



AGENDA
Regular Meeting of the Lompoc City Council
Tuesday, October 16, 2018
City Hall, 100 Civic Center Plaza, Council Chamber

Please be advised that, pursuant to State Law, any member of the public may address the City Council concerning any Item on the Agenda, before or during Council consideration of that Item. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the City Council. If you wish to speak on a Consent Calendar Item, please do so during the first Oral Communications.

“Members of the Public are Advised that all **PAGERS, CELLULAR TELEPHONES** and any **OTHER COMMUNICATION DEVICES** are to be **turned off** upon entering the City Council Chambers.”

Regular City Council meetings will be videotaped and available for review on the City's website by the end of the day on the Thursday following the City Council Meeting. **The Agenda and related Staff reports are available on the City's web site: www.cityoflompoc.com the Friday before Council meetings between 9:00 a.m. and 5:00 p.m.**

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this agenda will be made available the Friday before Council meetings at the City Clerk's Office at City Hall, 100 Civic Center Plaza, Monday through Friday between 9 a.m. and 5 p.m. and at the Information Desk at the Lompoc Library, 501 E. North Avenue, Lompoc, California, Monday - Thursday between 10 a.m. and 7 p.m. and Friday and Saturday between 1 p.m. and 5 p.m. The City may charge customary photocopying charges for copies of such documents.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, including review of the Agenda and related documents, please contact the City Clerk at (805) 875-8241 at least 72 hours prior to the meeting. This will allow time for the City to make reasonable arrangements to ensure accessibility to the meeting.

CLOSED SESSION

OPEN SESSION – 6:10 P.M. – Council Chamber

ROLL CALL: Mayor Bob Lingl
Mayor Pro Tempore Jenelle Osborne
Council Member James Mosby
Council Member Dirk Starbuck
Council Member Victor Vega

ORAL COMMUNICATIONS: (maximum of three minutes per speaker, limited to subject of “Closed Session”)

CLOSED SESSION – City Council Conference Room

BUSINESS ITEM:

1. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION:** Pursuant to paragraph (1) of subdivision (d) of Section 54956.9.: One Matter - Waldau v. 513 North G, L.P., et al., Santa Barbara County Superior Court Case No. 17CV02104

OPEN SESSION - 6:30 P.M. – Council Chamber

REPORT ON ACTION TAKEN DURING CLOSED SESSION:

INVOCATION: Chaplain Keith McClellan

PLEDGE OF ALLEGIANCE: Mayor Bob Lingl

PRESENTATIONS PRESENTED ELSEWHERE:

On October 11, 2018, Mayor Lingl presented a proclamation at the Domestic Violence Awareness Vigil held at the Lompoc City Hall Courtyard, proclaiming October 2018 as **Domestic Violence Awareness Month**.

PRESENTATIONS:

Mayor Lingl will present a proclamation in honor of **Rotary International World Polio Day**.

CITY MANAGER REPORT: (Information only)

- **List of City expenditures**
 - September 10 – 14, 2018 - \$306,950.64
 - September 17 – 21, 2018 - \$662,048.73
 - Payroll September 21, 2018 - \$1,486,033.22

PUBLIC COMMENT ON CONSENT CALENDAR ITEMS (Max of 3 Minutes):

CONSENT CALENDAR: All items listed under Consent Calendar are considered to be routine and will be enacted, after one motion, in the form listed below. There will be no separate discussion of these items unless good cause is shown prior to the Council vote. Any items withdrawn from the Consent Calendar for separate discussion will be addressed immediately before the second Oral Communications, near the end of the meeting.

1. **Approval of Minutes** of the Lompoc City Council Regular Meeting of June 5, 2018
2. **Adoption of Ordinance No. 1652(18), Repealing Section 10.28.140 of the Lompoc Municipal Code Relating to the Time a Street Vendor May Remain in One Place.**

Recommendation: Council adopt Ordinance No. 1652(18).

3. **Adoption of Ordinance No. 1653(18), Rescinding Former Recycled Water Fee, Establishing New Recycled Water Use and Administrative Fees.**

Recommendation: Council adopt Ordinance No. 1653(18).

