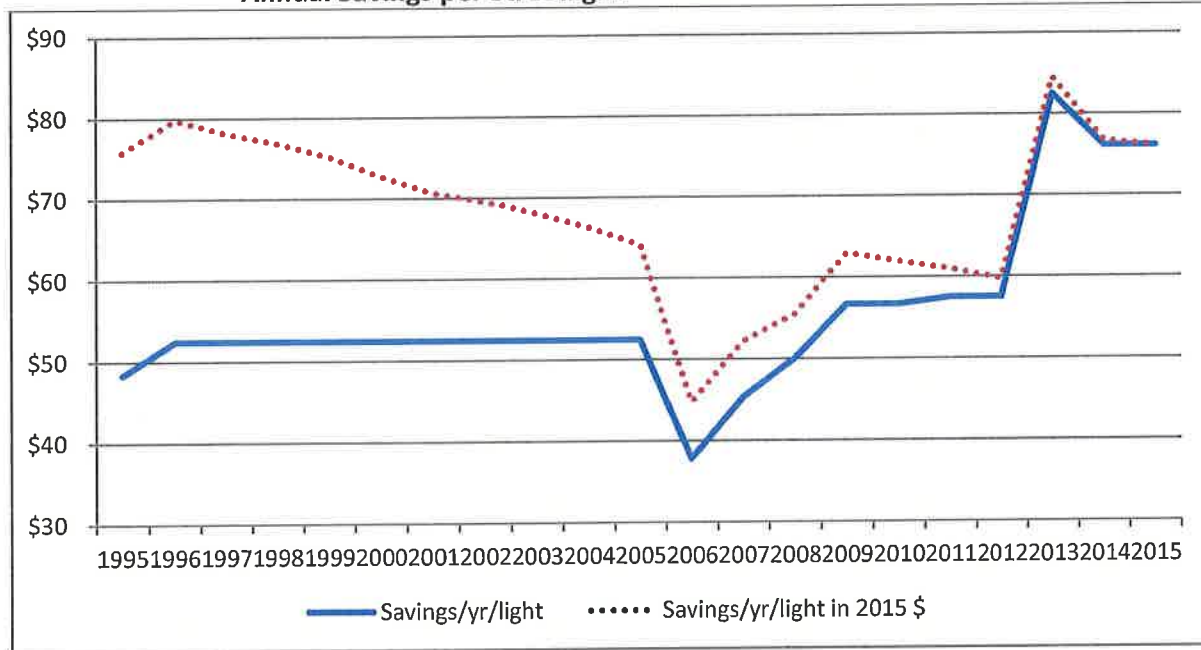
Clearly, LS-1 service charges *must* be higher than LS-2 service charges in order to reimburse SCE for the additional investment and O&M expenses associated with LS-1 service. Over the past 20 years, LS-1 service charges have consistently exceeded LS-2 service charges, in most years by more than \$50 per light per year, as illustrated below:

³⁹ The figure has been estimated because SCE was unable to provide an inventory of only the 4,055 LS-1 streetlights offered for sale. UCM assumed that the wattages of the lights being sold are proportionally the same as the entire inventory of all 4,570 LS-1 lights. In any event, this approximation will not materially impact the savings figure.

⁴⁰ SCE defines the RECC as "A measure of the per dollar savings of deferring an investment one year, taking account of the stream of replacement investments". See CPUC A. 11-06-007, *Phase 2 of 2012 General Rate Case, Marginal Cost and Sales Forecast Proposals*, Exhibit No. SCE-02, page 35, and page A-4.

⁴¹ Operations and Maintenance ("O&M") expenses include costs for lamp replacement, repair, routine inventory and mapping, field inspection, and night patrolling.

Annual Savings per Streetlight on Rate LS-2 vs. Rate LS-1⁴²



The higher LS-1 service charges have a lengthy history, are based on sound rationale, and rely on accounting practices that have been approved by the CPUC in prior GRCs, so they are likely to continue for many years. In Phase 2 of its 2012 GRC, SCE even suggested that there is justification for LS-1 service charges to be even higher.⁴³ However, in order to encourage energy-efficient new technologies like LED lights, LS-1 service charges will have to be *lower* so that more of the streetlight charges are for energy consumption.⁴⁴

The current LS-2 savings of \$76 per streetlight per year are higher than the savings realized from 2000 to 2012, but close to the average savings (in 2015 dollars) realized in the latter half of the 1990's. Given the competing factors influencing LS-1 service charges, UCM believes that it is reasonable to assume that the savings realized by LS-2 customers will continue at the current level for the foreseeable future.

B. Increased Savings on Rate LS-2A

All of the above comparisons of LS-1 and LS-2 service charges assume that, if the city purchases the streetlight system, it will take service on rate LS-2B, which applies to streetlights controlled

⁴² For a 5,800-lumen, 70-watt High Pressure Sodium Vapor fixture, which represent 70% of the City of Tulare's LS-1 streetlights.

⁴³ SCE states "Using the current costs would result in a substantial increase for LS-1 customers". (CPUC A. 11-06-007, Phase 2 of 2012 General Rate Case, Marginal Cost and Sales Forecast Proposals, Exhibit No. SCE-02, page 36)

⁴⁴ California elected officials, as well as regulatory bodies such as the CPUC and the California Energy Commission, have made clear that wider adoption of energy-efficient technologies is an important state-wide goal. See Section IX of this report for discussion on adoption of LED lighting.

by multiple customer-owned photocells. However, if the city instead took service on rate LS-2A, annual savings would increase by almost \$20 per streetlight, or about \$80,000 for all 4,055 streetlights that are for sale.

Rate LS-2A applies when all of the lights on an account are controlled by a single SCE-owned photocell, so that SCE can provide service to a single feed point. When asked about the possibility of the City of Tulare taking service on LS-2A, SCE's representative thought it was unlikely because there would have to be many feed points to control the city's streetlights. It is not clear whether it is possible for the city to set up many different LS-2 accounts in order to have some streetlights qualify for LS-2A, but given the significant additional savings that are available, the city should be aware of this opportunity.

IX. Upgrades to Streetlight System

Aside from the immediate cost savings, ownership of the streetlight system offers the city the freedom to implement system upgrades to improve performance, reduce electricity consumption and minimize costs.

A. Light-Emitting-Diode (LED) Streetlights

LED streetlights offer many advantages over traditional High Pressure Sodium (HPS) lights,⁴⁵ but their adoption has been slowed by their high initial cost. In recent years, however, the cost of LED lights has come down even as efficiency has improved. In fact, just from 2010 to 2014, the typical price of LED streetlight luminaires was nearly cut in half.⁴⁶

As a result, cities throughout the country are replacing HPS fixtures, which are used in Tulare and most other cities, with LEDs.⁴⁷ Since 2012, the number of LED streetlights in the U.S. has more than quadrupled, from 1.3 million to 5.7 million, so that LEDs now comprise more than 13% of the nation's streetlights, compared to only 3% in 2012.⁴⁸ According to U.S. Department of Energy forecasts, LEDs may account for more than 80% of the nation's streetlights as soon as 2020.⁴⁹

Clearly, the conversion of Tulare's HPS streetlights to LEDs is a critical consideration that is related to the potential purchase of the streetlight system. Given that LED streetlights are quickly becoming the "standard", just as HPS streetlights were adopted in the 1970's and 1980's, it seems that the question is not *if* the City of Tulare will have LED streetlights, but rather *how* and *when* the change can be made most cost-effectively.

Determining the best way to convert the city's streetlights to LEDs is difficult because most of the factors used in this analysis are in a state of flux. As mentioned above, LED prices are rapidly decreasing. LED efficiency is increasing, but is not yet reflected in SCE estimates used in billing. Going forward, SCE rates will have to change to encourage adoption of LED streetlights, but exactly how or when this will happen is not clear. Meanwhile, SCE is in the process of developing new tariffs that will allow *utility-owned* streetlights to be converted to LEDs, but we won't know the final form of these new tariffs until late 2015.

⁴⁵ Aside from the obvious advantages of greater energy efficiency, enhanced reliability, and reduced maintenance costs, LEDs also contain no mercury or lead, produce more accurate color rendering from a whiter light, and can be turned on and off quickly with no warm-up time.

⁴⁶ U.S. Department of Energy "Adoption of Light-Emitting Diodes in Common Lighting Applications", July 2015.

⁴⁷ Some cities also have elected to replace HPS fixtures with induction lights, but LEDs are the most common choice and therefore are the focus of this discussion.

⁴⁸ U.S. Department of Energy "Adoption of Light-Emitting Diodes in Common Lighting Applications", July 2015.

⁴⁹ U.S. Department of Energy "Solid-State Lighting R&D Plan", May 2015.

All of these changing factors must be considered when evaluating how the City of Tulare can convert its streetlights to LEDs. We discuss each below and provide guidance on what to expect in the future.

1. LED Energy and Maintenance Savings

The main financial benefits of LEDs come from two sources: (1) lower electricity usage, and (2) reduced maintenance costs.

Estimated LED electricity usage, and the corresponding reduction in electricity charges, can be calculated by applying the rates on SCE schedule LS-2 to the actual City of Tulare inventory of streetlights for sale:⁵⁰

Est # Lights	Lumens	HPS Watts Per Lamp	HPS Total kWh/Year	LED Watts Per Lamp	LED Total kWh/Year	Annual LED Savings
2,853	5,800	70	980,348	43	503,269	\$38,238
866	16,000	150	691,951	90	313,838	\$30,306
194	9,500	100	93,970	54	42,137	\$4,154
136	22,000	200	138,508	130	71,808	\$5,346
4	4,000	50	960	28	456	\$40
2	27,500	250	2,592	196	1,634	\$77
4,055			1,908,329		933,142	\$78,161

The 51% reduction in electricity usage, and the corresponding \$78,161 reduction in SCE charges, is based on *current* SCE estimates of the energy consumption for each type of lamp. In UCM’s view, these estimated LED savings are too low, as many cities have reported actual reductions in electricity usage of 60% or more after LED installations.