4. **Receipt of Annual Compliance Report for Development Impact Fees per Government Code Subdivision 66006(b)(1).**

Management Services Director Brad Wilkie
b_wilkie@ci.lompoc.ca.us

Recommendation: Council receive this report prepared to satisfy Government Code subdivision 66006(b)(1).

5. **Approval of Organics Processing Agreement.**

Solid Waste Superintendent Keith Quinlan
k_quinlan@ci.lompoc.ca.us

Recommendation: Council take the following actions:

- a) award the Professional Services Agreement to Engel and Gray, Inc., the lowest cost and most responsive bidder to Request for Proposal No. 2889 to provide processing and related services for Lompoc's green waste and food scraps, in the amount not to exceed \$197,000 annually;
- b) authorize the City Manager to execute the Agreement;
- c) authorize the City Manager to execute contract amendments for an aggregate amount not to exceed \$19,700; and
- d) authorize the Purchasing and Materials Manager to issue a Contract Purchase Order in the amount not to exceed \$197,000 to Engel & Gray, Inc., for organics processing and related services. The term of the contract Purchase Order will be for 3 years with two additional 1-year optional extensions.

CONSENT CALENDAR: (cont'd)

6. **Approval of a Sole Source Contract for Removal of Materials and Refuse from the Santa Ynez Riverbed.**

Senior Environmental Coordinator Stacy L. Lawson
s_lawson@ci.lompoc.ca.us

Recommendation: Council approve Qwik Response as a sole-source provider for cleaning up some of the Santa Ynez River beds and banks (Riverbed); award that contract to Qwik Response in an amount not to exceed \$400,000; authorize the City Manager to execute the Professional Services Agreement; and authorize the Purchasing and Materials Manager to issue a Purchase Order encumbering funds in account number 751STR-538310 – Services – Clean Up to Qwik Response for \$400,000.

7. **Review of the Need for Continuing the Local Emergency Proclaimed by the City Council on October 2, 2018, Relating to the Clean-up of the Santa Ynez Riverbed.**

City Manager Jim Throop
j_throop@ci.lompoc.ca.us

Assistant City Attorney Jeff Malawy
jmalawy@awattorneys.com

Recommendation: Council review, receive and file, this Staff report regarding the need for continuing the local emergency proclaimed by the City Council on October 2, 2018, relating to the clean-up of the Santa Ynez Riverbed.

STAFF PRESENTATIONS/ANNOUNCEMENTS/REQUESTS:

ORAL COMMUNICATIONS (3 Minutes Maximum):

APPOINTMENTS:

8. **Council Appointment to the Human Services Commission.**

UNFINISHED BUSINESS:

9. **Adoption of Resolution No. 6201(18), Declaring Intention to Form the Proposed Community Facilities District No. 2018-01 (Summit View Homes) to Fund Certain Public Services and Authorizing and Directing Certain Related Actions.**

Management Services Director Brad Wilkie
b_wilkie@ci.lompoc.ca.us

Planning Manager Brian Halvorson
b_halvorson@ci.lompoc.ca.us

Recommendation: Council accept the Petition, Consent, and Waiver from the landowners requesting the formation of a Community Facilities District (CFD) to fund certain services; adopt Resolution No. 6201(18), declaring Intention to Establish Community Facilities District No. 2018-01 (Summit View Homes) and authorize the levy of a special tax to fund certain services; set a public hearing for November 20, 2018, at 6:30 p.m. for public comment on the intention to form the CFD No. 2018-01 for the Summit View Homes development and the levy of special taxes to fund certain services; and direct the City Clerk to publish a notice of public hearing for the formation of CFD No. 2018-01.

(Public Comment)

COUNCIL REQUESTS:

10. **Introduction of Ordinance No. 1654(18) Amending the Effective Date of Ordinance No. 1647(18), and Approval of a Payment In-Lieu of Taxes Agreement.**

Planning Manager Brian Halvorson
b_halvorson@ci.lompoc.ca.us

Recommendation: Council review and approve the Payment for City Services Agreement and authorize the City Manager to sign the agreement; and introduce Ordinance No. 1654(18), for first reading by title only with further reading waived, amending the effective date of Ordinance No. 1647(18); or provide alternate direction.

(Public Comment)

COUNCIL REQUESTS: (cont'd)

11. **Introduction of Ordinance No. 1655(18) Defining Household Pets.**

Planning Manager Brian Halvorson
b_halvorson@ci.lompoc.ca.us

Recommendation: Council hold a public hearing, introduce Ordinance 1655(18), for first reading by title only with further reading waived, amending Lompoc Municipal Code section 17.008.020 defining household pets and provide direction to Staff on the circulation of an initial study/negative declaration.

(Public Comment)

WRITTEN COMMUNICATIONS:

ORAL COMMUNICATIONS (2 Minutes Maximum):

COUNCIL REQUESTS, COMMENTS, AND MEETING REPORTS:

ADJOURNMENT:

Lompoc City Council will adjourn to a Regular Meeting at 6:30 P.M. on November 20, 2018.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting. Dated this 12th day of October, 2018.

/Stacey Haddon/
Stacey Haddon, City Clerk
By: Shannon Marrs



Oct/Nov 2018 Master Calendar

DATE	ITEM	NOTES
10/1/2018	* Human Services Commission - 6:00pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
10/2/2018	Joint Meeting City Council and Utilities Comm 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/2/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/3/2018	LUSD – School Board Candidate Forum 6pm Hosted by the Local Association of American University Women (AAUW)	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/4/2018	* Economic Development Committee – General Board Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/4/2018	* Airport Commission Meeting –CANCELLED	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
10/8/2018	* Utilities Commission Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/9/2018	* Library Commission Meeting 10am	Lompoc Main Library - Grossman Gallery 501 E. North Avenue
10/9/2018	* Parks & Recreation Commission – 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/10/2018	* Planning Commission Meeting 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/10/2018	* Beautification Commission Meeting 6:30pm	Lompoc City Hall - Administrative Conference Room - 100 Civic Center Plaza
10/12 – 10/14	Lompoc Theater Project – Chalk Festival	Cypress Avenue and South I Street Parking Lots
10/16/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/17/2018	* Public Safety Commission Meeting – 6:30pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
10/22/2018	* Youth Commission Meeting – 7pm	Anderson Recreation Center – 125 W. Walnut
10/24/2018	* Planning Commission Special Meeting	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
10/26/2018	LHS vs CHS Football Game After Party 9pm Exclusively for High School Students	Lompoc Aquatic Center Parking Lot
10/31/2018	Halloween	Please be careful while driving – lots of little ghosts and goblins running around
11/01/2018	* Economic Development Committee – General Board Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/01/2018	* Airport Commission Meeting – 7pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
11/3/2018	Dedication of Fallen Warriors Memorial at Beattie Park 11am	East Olive Avenue & South 5 th Street - Lompoc

DATE	ITEM	NOTES
11/05/2018	*Human Services Commission - 6:00pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
11/06/2018	ELECTION DAY	
11/06/2018	City Council Meeting – Cancelled in Observance of Election Day	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/12/2018	*Utilities Commission Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/13/2018	*Library Commission Meeting 10am	Lompoc Main Library - Grossman Gallery 501 E. North Avenue
11/13/2018	*Parks & Recreation Commission – 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/14/2018	*Planning Commission Meeting 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/14/2018	*Beautification Commission Meeting 6:30pm	Lompoc City Hall - Administrative Conference Room - 100 Civic Center Plaza
11/20/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
11/22/2018 11/23/2018	Thanks Giving Holiday	Lompoc City Hall Closed
11/26/2018	*Youth Commission Meeting – 7pm	Anderson Recreation Center – 125 W. Walnut

*One or more Council Members may attend this meeting. However, if a majority of Council Members are present at this meeting, then no Council Member may make any comments regarding any matter within the subject matter jurisdiction of the City if a majority of Council Members would be able to hear those comments. In addition, no Council Member attending this meeting should discuss (at the same time or serially or through an intermediary) with a majority of the Council Members, outside of the duly noticed Council meeting, what occurred at this meeting or his/her thoughts regarding the meeting.