In 2013, when SCE proposed the current estimates, it stated that “Because the monthly usage associated with LED lamps may vary as the technology matures, SCE will address future variations with periodic updates of LED usage values”.⁵¹ UCM believes it is time for SCE to update its figures to better reflect the actual impact of LEDs. While we cannot predict exactly *when* the figures will be changed, for forecasting purposes we are confident that the estimated benefits of LEDs under SCE’s tariffs will increase, likely within the next year or two. Certainly when forecasting the benefits of LEDs over a period of 20 years or longer, it is reasonable to assume that average energy savings during the period compared to HPS lights will be

⁵⁰ SCE has provided an inventory of the city’s 4,570 LS-1 streetlights. From this inventory, UCM has assumed that the ratio of streetlights at various wattages is the same for the 4,055 lights that are for sale. Wattage figures per lamp are based on SCE Advice Letter 2860-E dated March 12, 2013. kWh figures are based on monthly kWh consumption cited in SCE schedule LS-2 for each type of lamp. Savings figures are based on LS-2 energy charge of \$0.08015/kWh in effect as of June 1, 2015.

⁵¹ SCE Advice Letter 2860-E.

considerably greater than SCE’s current figures, and therefore UCM utilizes a 65% reduction in electricity consumption in its analysis.⁵²

Even using SCE’s too-low estimates of LED energy savings, the estimated reduction in electricity consumption of 975,187 kWh per year is equivalent to eliminating 672 metric tons of greenhouse gases, or eliminating the CO₂ emissions from more than 75,000 gallons of gasoline.⁵³

Because LEDs are reliable and last 50,000 hours or more, they also offer significant maintenance savings compared to HPS lights. In 2013, SCE found that O&M costs for LEDs were 80% less than for HPS fixtures.⁵⁴ For the City of Tulare, this could mean savings of more than \$25 per light, or total maintenance savings exceeding \$100,000 per year.

The reduced maintenance associated with LEDs would also make it much easier for the city to maintain the system in-house, rather than relying on outside vendors. For a discussion of maintenance issues, see Section VII of this report.

Together, annual energy and maintenance savings from LEDs would be greater than \$179,000 for the 4,055 lights that are for sale, or about \$44 per light per year.

2. Costs of LED Streetlight Conversion

Of course, LED streetlights still are more expensive than HPS lights, which sometimes results in lengthy payback periods for LED projects. A summary of streetlight retrofits completed in the past few years provides a high-level view of how these projects looked financially:

City	# of Lights	Total Cost	Cost per Light	Est. Annual Savings	Primary Financing
Los Angeles	140,000	\$57,000,000	\$407	\$10,000,000	LADWP loan @ 5.25%
Oceanside	8,400	\$5,100,000	\$607	\$666,220	BofA Lease Agmt @ 3.15%
Chula Vista	4,600	\$2,051,600	\$446	\$260,000	CEC loan @ 3%
San Marcos	2,200	\$1,100,000	\$500	\$130,000	CEC loan @ 1%
Yuba City	3,338	\$1,560,587	\$468	\$169,000	CEC loan @ 3%
Ventura	500	\$339,000	\$678	\$37,000	Federal Stimulus Funds

Each streetlight retrofit is different, making it difficult to predict the cost of upgrading the City of Tulare’s streetlights to LEDs. The average for the above cities is about \$500 per light, with

⁵² LED systems can be installed in conjunction with wireless networks that enable streetlight dimming capabilities that further reduce electricity consumption. Once SCE’s tariffs offer discounts for this capability, LED electricity savings have the potential to increase.

⁵³ Based on U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator.

⁵⁴ SCE Advice Letter 2860-E.

the City of Los Angeles closer to \$400, perhaps because of the economies of scale in replacing 140,000 streetlights.

But the above figures are from LED retrofits completed in the *past*, and more recent data compiled by the California City-County Street Light Association (CAL-SLA) suggest that the cost today could be substantially lower thanks to falling LED prices. In fact, applying the 2015 CAL-SLA estimates to Tulare’s streetlight inventory results in an average installed cost of \$363 per light.⁵⁵ UCM believes this downward trend in LED prices is ongoing, and therefore uses an installed cost of \$320 for LED lights for the City of Tulare.⁵⁶

In addition to the cost of the initial installation, any long-term evaluation of LED lighting should also take into account the cost of relamping. LEDs may be virtually maintenance-free for many years, but at some point they will require replacement. They often are under warranty for at least 10 years, but rated lifetimes exceeding 50,000 hours, or about 12 years, are common, with some manufacturers claiming 70,000 or even 100,000 hours (25 years).

We cannot verify these claims because LED streetlights are too new. For financial modeling purposes, UCM believes that it is reasonable to assume a 15-year life for high-quality LED streetlights.

Of course, it is impossible to predict what new lighting technologies will exist in 15 years, or how much they will cost. However, it seems highly likely that the cost per lumen of light will continue to decrease as technology advances. In its analysis, UCM has made the relatively conservative assumption that this cost will decrease by 3% per year.

3. Impact of SCE Rate Structure on LEDs

According to an analysis prepared by the California Assembly Committee on Utilities and Commerce in February 2013, at that time only 1% of city-owned streetlights in SCE’s territory had converted to energy efficient fixtures, compared to 40% for SDG&E and 20% for PG&E. This huge discrepancy is not surprising because SCE’s rate structure does not provide adequate incentives to encourage the rapid adoption of LEDs.⁵⁷

⁵⁵ “LED Installed Cost” for each wattage of HPS light taken from SCE AB 719 Stakeholder Meeting 2015 Workpapers, as reported on page 6 of CAL-SLA Protest of SCE Advice Letter 3241-E. The CAL-SLA figures were then matched to the City of Tulare’s actual streetlight inventory to derive the overall average cost.

⁵⁶ The \$320 cost is for LED lighting only, and does not include enhanced capabilities such as dimming, remote monitoring and control, or other intelligent lighting applications. These additional capabilities are too numerous and varied to analyze here, and will have to be evaluated by the city on a case by case basis.

⁵⁷ Most of SCE’s LS-2 charges are concentrated in the facilities component, which is identical for all types of lights, muting the benefit of energy efficient technologies for SCE customers. In fact, if a 70-watt HPS fixture (the type that comprises about 70% of the streetlights that SCE is offering to sell to Tulare) is converted to a 43-watt LED, savings for a PG&E customer will be almost *double* the savings realized by a SCE customer.

SCE's anti-LED rate structure not only differs from PG&E and SDG&E rates, but also is contrary to policies espoused by California legislators and regulators. For example, in its "Energy Efficiency Strategic Plan", the CPUC has set an ambitious goal of a 60% reduction in statewide lighting load by 2020, and has stated that local governments should lead by example in adopting new lighting technologies like LEDs.

In this political and regulatory environment, UCM believes that SCE's tariffs will have to be changed in the coming years to offer more substantial LED streetlight discounts. In fact, it is possible that changes may be implemented as part of SCE's current General Rate Case, which would mean that SCE's rates may offer more significant LED incentives as soon as the first half of 2016. While it is impossible to predict precisely how the tariffs will be changed, we believe it is appropriate to assume that the per-kWh charge on SCE's streetlight tariffs will increase at a rate of 4% per year, and we have incorporated this assumption into UCM's calculations.

4. Obtaining LEDs on Utility-Owned (LS-1) Streetlights

California Assembly Bill 719 (Hernandez) was signed by Governor Brown on October 7, 2013. The new law required the state's major investor-owned utilities to offer a tariff by July 1, 2015 that funds energy efficiency improvements to *utility-owned* streetlights. For cities that do not purchase their streetlights, AB 719 offers a potential way to convert to LEDs with no upfront costs.

SCE Advice Letter 3241-E, filed on June 30, 2015, detailed SCE's proposal implementing AB 719. Unfortunately, the SCE proposal was not a serious one, because it would require any city that elected to convert from HPS to LED lights to incur an *increase* in streetlight charges over a 20-year period. While many cities with SCE-owned streetlights are eager to reduce their energy use by converting to LEDs, they are not inclined to do so if it will lock in higher costs.

On July 17, the California Street Light Association (CAL-SLA) filed a protest to the SCE proposal.⁵⁸ The protest compared SCE's plan to PG&E's well-received AB 719 offer, explained why SCE is dis-incentivizing energy efficiency, and challenged the assumptions underlying the SCE proposal. CAL-SLA also offered alternative rates that would result in modest savings for customers that elect to replace utility-owned HPS lights with LEDs.

The CAL-SLA protest has merit, and as a result UCM believes there is a chance that the CPUC will order SCE to make changes to its AB 719 proposal. However, UCM believes that the "best-case" result will be a minor discount when compared to existing HPS rates.⁵⁹ The CPUC is supposed to rule on the CAL-SLA protest by mid-November, which will allow the City of Tulare

⁵⁸ According to CALSLA, 15-20 other public agencies filed coordinating protests using the CAL-SLA template.

⁵⁹ In its protest, CAL-SLA proposed alternative rates that would result in savings of about 11% for customers converting from HPS to LED. UCM believes that it is unlikely that the CPUC would grant the full CAL-SLA reduction, but that a reduction of 3% to 6% is possible.

an opportunity to consider this option if the decision is favorable. UCM is monitoring the CPUC proceeding and will update the city once there is more information to report.

5. Potential LED Financing Options

LED conversions bring immediate cost savings on electric bills, but obviously there is a substantial up-front cost. Some cities pay for these upgrades out of existing reserves, or use traditional funding sources to get the projects done. But the City of Tulare should be aware of other financing options.

The California Energy Commission offers energy efficiency loans at a fixed 1% rate for a term of up to 15 years. These loans (up to \$3 million per application) are distributed on a first-come, first-served basis and have been used by municipal governments to finance streetlight upgrades and other energy efficiency projects. Loan funds are periodically exhausted and then replenished, and there often is a waiting list to participate in the program, so it makes sense to apply for a loan well in advance of the forecasted project start date. As of September 21, 2015, there is no waiting list for the program, which is unusual, and the Energy Commission has \$8 million of available funds.

In some cases, vendors or investors may be willing to pay for the LED upgrades in return for a guaranteed revenue stream over a period of time. If the period is long enough, perhaps 15-20 years, the savings from the LED conversion can exceed the vendor payments, making the conversions cash-flow positive from day one. Some vendors may be willing to include additional streetlight upgrades, such as dimming capability, wireless networks, cameras, etc. as discussed in Section IX.B below.

For smaller projects, the city also can consider SCE's "On-Bill Financing" (OBF). The OBF program offers interest-free loans of up to \$250,000 for energy efficiency upgrades, including LED retrofits. The loans are repaid through monthly charges on customers' SCE bills over a period of up to 10 years. The repayment amount is structured so that customers never pay more than the amount they would have paid if they had kept their HPS lights, again ensuring that the smaller LED upgrade projects can be completed with no out-of-pocket costs.

B. Other Potential Streetlight Upgrades

Aside from the replacement of HPS fixtures with LEDs, ownership of the streetlight system offers the city many other upgrade opportunities. It is these opportunities – some available today, and others that have not yet been fully developed or even imagined – that present some of the most exciting reasons for the city to own its streetlights.

Streetlights likely will be a key component of the “smart city” of the future, providing thousands of locations for sensors, cameras, transmitters, and other devices to deliver data and public services. It is these varied and developing technologies that may, in the end, offer a more compelling justification for the City of Tulare to purchase its streetlights than the reduced SCE rates or the opportunity to install energy-efficient fixtures.⁶⁰ In short, once streetlights are used for more than just lighting, there are myriad possibilities on how they can bring value to cities and enhanced services to the public.

The potential uses and benefits of streetlights cover a wide range, including:

- **Additional Energy Savings** -- Dimming systems and motion detectors can reduce electricity consumption when streetlights are located in low-traffic areas. Of course, before these systems will make sense for SCE customers, SCE will have to alter its LS-2 tariff to include a credit for the estimated energy savings, but we expect these changes to be made soon.⁶¹
- **Crime and Public Safety** -- Cameras mounted on streetlights can provide video surveillance to deter criminal activity, and to assist police in apprehending perpetrators. Audio sensors can provide instantaneous and accurate notification of gunshot locations, enabling police to respond quickly. Sensors can measure air quality and detect radiation, methane gas, or other toxic substances.
- **Emergency Response** – Streetlights can be programmed to flash to guide emergency vehicles to the scene of an accident, or to help the public evacuate an area. Speakers or digital signage on streetlights can provide information, warnings, or instructions during periods of civil unrest or natural disaster.
- **“Smart City” Efficiency** -- With streetlights located throughout cities, they can form the backbone of wireless networks that improve connectivity. Additionally, when sensors are embedded in streetlights, the data from those sensors can be sent through the digital networks, helping cities to function more efficiently. For example, sensors can improve traffic flow by transmitting real-time data and redirecting vehicles or reprogramming traffic signals. Parking apps may direct motorists to available parking spots. Streetlights can help to monitor the movement of city buses or other public vehicles, so that resources can be deployed more effectively. Sensors can detect noise

⁶⁰ While it is unclear as to why SCE has reversed course and decided to stop accepting applications for new streetlight sales after August 15, 2015, one possibility is that the utility has recognized the potential value of owning streetlights to deliver additional services and information.

⁶¹ Both PG&E and SDG&E already have filed Advice Letters with the CPUC requesting permission to establish pilot programs for customer-owned dimmable streetlights. The programs use data from intelligent streetlight systems to measure *actual* energy consumption, thus crediting customers for reductions in energy use due to dimming streetlights. See PG&E Advice Letter 3874-E and SDG&E Advice Letter 2665-E.

levels, or can notify city staff as soon as (or even before) a streetlight burns out, improving service to the public.

- **Revenue Generation** – Streetlights may offer a number of ways for cities to generate revenue. For example, cellular providers pay cities for the right to place antennas on streetlights in urban areas where they want to improve network coverage and capacity. As more electric vehicles travel our roads, some have suggested that streetlights can be used as a platform for offering electric vehicle charging stations. Advertising revenue is available if cities allow banners on streetlights in selected locations.

While the implementation of “smart” streetlights is in its early stages, and the field continues to evolve, many cities already are moving forward. For example, Los Angeles is installing a web-based system that will allow it to monitor and control its streetlights remotely, with plans eventually to utilize the system for “smart city” applications. The City of San Diego has launched an “Intelligent Cities” streetlight project that the city says will save energy, money, and provide improved services to the public. Many other cities, mainly in the U.S. and Europe, are implementing similar programs.

Of course, as with any new technology, there may be obstacles along the way. Already, there are concerns regarding privacy that cities will have to deal with. Additionally, it remains to be seen how many of the potential uses of streetlights will be necessary or even desired, and cities will have to separate the truly useful applications from those that are mere hype from technophiles, futurists, and vendors selling smart city products and services.

Today, no one can say exactly how the role of streetlights will expand and grow as new technologies are introduced. But even with today’s technology, UCM believes there is enough promise to conclude that streetlights will be a valuable asset, above and beyond their ability to reduce energy costs or provide improved lighting. We also believe that, whichever specific streetlight applications prove useful, ownership of the streetlight system will offer the city greater flexibility in pursuing those upgrades that are cost-effective or otherwise enhance services to the public.

Unlike reduced energy consumption or lower electricity rates, the benefits of these alternative streetlight uses are difficult to quantify. Ultimately, the City of Tulare will have to determine the value that it puts on each opportunity, depending on the needs of its residents and the ability of new streetlight uses to solve problems. This added value is an important consideration for the city in deciding whether or not to purchase its streetlights.

C. Solar Powered Streetlights

Solar streetlight systems can either be “off-grid” or “on-grid”. Off-grid systems often are used in developing countries or in remote areas where there is no power grid available. These

systems are completely self-contained, using daytime solar energy to charge a battery that powers the streetlight at night. On-grid systems work differently, sending electricity to the grid during the day, and then taking electricity at night when the streetlights are being used, much like the “net energy metering” approach available to other solar generation projects in California.

It would not make sense to convert Tulare’s existing streetlights to an off-grid system because the potential savings could not justify the initial cost. One of the major streetlight vendors in Southern California has told UCM that upgrading existing streetlights to solar will add more than \$2,000 per pole, which could not be justified given estimated savings of just \$44 per year.⁶² For an on-grid system, the payback is even worse, because the annual savings would be significantly less because the streetlight would continue to incur the monthly SCE service charge.

UCM believes that, as solar and battery technology continue to advance, it is possible that solar streetlights will become cost-effective. If that occurs, owning the streetlights will put the city in a better position to benefit from this new technology, further enhancing the value of the system.

⁶² Savings calculated assuming a 43-watt LED light on rate LS-2B. Per SCE tariff, monthly usage of 14.7 kWh at \$0.08015 per kWh equals \$1.18 in energy costs, plus \$2.47 in monthly service charge. Total costs of \$3.65 per month multiplied by 12 months equals \$44 per year.

X. Potential Risks

Some of the potential risks associated with the purchase of the streetlight system are:

- **Electric rates could change over time so that the benefits of streetlight ownership are reduced.** -- The substantial discount offered for city-owned (LS-2) lights has existed for decades and is based on a sound rationale. When a utility pays to install streetlights in a new subdivision, it must recoup the investment (typically within a five-year period) through higher electric rates. Furthermore, all SCE electric rates are based on detailed cost calculations that are submitted to the CPUC before the rates are approved, making it difficult for SCE to suddenly change its rate assumptions. Despite these mitigating factors, no one can predict how electric rates may change in 10 or 20 years, and it is possible that the LS-2 discount may be reduced, which would diminish one of the main benefits of streetlight ownership.
- **The city may find deferred maintenance or repairs that require a significant investment of capital.** -- This feasibility analysis does not render an opinion on the condition of the streetlight system or the possible need for repairs and upgrades to system components. It is possible that such work could require significant capital investment, so the city is encouraged to assess the condition of poles, conduit, mast arms, luminaires, and other components prior to sale. As discussed in Section III of this report, the streetlight purchase is most beneficial to the city over the *long term* (20 years or more), so it is critical that the system is not near the end of its useful service life.

For example, SCE's 2015 GRC workpapers acknowledge that the steel streetlight poles in its inventory have an average service life of only 18-22 years, are frequently corroded, and over 50% should be replaced immediately. SCE's cost to replace each steel streetlight pole is more than \$6,000.⁶³ The City of Tulare has 183 steel poles, and it is possible that some of these poles will have to be replaced soon, potentially requiring a capital investment of hundreds of thousands of dollars.