**Only the two Council Members appointed to this Committee may attend this meeting. In addition, no Ad Hoc Committee Member should discuss (at the same time or serially or through an intermediary) with any Council Member outside of the duly noticed Council meeting, other than her/his Ad Hoc Committee co-member, what occurred at this meeting or his/her thoughts regarding this meeting.

Ordinance No. 1652(18)

**An Ordinance of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
Repealing Section 10.28.140 of the Lompoc Municipal Code
Relating to the Time a Street Vendor May Remain in One Place**

WHEREAS, Lompoc Municipal Code (LMC), section 10.28.140 establishes a 10-minute time limit for vendors to stand or park on any City street; and

WHEREAS, California case law has called into question the ability of a city to impose that 10-minute time limit for vendors to stand or park on a sidewalk; and

WHEREAS, the California Vehicle Code preempts a city from being able to impose that 10-minute time limit for food trucks to stand or park on a street; and

WHEREAS, as part of the City of Lompoc's (City) current process to update its zoning code, which commenced in 2015, the City will be reconsidering and revising its regulations regarding street and sidewalk vendors, including food trucks; and

WHEREAS, pending the zoning code revision process, it best serves the City to discontinue imposing that 10-minute time limit.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 10.28.140 of the LMC is hereby repealed.

SECTION 2. This ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this ordinance and shall cause this ordinance to be posted in the manner required by law.

This Ordinance was introduced on September 18, 2018, duly adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on _____, 2018 by the following electronic vote:

PASSED AND ADOPTED this ___ day of ___ 2018 by the following electronic vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

Attest:

Stacey Haddon, City Clerk
City of Lompoc

Ordinance No 1653(18)

**An Ordinance of the City Council of the City of Lompoc,
County of Santa Barbara, State of California, Repealing
Ordinance No. 1324(90), Relating To Reclaimed Water Rates**

WHEREAS, on April 16, 1990, the City Council adopted Urgency Ordinance No. 1319(90) requiring the use of recycled water for dust control at construction sites in the City of Lompoc (City); and

WHEREAS, on May 1, 1990, the City Council adopted Ordinance No. 1324(90), establishing a recycled water use fee of \$1.00 per hundred cubic feet (748 gallons), which has never been updated; and

WHEREAS, the City was required to get a recycled water permit and the State Water Resources Control Board notified the City on January 25, 2018, the recycled water program under Order WQ-2016-0068-DDW was approved; and

WHEREAS, City staff has reviewed recycled water use fees and administrative fees levied by other agencies for recycled water, and current costs to the City to operate the trucked recycled water program (Program) and found the City's fee is well below the normal fee of similar agencies and does not cover the cost of the Program; and

WHEREAS, the City Council, at a regularly scheduled meeting, held a Public Hearing on October 2, 2018, to review and consider the proposed recycled water use fee and administrative fee changes described in Resolution No. 6219(18); and

WHEREAS, the proposed adjustments to the recycled water program are statutorily exempt from environmental review as the modification of a fee intended to meet operating expenses for producing recycled water, pursuant to Section 15061 of the California Environmental Quality Act (CEQA) and its Guidelines Section 15273.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Ordinance No. 1324(90) is hereby rescinded in its entirety.

SECTION 2: This ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this ordinance and shall cause this ordinance to be posted in the manner required by law.

This Ordinance was introduced on October 2, 2018, and duly adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on _____, 2018, by the following electronic vote:

PASSED AND ADOPTED this ___ day of ___ 2018, by the following electronic vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Attest:

Bob Lingl, Mayor
City of Lompoc

Stacey Haddon, City Clerk
City of Lompoc



City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Brad Wilkie, Management Services Director
b_wilkie@ci.lompoc.ca.us

SUBJECT: Receipt of Annual Compliance Report for Development Impact Fees per Government Code Subdivision 66006(b)(1)

Recommendation:

Staff recommends the City Council receive this report prepared to satisfy Government Code subdivision 66006(b)(1).