⁶³ SCE 2015 GRC Workpapers. SCE-10 Volume 03, Part 02, page 207. "Since 1999, over 15,000 steel poles have been replaced, leaving the remainder to continue to deteriorate. During the removal and replacement of these 15,000 poles, the corrosion level of the foundation was observed to be much more severe than expected... During 2006, 56% of the poles replaced were determined to have corrosion levels of between 1 and 2. Level 1 corrosion is determined to be very severe corrosion, with a recommendation to be immediately replaced. Level 2 corrosion is determined to be very heavy corrosion, with a recommendation to be replaced within 60 days. For the subsequent years of 2007 through 2012, the overall Level 1 & 2 corrosion rating percentage has remained at or above 50%". Actual and requested funds to replace steel poles from 2010-2014 total \$104.37 million for 16,100 poles, or \$6,483 per pole.

- **Interest rates could rise.** -- Higher interest rates could increase the cost to fund the purchase, and will make the purchase of the streetlight system less attractive relative to other investments.
- **Maintenance, insurance, vandalism, or other costs associated with streetlight ownership could be higher than expected.** -- Obviously, any increase in ongoing ownership costs reduces the appeal of purchasing the lights.
- **Rapid changes in lighting technology can make waiting to implement upgrades the best option.** – If the pace of lighting technology advances is fast enough, it is possible that the city would be better-served by delaying upgrades to its streetlight system. For example, if three years from now the installed cost of LEDs has dropped by 70%, then the city would be better-served installing LEDs then, rather than sooner.

While it is wise to be aware of these risks, they are for the most part unlikely, or their potential impact is not great enough to result in a material change in the evaluation of the streetlight acquisition. Clearly the most likely and significant risk – the need for costly upgrades and repairs to the streetlight system – can be mitigated if the city performs a thorough evaluation of the condition of the system prior to purchase.

STREETLIGHT PURCHASE & RETROFIT ANALYSIS -- CITY OF TULARE											
STREETLIGHT PURCHASE											
PURCHASE PRICE	\$3,012,675	MTC COST PER LIGHT/PER YEAR	\$36.00	TIME HORIZON USED TO EVALUATE PURCHASE (YEARS)	25						
TRANSACTION COSTS	\$93,265	NUMBER OF STREETLIGHTS	4,055	CUMULATIVE CASH FLOW OVER 25 YEARS (NOMINAL \$)	(\$853,549)						
SALES TAXES & OTHER FEES	\$0	ANNUAL MAINTENANCE COSTS	\$145,980	SIMPLE PAYBACK	33.71 years						
TOTAL COST OF PURCHASE	\$3,105,940	ANNUAL CAPITAL UPGRADES	\$10,000	IRR OVER 25 YEARS	-4.50%						
STREETLIGHTS BILLED ON LS-2B	100.0%	ANNUAL PROP. TAX & INSURANCE	\$7,000	"OPTION 3" FROM PAGE 7 OF REPORT: PURCHASE LIGHTS, KEEP HPS 25-YEAR TIME HORIZON							
STREETLIGHTS BILLED ON LS-2A	0.0%	ANNUAL ESCALATION RATE	0.0%								
NUMBER OF HPS STREETLIGHTS:	4,055	RATE BENEFIT OF LS-2 VS LS-1	1.0%								
50 watts	4	MAINTENANCE COSTS	1.0%								
70 watts	2,853	UPGRADES, PROP TAX & INS									
100 watts	194	PORTION OF PURCHASE CASH	\$0								
150 watts	866	PORTION OF PURCHASE FINANCE	\$3,105,940								
200 watts	136	INTEREST RATE ON DEBT	3.8%								
250 watts	2	TERM (YEARS)	15								
310 watts	0										
400 watts	0										
UPGRADE TO LED STREETLIGHTS											
LED RETROFIT?	No	TOTAL LED ORIGINAL COST	\$0								
ORIGINAL COST PER LED LIGHT	\$0	PORTION OF RETROFIT CASH	\$0								
ANNUAL CHANGES IN LED COST	0.0%	PORTION OF RETROFIT FINANCED	\$0								
ENERGY SAVINGS COMPARED TO HPS	0%	INTEREST RATE ON DEBT	3.8%								
LED RELAMP SCHEDULE (years)	15	TERM (YEARS)	15								
LED MTC BETWEEN RELAMP % OF HPS	100%										
ESCALATION RATE PER MWH	4%										
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	
CASH PAYMENT	\$0										
ANNUAL DEBT PAYMENT	\$0	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)
MAINTENANCE COSTS	\$0	(\$145,980)	(\$147,440)	(\$148,914)	(\$150,403)	(\$151,907)	(\$153,426)	(\$154,961)	(\$156,510)	(\$158,075)	(\$159,659)
CAPITAL UPGRADES	\$0	(\$10,000)	(\$10,100)	(\$10,201)	(\$10,303)	(\$10,406)	(\$10,510)	(\$10,615)	(\$10,721)	(\$10,829)	(\$10,937)
PROP TAX & INSURANCE	\$0	(\$7,000)	(\$7,070)	(\$7,141)	(\$7,212)	(\$7,284)	(\$7,357)	(\$7,431)	(\$7,505)	(\$7,580)	(\$7,655)
TOTAL COSTS	\$0	(\$438,439)	(\$440,069)	(\$441,715)	(\$443,378)	(\$445,057)	(\$446,753)	(\$448,466)	(\$450,196)	(\$451,943)	(\$453,708)
ELECTRIC BILL SAVINGS	\$0	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257
CITY CASH FLOW	\$0	(\$123,183)	(\$124,812)	(\$126,458)	(\$128,121)	(\$129,800)	(\$131,496)	(\$133,209)	(\$134,939)	(\$136,687)	(\$138,451)
	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	
ANNUAL DEBT PAYMENT	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)
MAINTENANCE COSTS	(\$159,656)	(\$161,253)	(\$162,865)	(\$164,494)	(\$166,139)	(\$167,800)	(\$169,478)	(\$171,173)	(\$172,885)	(\$174,614)	(\$176,359)
CAPITAL UPGRADES	(\$10,937)	(\$11,046)	(\$11,157)	(\$11,268)	(\$11,381)	(\$11,495)	(\$11,610)	(\$11,726)	(\$11,843)	(\$11,961)	(\$12,081)
PROP TAX & INSURANCE	(\$7,656)	(\$7,732)	(\$7,810)	(\$7,888)	(\$7,967)	(\$8,046)	(\$8,127)	(\$8,208)	(\$8,290)	(\$8,373)	(\$8,457)
TOTAL COSTS	(\$453,708)	(\$455,490)	(\$457,291)	(\$459,109)	(\$460,946)	(\$462,800)	(\$464,671)	(\$466,559)	(\$468,463)	(\$470,383)	(\$472,319)
ELECTRIC BILL SAVINGS	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257	\$315,257
CITY CASH FLOW	(\$138,451)	(\$140,234)	(\$142,034)	(\$143,852)	(\$145,689)	(\$147,544)	(\$149,416)	(\$151,305)	(\$153,211)	(\$155,133)	(\$157,071)

STREETLIGHT PURCHASE & RETROFIT ANALYSIS -- CITY OF TULARE											
STREETLIGHT PURCHASE											
PURCHASE PRICE	\$3,012,675	MTC COST PER LIGHT/PER YEAR	\$36.00	TIME HORIZON USED TO EVALUATE PURCHASE (YEARS)	25						
TRANSACTION COSTS	\$93,265	NUMBER OF STREETLIGHTS	4,055	CUMULATIVE CASH FLOW OVER 25 YEARS (NOMINAL \$)	\$4,104,448						
SALES TAXES & OTHER FEES	\$0	ANNUAL MAINTENANCE COSTS	\$145,980	SIMPLE PAYBACK	12.76 years						
TOTAL COST OF PURCHASE	\$3,105,940	ANNUAL CAPITAL UPGRADES	\$10,000	IRR OVER 25 YEARS	9.69%						
STREETLIGHTS BILLED ON LS-2B	100.0%	ANNUAL PROP. TAX & INSURANCE	\$7,000	"OPTION 4" FROM PAGE 7 OF REPORT: PURCHASE LIGHTS, CONVERT TO LEDS 25-YEAR TIME HORIZON							
STREETLIGHTS BILLED ON LS-2A	0.0%	ANNUAL ESCALATION RATE	0.0%								
NUMBER OF HPS STREETLIGHTS:	4,055	RATE BENEFIT OF LS-2 VS LS-1	1.0%								
50 watts	4	MAINTENANCE COSTS	1.0%								
70 watts	2,853	UPGRADES, PROP TAX & INS	\$0								
100 watts	194	PORTION OF PURCHASE CASH	\$3,105,940								
150 watts	866	PORTION OF PURCHASE FINANCE	3.8%								
200 watts	136	INTEREST RATE ON DEBT	15								
250 watts	2	TERM (YEARS)									
310 watts	0										
400 watts	0										
UPGRADE TO LED STREETLIGHTS											
LED RETROFIT?	Yes	TOTAL LED ORIGINAL COST	\$1,297,600								
ORIGINAL COST PER LED LIGHT	\$320	PORTION OF RETROFIT CASH	\$1,297,600								
ANNUAL CHANGE IN LED COST	-3.0%	PORTION OF RETROFIT FINANCED	\$0								
ENERGY SAVINGS COMPARED TO HPS	65%	INTEREST RATE ON DEBT	3.8%								
LED RELAMP SCHEDULE (years)	15	TERM (YEARS)	15								
LED RATIO BETWEEN RELAMP % OF HPS	30%										
ESCALATION RATE PER kWh	4%										
CASH PAYMENT	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	
ANNUAL DEBT PAYMENT	(\$1,297,600)										
MAINTENANCE COSTS	\$0	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	
CAPITAL UPGRADES	\$0	(\$43,794)	(\$44,232)	(\$44,674)	(\$45,121)	(\$45,572)	(\$46,029)	(\$46,488)	(\$46,953)	(\$47,423)	
PROP TAX & INSURANCE	\$0	(\$10,000)	(\$10,100)	(\$10,201)	(\$10,303)	(\$10,406)	(\$10,510)	(\$10,615)	(\$10,721)	(\$10,829)	
TOTAL COSTS	(\$1,297,600)	(\$336,253)	(\$336,861)	(\$337,475)	(\$338,095)	(\$338,722)	(\$339,354)	(\$339,993)	(\$340,638)	(\$341,290)	
ELECTRIC BILL SAVINGS	\$0	\$414,676	\$418,652	\$422,788	\$427,090	\$431,563	\$436,215	\$441,054	\$446,085	\$451,319	
CITY CASH FLOW	(\$1,297,600)	\$78,423	\$81,791	\$85,313	\$88,994	\$92,841	\$96,861	\$101,060	\$105,447	\$110,028	
ANNUAL DEBT PAYMENT	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	
MAINTENANCE COSTS	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	(\$275,459)	
CAPITAL UPGRADES	(\$47,897)	(\$48,376)	(\$48,860)	(\$49,348)	(\$49,842)	(\$50,340)	(\$50,840)	(\$51,352)	(\$51,865)	(\$52,384)	
PROP TAX & INSURANCE	(\$7,656)	(\$7,732)	(\$7,810)	(\$7,888)	(\$7,967)	(\$8,046)	(\$8,127)	(\$8,208)	(\$8,290)	(\$8,373)	
TOTAL COSTS	(\$341,949)	(\$342,613)	(\$343,285)	(\$343,963)	(\$344,648)	(\$345,340)	(\$346,043)	(\$346,756)	(\$347,478)	(\$348,209)	
ELECTRIC BILL SAVINGS	\$456,761	\$462,421	\$468,308	\$474,430	\$480,797	\$487,418	\$494,305	\$501,467	\$508,915	\$516,662	
CITY CASH FLOW	\$114,812	\$119,808	\$125,023	\$130,467	\$136,148	\$142,078	\$148,181	\$154,457	\$160,915	\$167,562	