Background:

The Mitigation Fee Act (Government Code sections 66000 *et seq.*) was enacted in 1987, and sets forth the standards against which monetary exactions on development projects are measured. In a paper titled "A Short Overview of Development Impact Fee" by Peter N. Brown, City Attorney, and Graham Lyons, Deputy City Attorney for the City of Carpinteria, for the League of California Cities in 2003, the following is stated:

With the passage of Proposition 13 in 1978 and the decline in local government revenues, local government increasingly relied on impact fees in order to mitigate the impacts created by new development. In response, developers lobbied the State Legislature to curtail the growing use of impact fees. In response, the Legislature passed AB 1600, the California Mitigation Fee Act, which...established a statewide procedure...for exacting certain fees from development projects.

On January 3, 1989, the City Council adopted Resolution No. 3795(89), establishing its first Mitigation Fee Act development fee for fire impacts. Subsequently, the City Council has adopted and updated various other development impact fees applicable to new development within the City of Lompoc (City). The purpose of development impact fees is to finance the design, construction and acquisition of facilities and equipment necessary to accommodate future development within the City.

Development impact fees that are collected are segregated and placed in special funds or accounts, which earn interest. Those funds are held in accordance with the Mitigation Fee Act to finance the construction of the facilities for which the fees are collected.

The Mitigation Fee Act requires periodic reporting annually and a separate reporting every five years until the funds collected are expended. The 2014 Staff Report included the requirements for both the annual and five year reporting requirements. As such, the next fiscal year in which both requirements are due would be for the fiscal year ending June 30, 2019. This year's report addresses annual reporting only to satisfy Government Code subdivision 66006(b)(1).

As of June 30, 2018, the City had 12 separate and distinct fees that can be collected, pursuant to the Mitigation Fee Act. Following is a summary listing of the fees, along with the balance for each fee account, as of June 30, 2018 (based on preliminary unaudited activity):

<u>Fee Type and Description</u>	<u>June 30, 2018 Balance</u>
Police Facilities and Vehicles	\$ 61,000.82
Park Land Acquisition	609,116.82
Fire Protection Facilities and Equipment	40,354.22
Park Improvements	1,334,454.96
Community and Recreation Center Facilities	120,889.80
Traffic Signals	1,624,137.22
Bikeways	26,607.25
Streets	2,199,840.97
Library Facilities and Materials	220,035.69
Water Utility System	(5,325,861.79)
Wastewater Utility System	(5,468,092.60)
Refuse Container Costs	-

The Water and the Wastewater Utility System fees identified above have negative balances. The negative balances are due to the cumulative assignment of a fixed percentage of existing debt to new development in excess of the actual fees collected. The 1998, 2005, 2007 bonds and State Revolving Fund loan were issued with an expectation a set proportion of the facility improvements constructed with the bond and loan funds would serve new development. As development is cyclical and bond payments are fixed, fluctuations are expected in the balances throughout the terms of the bonds and loans. However, as long as the projected growth occurs that was planned for at the time the bonds were incorporated into the Mitigation Fee Act plan, developer fees should pay for their share of the debt service costs over the term of the General Plan. At this point in time, the two fee balances are negative. Those negative balances indicate there has been less development than anticipated, on a pro rata basis, in the most recent

Mitigation Fee Act study to date, to support the use of the fees for payment of a portion of the debt service outstanding. With the refunding of the 1998, 2005, and 2007 bonds in the spring of 2018, the amount of the debt service attributable to new development will be adjusted although the fixed percentage of the debt service payments does not change. However, as the refunding occurred after providing for the second semi-annual debt service payments in March 2018, the change due the refunding will be first recognized with the 2018-2019 debt service period and reported with the Annual Compliance Report effective June 30, 2019.

Discussion:

Annual Compliance Reporting for all Development Impact Fees

Government Code subdivision 66006(b)(1) sets forth the annual compliance reporting requirements as follows:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

- (A) A brief description of the type of fee in the account or fund.*
- (B) The amount of the fee.*
- (C) The beginning and ending balance of the account or fund.*
- (D) The amount of the fees collected and the interest earned.*
- (E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*
- (F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*
- (G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

Attachments 1 through 12 provide the above information for each distinct Mitigation Fee Act account the City is authorized to collect.