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager/Public Works

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Receive an update regarding the proposed water and sewer rate increase.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

On March 18, the Board of Public Utilities and City Council held a joint work session to discuss the findings of the water and wastewater rate study and to provide direction to staff and the consultant, Willdan, to move forward. At this work session, the BPU and Council were presented with two options for the proposed water rate increase and one option for the proposed sewer rates. They unanimously agreed to go with option 1 for the proposed water rates. Willdan has prepared a final report which gives an overview of the rate study process, discusses the process to analyze revenues and cost allocations, incorporates capital needs, and discusses the development of initial rates and recommendations for current and future rates.

The Proposition 218 notice is attached to this report. The Prop. 218 notice was mailed to all City of Tulare utility customers and property owners (in English and Spanish) on May 31, 2016 to inform them of the proposed rate increases and allow them time to comment regarding the proposed rates. Prop. 218 requires 45-day notice before the Public Hearing which is scheduled for July 21, 2016 with the Board of Public Utilities.

Also at that meeting, both the Council and the Board requested a comparison of current water and sewer rates with the new proposed rates. The comparisons are attached for both water and sewer services and are based on average consumption for each service type.

As part of the rate study, a number of documents, policies, and reports were given to Willdan to ensure all aspects of the water and sewer operations were considered and covered. The Board and Council have seen these documents in prior meetings, and below is a list of documents which are available for review at the City Clerk's office and on the City's website:

- 1) Tulare Project Management System (TPMS) Program Policies
- 2) Transportation System Planning Policy
- 3) Hydrological Enterprise Fund Program (HEP)
- 4) Carollo Matheny Soutz Water System Improvements Technical Memorandum 1
- 5) Ewers Engineering: Wastewater, Sewer Collection, and Storm Drain Utilities Ten Year Financial Plan

STAFF RECOMMENDATION:

Informational item only.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Trisha Whitfield **Title:** Field Services Manager

Date: June 15, 2016 **City Manager Approval:** _____



**Notice to Property Owners of Public Hearing
Regarding Proposed Water and Sewer Rate Changes**

**Hearing Date & Time: July 21, 2016 at 3:00 p.m.
Hearing Location: Tulare Public Library and Council Chambers
475 North M Street, Tulare, CA 93274**

Why are you receiving this notice?

The City of Tulare (the “City”) is mailing this notice to you because you are a water and/or sewer customer directly liable for payment of water and/or sewer service fees, or are the owner of record of a property that receives one or both of the services. This notice describes proposed **rate changes** to be assessed to recover cost of providing water and sewer service to City customers, and provides a notice of a public hearing to be held on **July 21** regarding these proposed changes.

Monthly water and sewer service fees are the primary source of revenue used to pay for all aspects of the water and sewer systems that provide services to customers. Expenses for those services include, but are not limited to, operations and maintenance, debt service, major and minor capital improvements, administration, as well as costs related to prudent long-term operational, capital planning and financial management of the systems. Financial management would include maintaining adequate fund reserves and planning for contingencies.

Presently, the average single-family residential customer in Tulare has a 1-inch meter and uses approximately 13,000 gallons of water a month. Based on that average usage, the current total monthly water cost is \$25.47. Assuming the customer’s usage remains the same, the proposed rate adjustment will result in a \$5.38 increase in the monthly bill to \$30.85, beginning with the bill received in November 2016.

Sewer rate for a Tulare residential customer described above is a flat rate of \$42.00 a month. The proposed sewer rate adjustment will result in a \$1.60 increase in the monthly bill to \$43.60 for a single-family residence. The table below shows the projection of the proposed monthly sewer rates over the next five years.

RESIDENTIAL CUSTOMER BILL WITH 1” METER AND USING 13,000 GALLONS OF WATER						
	In Effect* 2016-17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Water Bill						
Fixed Monthly Charge						
Varies by meter size						
1 inch shown	\$17.14	\$20.52	\$22.98	\$24.82	\$26.31	\$27.89
Volume Rate						
0 – 9,000	0.564	0.664	0.744	0.803	0.852	0.903
9,001 – 30,000	0.813	1.088	1.218	1.316	1.395	1.478
> 30,001	1.625	1.452	1.627	1.757	1.862	1.974
Total Water Bill	\$25.47	\$30.85	\$34.55	\$37.32	\$39.56	\$41.93
Sewer Bill						
Flat Rate	\$42.00	\$43.60	\$47.53	\$51.80	\$52.84	\$53.90

**In Effect is based on the adopted January 2017 water rates.*

Why are Rate Increases needed?

The City of Tulare is committed to providing high quality, reliable water service at the lowest possible rates for our customers. It is critically important for the City to continually maintain, repair and improve the assets it holds and keep pace with ever increasing operating costs. In recent years, the City has been forced to use cash reserves to pay for operating costs and expenses. These costs include operating, maintaining, repairing and replacing infrastructure such as water wells and storage, pipes, pumps, treatment plant and other essential facilities. The proposed water and sewer rates will ensure that the utilities collect sufficient revenue to cover fixed expenses, fund capital improvements through revenue bonding, and build up cash reserves to fund ongoing repair and replacement of the water and sewer systems to maintain reliable service in future years.

Over the next five years, the City has planned capital improvements to the water system to restore system's capacity, to operate in compliance with the City's volume and pressure standards, and to meet current demands. Planned improvements include the addition of seven (7) new water wells, three (3) water storage tanks, replacement/repair of five (5) miles of water pipe per year, funding for groundwater sustainability mandated by State law, and other infrastructure improvements (existing well site upgrades, electrical panels, SCADA, etc). In addition, the City has planned capital improvements to the City's Wastewater Treatment Facility (WWTF) and sewer system. Planned improvements include major operations and maintenance projects to the WWTF, regulatory improvements to maintain compliance with State and Federal mandates, replacement/repair of five (5) miles of sewer pipe per year and other infrastructure upgrades (lift stations, pumps, electrical panels, SCADA, etc.). The water and sewer line projects will be done in conjunction with the five year streets projects.

The proposed rates are calculated using the costs associated with providing the service to each customer class (see next page for description of customer classes). These costs include, but are not limited to operations, maintenance, required repairs and/or replacement and system expansion. Since some costs are fixed in nature and some costs fluctuate based on system demands, there are two types of revenue rates: fixed costs and variable/volumetric costs.

The fixed monthly service charge recovers the fixed costs of providing water services, which are allocated based on number of accounts and the size of a customer's water meter. The volume rate recovers the variable costs of providing water treatment and the costs associated with the delivery of water which are allocated based on the demand (amount of base & peak usage) that each customer class places on the water utility. Sewer rates are designed to recover the cost of collection and treatment of sewer flows and maintains the existing rate structure of a monthly fixed charge for residential customers and a flow based rate for non-residential customers.

What do the new rates look like?

The tables below identify the "customer classes" and the Fixed and Volume (variable) Rates that are currently set to be assessed on January 2017 water consumption with no further legislative action, and the proposed rates which, if approved, will be implemented annually on the first day of the same month for every fiscal year after the first rate goes into effect (presently proposed by staff for October 1, 2016 but subject to approval during the hearing process).