When findings are required, the City must also make them in connection with the annual compliance report. This report (along with Attachments 1 through 12) provides for the annual compliance requirement.

Compliance Report Format

As mentioned above, Attachments 1 through 12 fulfill the annual compliance information requirements of Subdivision 66006(b)(1). Each attachment represents a separate fund account pursuant to the applicable Mitigation Fee Act sections. Each of the 12 attachments provides appropriate information to understand the purpose of each fund, the balances in each fund, along with information on the annual activity in the fund. The attachments will help to ensure understanding of the report and provide compliance with the requirements under the Mitigation Fee Act.

The City is also required to identify an approximate date for starting construction on a public improvement within 180 days after determining sufficient funds have been collected to complete financing of the improvement. To date, sufficient funds have been collected to complete the financing of some of the traffic signals, and the required disclosure is included in Attachment 1. Some of the fees collected, such as the Water and Wastewater fees, are anticipated to be collected over the course of various debt instruments that have already been used to construct public improvements. Fees received for those purposes offset the costs that are being deducted from the fee balance; in some instances, creating a negative balance at the end of year for that fee. Where other fees are sufficient to complete the financing of public improvements, they are identified in the applicable attachment. Refuse collection container fees are sufficient immediately upon receipt of the fees.

During a recent City Council meeting, staff was directed to provide supplemental background materials related to available resources for City park improvements, including impact fee resources and Quimby resources, along with existing commitments of the available funding from existing Park Improvement Impact Fees and Quimby resources. Attachments 13 and 14 are schedules of Park Improvements program commitments, committed resources, and remaining unspecified committed resources along with Quimby Fee program commitments, committed resources, and remaining unspecified committed resources. It is also important to describe the uses legally available for the above funding. Quimby resources are collected and must be expended only for acquisition of parkland or on capital improvements (not repair and maintenance) that expand an existing parks use. Park Improvement Impact Fees can be used for similar purposes, and can also be used for major capital expenditures for repair and maintenance of the City's parks, but not for routine maintenance.

Fiscal Impact:

Tracking of the fund activities, summarizing the activity for this report and preparation of the report requires resources of the Finance Division, the primary division tasked with completing the compliance requirements. No funds were expended on outside sources to comply with this unfunded State mandate. While this compliance report is required under the Mitigation Fee Act, the State of California provides no resources to comply with its provisions. Failure to report on activity and account balances per the applicable regulations could allow a successful challenge to the collection of the related fees in the future or repayment of previously collected fees.

Conclusion:

The purpose of the applicable legal requirements under the Mitigation Fee Act, as it applies to findings and compliance reporting, is to provide the community with information as to the status and use of impact fees collected. The report presented meets the requirements for the fiscal year ending June 30, 2018.

Respectfully submitted,

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

- Attachments:
- 1) Police Facilities and Vehicles – Annual
 - 2) Park Land Acquisition – Annual
 - 3) Fire Protection Facilities and Equipment – Annual
 - 4) Park Improvements – Annual
 - 5) Community and Recreation Center Facilities – Annual
 - 6) Traffic Signals – Annual
 - 7) Bikeways – Annual
 - 8) Streets – Annual
 - 9) Library Facilities and Materials – Annual
 - 10) Water System – Annual
 - 11) Wastewater System – Annual
 - 12) Refuse Container Costs – Annual
 - 13) Park Improvements – Available and Committed Resources
 - 14) Quimby Fees – Available and Committed Resources

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
POLICE FACILITIES AND VEHICLES IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Police Facilities and Vehicles Impact Fees – The purpose of the Police Facilities and Vehicles Impact Fees is to provide police facilities and vehicles needed to serve future development in Lompoc.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$ 262.00
Residential-Duplex/Multi	DU	435.00
Residential-Mobile Home	DU	262.00
Commercial, General	KSF	641.00
Commercial, Service	KSF	267.00
Hotel/Motel	KSF	167.00
Industrial-Light	KSF	103.00
Industrial-Heavy	KSF	69.00