Proposed Monthly Water Fixed Charges						
Meter Size	Adopted FY 2016-17	16-17	17-18	18-19	19-20	20-21
5/8-inch	\$13.94	\$12.29	\$13.76	\$14.87	\$15.76	\$16.70
3/4-inch	13.94	12.29	13.76	14.87	15.76	16.70
1-inch	17.14	20.52	22.98	24.82	26.31	27.89
1 ½-inch	25.14	40.93	45.84	49.51	52.48	55.63
2-inch	34.74	65.51	73.37	79.24	84.00	89.04
3-inch	57.13	131.13	146.87	158.61	168.13	178.22
4-inch	89.13	204.87	229.45	247.81	262.68	278.44
6-inch	169.11	409.63	458.79	495.49	525.22	556.73
8-inch	265.10	655.43	734.08	792.81	840.38	890.80
10-inch	377.08	942.27	1,055.34	1,139.77	1,208.16	1,280.65

Proposed Water Volumetric Rates						
Customer Class	Rate per 1,000 Gallons of Water Use					
	Adopted FY 2016-17	16-17	17-18	18-19	19-20	20-21
Residential (gallons per month)						
0 – 9,000	\$0.564	\$0.664	\$0.744	\$0.803	\$0.852	\$0.903
9,001 – 30,000	0.813	1.088	1.218	1.316	1.395	1.478
> 30,000	1.625	1.452	1.627	1.757	1.862	1.974
Multifamily (gallons per month)						
All Use	0.630	0.539	0.603	0.652	0.691	0.732
Commercial (gallons per month)						
All Use	0.747	0.541	0.606	0.655	0.694	0.736
Industrial (gallons per month)						
All Use	0.630	1.168	1.308	1.413	1.498	1.587
Institutional (gallons per month)						
All Use	0.871	1.013	1.135	1.226	1.299	1.377

The table below illustrates the proposed Sewer Rates by customer class:

Proposed Sewer Rates						
Customer Class	In Effect 2016-17	16-17	17-18	18-19	19-20	20-21
Residential (flat rate per month)						
Single Family	\$42.00	\$43.60	\$47.53	\$51.80	\$52.84	\$53.90
Multi Family (per unit)	32.34	33.57	36.59	39.89	40.69	41.50
Mobile Home Parks (per space)	33.31	26.63	29.02	31.63	32.27	32.91
Senior	21.00	21.80	23.76	25.90	26.42	26.95
Commercial (rate per 1,000 gals)						
Class I	3.75	2.79	3.04	3.31	3.38	3.45
Class II	3.59	2.67	2.91	3.17	3.23	3.30
Class III	3.55	2.64	2.88	3.13	3.20	3.26
Class IV	5.46	4.06	4.42	4.82	4.92	5.02
Industrial						
All Use (per 1,000 gals)	2.54	2.79	3.04	3.31	3.38	3.45
Total BOD (per 100 lbs.)	15.11	16.05	17.49	19.07	19.45	19.84
Total SS (per 100 lbs.)	19.54	23.44	23.44	25.54	26.06	26.58
Schools						
Per Student per Month	1.48	0.771	0.841	0.917	0.935	0.954

How do you file a protest or participate in the public hearing?

Any property owner of a parcel subject to City water and/or sewer service fees or any tenant directly responsible for the payment of water and/or sewer service fees (i.e., a customer of record) may submit a written protest to the proposed rate changes. Only one protest will be counted per identified parcel. Should there be property owners who own multiple properties and wish to submit a protest letter, they may list those properties with the respective parcel number on one letter and each parcel will be counted provided there were no other letters received for that parcel.

Every written protest MUST include ALL of the following to be counted:

- (1) State that the identified property owner or customer of record is in opposition to the proposed rate changes;**
- (2) Provide the location of the identified parcel by including the street address or assessor's parcel number (APN);**
- (3) Include the name and signature of the property owner or customer of record submitting the protest.**

Written protests may be submitted by mail to the City Clerk at 411 East Kern Avenue, Tulare, CA 93274, in person to the City Clerk, or at the Public Hearing (date and time noted above). Regardless of how the written protest is submitted, it must be received by the City prior to the conclusion of the public comment portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, that the enclosed protest is for the Public Hearing on the Proposed Rate Changes - Water and Sewer Service Fees.

The Board of Public Utilities Commissioners will hear and consider all written and oral protests to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted and no more testimony taken and the Commissioners of the Board will consider adoption of the proposed rates for water and sewer service described in this notice. If written protests against the proposed rates, as outlined above, are not presented by a majority of property owners or customers of record, the Board of Commissioners of the Public Utilities will be authorized to impose the proposed rates. If adopted, the rates for water and sewer will be in effect beginning October 1, 2016, and would be reflected in the bill you receive in November 2016.

If you have any questions about the proposed rate changes or would like to see more information about data used for the study, please contact René Miller at (559) 684-4264 8:00 a.m. to 5:00 p.m. Monday through Thursday. Additional information and documents related to the proposed rate changes can be found on the City of Tulare's website at www.tulare.ca.gov.

Water Revenue by Account type and Service type code

CITY OF TULARE

UBCrossSum.rpt

07/01/2011 through 06/30/2012

12/16/2015 4:14:13PM

		<u>Service Type Code</u>	
		Water	Total
<u>Account Type</u>	city	\$ 23,122.69	\$ 23,122.69
	comm	505,289.54	505,289.54
	ind	14,879.05	14,879.05
	ind-ag	756,606.39	756,606.39
	multi	310,513.93	310,513.93
	res	2,660,735.35	2,660,735.35
	sch	125,837.50	125,837.50
	<hr/>		
	Total	\$ 4,396,984.45	\$ 4,396,984.45

Water Revenue by Account type and Service type code

CITY OF TULARE

UBCrossSum.rpt

07/01/2012 through 06/30/2013

12/16/2015 4:13:44PM

	<u>Service Type Code</u>	
	<u>Water</u>	<u>Total</u>
<u>Account Type</u>		
city	26,538.04	26,538.04
comm	513,887.13	513,887.13
ind	12,118.78	12,118.78
ind-ag	697,941.21	697,941.21
multi	329,205.25	329,205.25
res	2,989,072.14	2,989,072.14
sch	136,392.99	136,392.99
Total	<u>4,705,155.54</u>	<u>4,705,155.54</u>

Water Revenue by Account type and Service type code

CITY OF TULARE

UBCrossSum.rpt

07/01/2013 through 06/30/2014

12/16/2015 4 CITY OF TULARE

	<u>Service Type Code</u>	
	<u>water</u>	<u>Total</u>
Account Type city	185,442.17	185,442.17
comm	557,063.85	557,063.85
ind	11,592.09	11,592.09
ind-ag	658,983.50	658,983.50
multi	352,390.02	352,390.02
res	3,638,600.07	3,638,600.07
sch	161,440.63	161,440.63
Total	<u>5,565,512.33</u>	<u>5,565,512.33</u>

Water Revenue by Account type and Service type code

CITY OF TULARE

UBCrossSum.rpt

07/01/2014 through 06/30/2015

12/16/2015 4:11:39PM

	<u>Service Type Code</u>	
	<u>Water</u>	<u>Total</u>
city	198,093.79	198,093.79
comm	651,155.81	651,155.81
ind	15,358.98	15,358.98
ind-ag	806,404.50	806,404.50
multi	406,053.43	406,053.43
res	4,293,861.00	4,293,861.00
sch	167,995.61	167,995.61
Total	<u>6,538,923.12</u>	<u>6,538,923.12</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	Total	Average
city	\$ 23,122.69	26,538.04	185,442.17	198,093.79	\$ 433,196.69	\$ 108,299.17
comm	505,289.54	513,887.13	557,063.85	651,155.81	2,227,396.33	556,849.08
ind	14,879.05	12,118.78	11,592.09	15,358.98	53,948.90	13,487.23
ind-ag	756,606.39	697,941.21	658,983.50	806,404.50	2,919,935.60	729,983.90
multi	310,513.93	329,205.25	352,390.02	406,053.43	1,398,162.63	349,540.66
res	2,660,735.35	2,989,072.14	3,638,600.07	4,293,861.00	13,582,268.56	3,395,567.14
sch	125,837.50	136,392.99	161,440.63	167,995.61	591,666.73	147,916.68
Total	\$ 4,396,984.45	\$ 4,705,155.54	\$ 5,565,512.33	\$ 6,538,923.12	\$ 21,206,575.44	