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

Beginning – July 1, 2017	\$71,592.24
Prior Period Adjustment	264.93
Plus: Fees Collected	1,325.00
Interest	968.82
Less: Project Costs	(13,150.17)
Refunds	<u>(.00)</u>
Ending – June 30, 2018	<u>\$61,000.82</u>

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

The following expenditures were made in the fiscal year:

- \$237.44 for professional services;
- \$12,912.73 to purchase and install in-vehicle computer systems.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

While sufficient funds are not yet available to complete financing of a new facility for evidence and dispatch services, funds are being used to identify feasibility of construction options for the facility.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
PARK LAND ACQUISITION IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Park Land Impact Fees – The purpose of the Park Land Acquisition Impact Fees is to offset the cost of acquiring park land in order to provide adequate park space for future development in the City. The fee is not applicable to development subject to the Quimby Act (Government Code Section 66477) fees or dedications.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$4,682.00
Residential-Duplex/Multi	DU	4,370.00
Residential-Mobile Home	DU	3,277.00
Commercial, General	KSF	No fee
Commercial, Service	KSF	No fee
Hotel/Motel	KSF	No fee
Industrial-Light	KSF	No fee
Industrial-Heavy	KSF	No fee

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$601,060.95
Prior Period Adjustment	726.19
Plus: Fees Collected	.00
Interest	9,318.15
Less: Project Costs	(1,988.47)
Refunds	(.00)
Ending – June 30, 2018	<u>\$609,116.82</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

- \$1,988.47 for professional services.

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Not Applicable.

(G) *A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) *The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.*

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
FIRE PROTECTION FACILITIES AND EQUIPMENT IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Fire Protection Facilities and Equipment Impact Fee – The purpose of the Fire Protection Facilities and Equipment Impact Fee is to offset the cost of acquiring fire protection facilities and equipment in order to provide fire protection services to new developments in the City.

<i>(B) The amount of the fee.</i>	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$ 237.00
Residential-Duplex/Multi	DU	97.00
Residential-Mobile Home	DU	111.00
Commercial, General	KSF	128.00
Commercial, Service	KSF	128.00
Hotel/Motel	KSF	80.00
Industrial-Light	KSF	92.00
Industrial-Heavy	KSF	92.00

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

Beginning - July 1, 2017	\$39,188.11
Prior Period Adjustment	47.35
Plus: Fees Collected	635.00
Interest	613.40
Less: Project Costs	(129.64)
Refunds	(.00)
Ending - June 30, 2018	<u>\$40,354.22</u>

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

No expenditures were made for these public improvements during this fiscal year.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

- \$129.64 for professional services.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
PARK IMPROVEMENT IMPACT FEES
Fiscal Year Ending June 30, 2018**

For purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Park Improvement Impact Fees – The purpose of the Park Improvement Impact Fees is to offset the cost of constructing park improvements in order to provide adequate parks for future development in the City.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$4,885.00
Residential-Duplex/Multi	DU	4,558.00
Residential-Mobile Home	DU	3,419.00
Commercial, General	KSF	No fee
Commercial, Service	KSF	No fee
Hotel/Motel	KSF	No fee
Industrial-Light	KSF	No fee
Industrial-Heavy	KSF	No fee

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$1,526,158.27
Prior Period Adjustment	1,849.44
Plus: Fees Collected	16,304.00
Interest	21,110.33
Less: Project Costs	(230,967.08)
Refunds	<u>(.00)</u>
Ending – June 30, 2018	<u>\$1,334,454.96</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

The following expenditures were made in the fiscal year:

- \$12,728 for current year debt service;
- \$72,189 on acquisition of equipment to maintain developed park areas;
- \$14,813 planning, design and engineering for various park improvements;
- \$108,189 transferred to Debt Service Fund for remaining obligations on park improvements financing;
- \$23,973 for construction improvements at Thompson Park.

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

As noted in (E) above, the City of Lompoc has begun to expend the impact fees collected on park improvements and will continue to use these monies as projects are constructed to sustain adequate park facilities.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
COMMUNITY AND RECREATION CENTER FACILITIES IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Community and Recreation Center Facilities Impact Fees – The purpose of the Community and Recreation Center Facilities Impact Fees is to provide community and recreation center facilities needed to serve future development in Lompoc.