WATER RATE COMPARISON

CURRENT WATER BILLING FEES							FIRST YEAR RATE INCREASE WATER BILLING FEES					
Fixed Charge	Meter Size	Average Low Usage Mo		ACCOUNTS BY SIZE	Average High Usage Mo		Fixed Charge	Meter Size	Average Low Usage		Average High Usage	
		T Gallons Used-Jan	Total Bill		T Gallons Used-Sept	Total Bill			T Gallons Used-Jan	Total Bill	T Gallons Used-Sept	Total Bill
<u>RESIDENTIAL</u>							<u>RESIDENTIAL</u>					
<i>AVERAGE RESIDENTIAL USAGE PER METER SIZE</i>												
\$ 13.94	0.75	7	\$ 17.89		13	\$ 21.27	\$12.29	0.75	7	\$ 16.94	13	\$ 20.92
17.14	1.00	10	23.03		16	27.91	20.52	1.00	10	27.58	16	34.11
25.14	1.50	10	31.03		38	60.29	40.93	1.50	10	47.99	38	81.37
37.74	2.00	13	46.07		63	113.51	65.51	2.00	13	75.84	63	142.25
<u>COMMERCIAL</u>							<u>COMMERCIAL</u>					
<i>AVERAGE COMMERCIAL USAGE PER METER SIZE</i>												
\$13.94	0.75	5	\$ 17.68		7	\$ 19.17	\$12.29	0.75	5	\$ 15.00	7	\$ 16.08
17.14	1.00	9	23.86		12	26.10	20.52	1.00	9	25.39	12	27.01
25.14	1.50	19	39.33		26	44.56	40.93	1.50	19	51.21	26	55.00
37.74	2.00	32	61.64		69	89.28	65.51	2.00	32	82.82	69	102.84
57.13	3.00	53	96.72		109	138.55	131.13	3.00	53	159.80	109	190.10
89.13	4.00	162	210.14		351	351.33	204.87	4.00	162	292.51	351	394.76
169.11	6.00	190	311.04		926	860.83	409.63	6.00	190	512.42	926	910.60
265.1	8.00	389	555.68		328	510.12	655.43	8.00	389	865.88	328	832.88
			1,316.10			2,039.95				2,005.03		2,529.26
<u>INSTITUTIONAL</u>							<u>INSTITUTIONAL</u>					
<i>SCHOOLS & CITY (AVERAGE USAGE PER METER SIZE)</i>												
\$13.94	0.75	16	\$ 27.88		12	\$ 24.39	\$12.29	0.75	16	\$ 28.50	12	\$ 24.45
17.14	1.00	24	\$ 38.33		47	58.08	20.52	1.00	24	\$ 45.17	47	\$ 68.13
25.14	1.50	14	\$ 37.33		12	35.16	40.93	1.50	14	\$ 55.11	12	\$ 52.58
37.74	2.00	25	\$ 59.75		387	375.21	65.51	2.00	25	\$ 91.11	387	\$ 458.00
57.13	3.00	6	\$ 62.36		341	354.36	131.13	3.00	6	\$ 137.21	341	\$ 476.82
89.13	4.00	17	\$ 104.31		371	412.64	204.87	4.00	17	\$ 222.53	371	\$ 581.13
169.11	6.00	58	\$ 219.63		588	681.26	409.63	6.00	58	\$ 468.38	588	\$ 1,005.27
<u>INDUSTRIAL</u>							<u>INDUSTRIAL</u>					
<i>USAGE FOR AN AVERAGE INDUSTRIAL CUSTOMER</i>												
57.13	3.00	9	\$ 62.80	1	12	\$ 64.69	131.13	3.00	9	\$ 141.64	12	\$ 145.15
89.13	4.00	8193	5,428.98	3	8841	5,837.22	204.87	4.00	8193	10,184.03	8841	10,940.90
265.1	8.00	69669	44,421.67	2	89120	56,675.80	655.43	8.00	69669	82,684.25	89120	105,403.02
			\$ 50,082.56			\$ 62,577.71				\$ 93,009.93		\$ 116,489.06

Option 1						
Meter Size	Current	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
¾-inch	\$13.94	\$12.29	\$13.76	\$14.87	\$15.76	\$16.70
1-inch	17.14	20.52	22.98	24.82	26.31	27.89
1 ½-inch	25.14	40.93	45.84	49.51	52.48	55.63
2-inch	37.74	65.51	73.37	79.24	84	89.04
3-inch	57.13	131.13	146.87	158.61	168.13	178.22
4-inch	89.13	204.87	229.45	247.81	262.68	278.44
6-inch	169.11	409.63	458.79	495.49	525.22	556.73
8-inch	265.1	655.43	734.08	792.81	840.38	890.8
10-inch	377.08	942.27	1,055.34	1,139.77	1,208.16	1,280.65

Option 1						
Class/Use	Current	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential						
0-9,000	\$0.56	\$0.66	\$0.74	\$0.80	\$0.85	\$0.90
9,001 – 30,000	0.813	1.088	1.218	1.316	1.395	1.478
> 30,000	1.625	1.452	1.627	1.757	1.862	1.974
Multi Family Residential						
All Use	0.462	0.539	0.603	0.652	0.691	0.732
Commercial						
All Use	0.747	0.541	0.606	0.655	0.694	0.736
Industrial						
All Use	0.63	1.168	1.308	1.413	1.498	1.587
School						
All Use	0.871	1.092	1.223	1.321	1.4	1.484
City						
All Use	0.871	0.935	1.047	1.131	1.199	1.27

SEWER RATE COMPARISON

	CURRENT SEWER BILLING FEES						FIRST YEAR RATE INCREASE SEWER BILLING FEES					
	JANUARY WATER USAGE			SEPTEMBER WATER USAGE			JANUARY WATER USAGE			SEPTEMBER WATER USAGE		
	AVERAGE T	RATE PER T	BILLING	AVERAGE T	RATE PER T	BILLING	AVERAGE T	RATE	BILLING	AVERAGE T	RATE	BILLING
	GALLONS	GALLON		GALLONS	GALLON		GALLONS	GALLONS	GALLONS	GALLONS	GALLONS	GALLONS
Residential						Residential						
Residential Flat Rate					42.00			43.60			21.80	
Senior Discount Flat Rate					21.00							
Commercial						Commercial						
THE COMMERCIAL USAGE REPRESENTS THE AVERAGE OF ALL LIKE CUSTOMERS.						THE COMMERCIAL USAGE REPRESENTS THE AVERAGE OF ALL LIKE CUSTOMERS.						
Commercial I (\$/1,000 gals)	22	\$ 3.75	82.50	38	\$ 3.75	142.50	22	\$ 2.79	61.38	38	\$ 2.79	106.02
Commercial II (\$/1,000 gals)	71	3.59	254.89	80	3.59	287.20	71	2.67	189.57	80	2.67	213.60
Commercial III (\$/1,000 gals)	28	3.55	99.40	106	3.55	376.30	28	2.64	73.92	106	2.64	279.84
Commercial IV (\$/1,000n gals)	42	5.46	229.32	46	5.46	251.16	42	4.06	170.52	46	4.06	186.76
Commercial V/VI (Industrial)	see rates below											
Commercial VII (schools)			1.48			1.48			0.771			0.771
Industrial						Industrial						
THE INDUSTRIAL USAGE REPRESENTS THE AVERAGE OF AN INDUSTRIAL CUSTOMER.						THE INDUSTRIAL USAGE REPRESENTS THE AVERAGE OF AN INDUSTRIAL CUSTOMER.						
Water Flow (\$/1,000 gals)	196,756	2.54	499,760.24	96,368	2.54	244,774.72	196,756	2.79	548,949.24	96,368	2.79	268,866.72
BOD (\$/100 pounds)	17,785	15.11	268,733.16	11,781	15.11	178,010.00	17,785	16.05	285,451.18	11,781	16.05	189,084.09
TSS (\$/100 pounds)	5,412	19.54	105,743.64	4,155	19.54	81,187.92	5,412	21.50	116,350.48	4,155	21.50	89,331.64
TOTAL INDUSTRIAL			874,237.04			503,972.64			950,750.89			547,282.45

SEWER RATES

Class/Use	Current	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Single Family	\$42.00	\$43.60	\$47.53	\$51.80	\$52.84	\$53.90
Multi Family (each unit)	32.34	33.57	36.59	39.89	40.69	41.5
Mobile Home Parks (each space)	33.31	26.63	29.02	31.63	32.27	32.91
Senior Discount	21	21.8	23.76	25.9	26.42	26.95
Commercial I (\$/1,000 gals)	3.75	2.79	3.04	3.31	3.38	3.45
Commercial II (\$/1,000 gals)	3.59	2.67	2.91	3.17	3.23	3.3
Commercial III (\$/1,000 gals)	3.55	2.64	2.88	3.13	3.2	3.26
Commercial IV (\$/1,000 gals)	5.46	4.06	4.42	4.82	4.92	5.02
Industrial						
Flow (\$/1,000 gals)	2.54	2.79	3.04	3.31	3.38	3.45
BOD (\$/100 pounds)	15.11	16.05	17.49	19.07	19.45	19.84
TSS (\$/100 pounds)	19.54	21.5	23.44	25.54	26.06	26.58
Schools (\$/1000 gals)	1.48	0.771	0.841	0.917	0.935	0.954

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Administration

For Council Meeting of: June 21, 2016

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Public Hearing to adopt Resolution 16-__ confirming the report and recommendation of the Tulare Downtown Association Board of Directors and levy assessments for the Tulare Downtown Parking and Business Improvement District 2016/2017 Annual Assessments.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The City Code requires a public hearing be held annually regarding the work program and proposed assessments to be levied for the Downtown Parking and Business Improvement District. By action of the Council, the TIP Board of Directors serves as the Advisory Board of the district and administers the program. The report gives an overview of the current fiscal year activities, as well as the program and assessments for the fiscal year beginning July 1, 2016.

On June 7, 2016 the City Council adopted resolution 16-__ approving the intent to levy assessments and receiving the draft report of the Tulare Downtown Association Board of Directors. The public hearing is the final process in the approval process. A TDA Board Member, will review the report in detail during the public hearing.

STAFF RECOMMENDATION:

Adopt Resolution 16-__ confirming the report and recommendation of the Tulare Downtown Association Board of Directors and levy assessments for the Tulare Downtown Parking and Business Improvement District 2016/2017 Annual Assessments.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A
(If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Darlene Thompson

Title: Finance Director

Date: June 9, 2016

City Manager Approval: _____

TULARE DOWNTOWN ASSOCIATION

Annual Report



2016-2017

Renee Soto, President

TULARE DOWNTOWN ASSOCIATION

Board of Directors

Member- At-Large **Don LeBaron**
830 Sycamore, Tulare, CA 93274, 936-3244

Member-At-Large **Renee Soto–PRESIDENT 2015-2016**
State Farm Insurance, 306 North “K” Street, Tulare, CA 93274, 686-3355

Terms Expire June 30, 2017

Zone B **Todd Holmes**
Todd Holmes Insurance, 262 N M St, Tulare, CA 93274

Terms Expire June 30, 2018

Zone A **Diana Dodds – SECRETARY 2014-2015**
WestAmerica Bank, 140 E Tulare Ave, Tulare, CA 93274

Zone A **Gloria McCauslin**
VIP Pizza, 88 Tower Square, CA 93274, 688-2011

Terms Expire June 30, 2019

Zone A **Carlos Melendez**
Unique Enterprises, PO Box 2327, (559)936-3839, melendezdrgn@aol.com

Zone B **Vishal Nayyar**
The Grocery Store, 536 E Cross Ave, Tulare, CA 93274, (559) 686-8511

Zone A **Lino Pimentel**
Lino Pimentel Real Estate, 260 N “J” St, Tulare, CA 93274 (559) 688-1900

Zone A **Christopher Miller**
The Lily Pad Café, 483 N “M” St, Tulare, CA 93274 (559) 310-5085

Zone B **Jackie Paull**
Life Star Ambulance, 234 N M St, Tulare, CA 93274 (559) 688-2550

Members-At-Large are appointed by the TDA Board of Directors. When vacancies occur on the Board of Directors, they are filled by appointment for the balance of the term by the remaining TDA Board members.

City Appointments

City Council **Craig Vejvoda**
Vejvoda Financial Services, 200 North ‘M’ Street, Tulare, CA 93274, 688-2900

Police Department **Sgt. Tim Ramirez**

THE PAST

TDA's History

A Parking and Business Improvement Area was established by the Tulare City Council in May 1987. The district was formed under the provisions of the Parking and Business Improvement Area Law of 1979 (AB-1693) as amended by the Parking and Business Improvement Area Law of 1989 (SB-1424). The purpose of the district is to promote the economy and physical maintenance of the downtown business district in the public interest in order to create jobs, attract new businesses, and prevent erosion and blighting of the business district.

To fund activities, the Council has authorized the levy of assessments upon the businesses which benefit from these improvements and activities. The Board of Directors of the Tulare Downtown Association, Inc. has been authorized by the City Council to act as an Advisory Board to annually make recommendations to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of businesses, and on the method and basis of levying the assessments.

The Tulare Downtown Association, Inc. is a non-profit mutual benefit corporation and is governed by a Board of Directors consisting of eleven (11) members. All TDA Board members serve without pay. Officers of the Board consist of a President, Vice-President, Secretary, Treasurer, and the Immediate Past President which are elected by the Board of Directors at the annual Membership Meeting. Day-to-day management is conducted by a paid Director.

THE PRESENT

Where TDA is Now

The fiscal year for the Association begins July 1, and this past year the Association continues aggressive pursuit of many goals:

- Facilitation of a weekly street fair to support the City's Park and Recreation Departments "Concerts in the Park" concert series
 - Facilitation of the 24-year old "Summer Sally"
- Guiding a community volunteer committee the annual Children's Christmas Parade.
- Producing additional successful events including:
 - Oktoberfest Promotion
 - Cinco de Mayo
 - This year featured the first Annual Best-Dress Chihuahua Contest
- The TDA has also been involved in efforts to:
 - Reduce homelessness in the downtown business district
 - Participated as part of the Tower Square PBID committee
 - Active participant in the Tulare Chambers "Team Tulare."
- TDA continues to maintain a list of properties available in the downtown area and acts as a resource.
- TDA assists its members in addressing issues with which businesses owners are unfamiliar or hesitant to address. This last year TDA tackled issues involving:
 - Graffiti removal and control
 - Control of vagrants in downtown common areas
 - Coordinating with police to curtail criminal activity in the downtown
- Because of state regulation, the TDA established a companion 501(c)(3) organization.
- The TDA seeks to establish a "Clean and Safe" program for Downtown environs.

THE FUTURE

Where TDA is Going

The Tulare Downtown Association plans to continue with its representation of the downtown Business and Parking District. Additionally:

- Current projects include:
 - “Park” Fair — Based on the street fair concept, the Park Fair supports the City’s “Concerts in the Park” series.
 - Cinco de Mayo — Continues as a well-attended “kick-off” event for the Association next spring. It’s a popular event that continues to expand its offerings.
 - Community Tree Lighting and Parade — The Association will again host the community tree-lighting downtown combining the Children’s Christmas Parade with the event.
 - Continue work on implementing the Tower Square PBID.
 - Establish a Clean and Safe program for Downtown Tulare.
 - Work thru the Tulare Downtown Foundation to secure grant funding for building upgrade and improvement.

Conclusion:

The Board will continue to review the events in which it is involved to determine if they are the best method for assisting the downtown and will consider changes that will help continue the success of the Tulare downtown area.

Tulare City Council
411 East Kern Avenue
Tulare, California 93274

The Tulare Downtown Association Inc. Board of Directors, offers the following recommendations for the management and operation of activities associated with the Tulare Parking and Business Area during the fiscal year (July 1, 2014-June 30, 2015):

1. No changes in boundaries or benefit zones.
2. Continue working with City Staff on projects and business recruitment.
3. Continue to track real estate and work with realtors.
4. Work with the City, Code Enforcement and Police Department to control graffiti, vandalism and crime in the downtown.
5. Continue to evaluate the events and special activities this organization produces to address the demands of a changing economy and the downtown business community.
6. Continue to work with the Tulare Chamber of Commerce as well as other organizations and individuals in their efforts to encourage growth in Downtown Tulare.
7. Support efforts to market and develop attractions in the downtown, encourage other groups and individuals in producing events and attractions, implement new strategies aligned with existing strategies to improve the business climate in the downtown.
8. Continue efforts to develop cooperative marketing plans with Association members and the downtown at large.

Attached is the approved TDA budget of the cost of providing the improvements and the activities for fiscal year 2015/2016. Included are sources of revenue and contributions.

Renee Soto, President
Tulare Downtown Association

Annual Budget - Tulare Downtown Association
Jul 1, '16 - June 30, '16

Ordinary Income/Expense

Income

401 · District Assessments	\$ 88,000
410 · Promotional Income	20,088
	20,088

Total Income **\$108,088**

Expense

700 · Administrative Expenses	
701 · Liability Insurance	\$ 4,571
702 · Office Rent	6,000
703 · Office Supplies	4,171
704 · Other Admin Exp	1,882
705.1 · Coordinator	39,695
705.2 · Office Assistant Salary	8,500
707 · Professional Services	1,600
708 · Telephone Expense	1,600
715 · Office Equipment Exp	100
Total 700 · Administrative Expenses	\$ 8,119

730 · Market Recruit & Retention	
731 · Conferences	\$ 5,000
730 · Market Recruit & Retention - Other	2,000
	2,000
Total 730 · Market Recruit & Retention	\$ 7,000

750 · Promotional Expenses **\$ 31,669**

761 · Gift Certificates **\$ 1,300**

Total Expense **\$108,088**

RESOLUTION 16-_____

A RESOLUTION OF THE COUNCIL OF THE CITY OF TULARE CONFIRMING THE REPORT AND RECOMMENDATION OF THE ADVISORY BOARD OF THE TULARE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF ASSESSMENTS FOR SAID DISTRICT FOR THE 2016/17 FISCAL YEAR.

WHEREAS, the City Council has previously adopted Resolution 16-_____ establishing June 21, 2016, at 7:00 p.m., as the date and hour for a public hearing concerning its intention to levy an annual assessment for the 2016/17 fiscal year in connection with the Tulare Downtown Parking and Business Improvement District; and

WHEREAS, said public hearing has been conducted and the City Council has reviewed and considered the report and recommendation of the Advisory Board of the District with regard to improvements and activities to be provided, estimated cost of providing such improvements and activities and the method and basis of levying the assessment against businesses within the District for said fiscal year; and

WHEREAS, the City Council desires to confirm the report of said Advisory Committee and to levy an assessment for the 2016/17 fiscal year on all businesses located within the Tulare Downtown Parking and Business Improvement District.

NOW, THEREFORE, BE IT RESOLVED, as follows, to wit:

1. The City Council confirms the report of the Tulare Downtown Association (TDA) Board of Directors, acting as the Advisory Board of the Tulare Downtown Parking and Business Improvement District, as said report was originally filed with the City Council.
2. Consistent with said report and its recommendation, the City Council does herewith levy an assessment for the 2016/17 fiscal year on all businesses located within said Tulare Downtown Parking and Business Improvement District, as more fully set forth in item (1) of said report, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.
3. Said assessments shall be levied in the time and manner as are consistent with the provisions of Chapter 8.48 of the Tulare City Code.

PASSED, APPROVED AND ADOPTED this 21st day of June 2016.

Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Don Dorman, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 16-_____ passed and adopted by the Council of the City of Tulare at a regular meeting held on June 21, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Abstention(s) _____

Dated: DON DORMAN, CITY CLERK

By Roxanne Yoder, Chief Deputy

EXHIBIT "A"

The Tulare Improvement Program, Incorporated, Board of Directors, offers the following recommendations for the management and operation of activities associated with the Tulare Parking and Business Area during the 2016/17 fiscal year (July 1, 2016 - June 30, 2017):

- (1) Recommend no changes in boundaries or benefit zones.
- (2) Continue to work closely with city staff, in implementing the program of the Downtown Project Area, and to aggressively recruit new business to Downtown Tulare.
- (3) Continue to carefully track real estate opportunities and challenges, assisting and working with real estate professionals.
- (4) Continue to work with the city in efforts to control graffiti and other vandalism in the downtown.
- (5) Continue to produce special events that focus attention and generate traffic to the downtown, helping to establish the downtown as the cultural center and as a place of activity in the community.
- (6) Continue to support the Greater Tulare Chamber of Commerce, as well as other organizations and individuals, in their efforts to encourage growth in Downtown Tulare.
- (7) Continue to support efforts to market and develop attractions in the downtown, such as murals, Tower Square, Zumwalt Park activities and the beneficial activities produced by various other groups.