(B) The amount of the fee.

	Dev Units ¹	Impact Fee Per Unit ¹
Residential-Single Family	DU	\$1,164.00
Residential-Duplex/Multi	DU	1,088.00
Residential-Mobile Home	DU	815.00
Commercial, General	KSF	No fee
Commercial, Service	KSF	No fee
Hotel/Motel	KSF	No fee
Industrial-Light	KSF	No fee
Industrial-Heavy	KSF	No fee

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

Beginning – July 1, 2017	\$342,323.94
Prior Period Adjustment	408.03
Plus: Fees Collected	1,986.00
Interest	3,262.92
Less: Project Costs	(227,091.09)
Refunds	(<u> .00</u>)
Ending – June 30, 2018	<u>\$120,889.80</u>

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

The following expenditures and disbursements were made in the fiscal year:

- \$20,626 for current year debt service;
- \$16,752 for prior year project costs from accounts payable;
- \$175,313 transferred to Debt Service Fund for remaining obligations on recreation facility improvements financing;
- \$13,268 for renovations and improvements at the Lompoc Aquatic Center;
- \$1,132 for professional services.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As noted in (E) above, the City of Lompoc has begun to expend the impact fees collected on Recreation Center improvements and will continue to use these monies as projects are constructed to sustain adequate recreation facilities.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
TRAFFIC SIGNAL IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Traffic Signal Impact Fee – The purpose of this fee is to finance the construction of traffic signals and improvements needed to maintain traffic movement and safety on City streets. These fees provide the above described project funding to accommodate traffic generated by future development within the City.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$ 278.00
Residential-Duplex/Multi	DU	194.00
Residential-Mobile Home	DU	167.00
Commercial, General	KSF	Varies ²
Commercial, Service	KSF	Varies ²
Hotel/Motel	KSF	Varies ²
Industrial-Light	KSF	Varies ²
Industrial-Heavy	KSF	Varies ²

1 Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

2 To determine the Traffic Signal Impact Fee for each peak-hour-trip, the City Engineer, or his/her designee, will refer to the City's most current schedule of fees per Resolution No. 5136(03). A person seeking to construct a non-residential development project shall pay a Traffic Signal Impact Fee per peak hour trip generated by the non-residential development project. For purposes of calculating the fee, the square footage of the proposed development project will be based on the gross square footage within the structure. If applicable to the specific development, the peak-hour-trips will be reduced by a factor that is based upon the number of pass-by trips and/or diverted trips (Reduction Factor), if applicable, as determined by the City Engineer. The Total fee shall be determined as follows: Traffic Signal Impact Fee multiplied by Peak-Hour-Trips multiplied by Reduction Factor.

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$1,576,343.51
Prior Period Adjustment	1,904.51
Plus: Fees Collected	26,419.00
Interest	24,685.17
Less: Project Costs	(5,214.97)
Refunds	(<u> .00</u>)
Ending – June 30, 2018	<u>\$1,624,137.22</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

- \$5,214.97 for professional services.

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

The remaining signals not completed to date identified in the Impact Fee Study are to be completed in the next five to ten years, or as soon as they are warranted.

(G) *A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) *The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.*

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
BIKEWAY IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Bikeway Impact Fee – The purpose of this fee is to finance the construction of bikeways needed to serve future development in Lompoc.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$ 48.00
Residential-Duplex/Multi	DU	45.00
Residential-Mobile Home	DU	34.00
Commercial, General	KSF	No fee
Commercial, Service	KSF	No fee
Hotel/Motel	KSF	No fee
Industrial-Light	KSF	No fee
Industrial-Heavy	KSF	No fee

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

Beginning - July 1, 2017	\$26,255.63
Plus: Fees Collected	31.72
Interest	406.76
Less: Project Costs	(86.86)
Refunds	(.00)
Ending - June 30, 2017	<u>\$26,607.25</u>

¹ Development Units-DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

- \$86.86 for professional services.

(F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

Not Applicable.

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
STREET IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Street Impact Fee – The purpose of this fee is to finance the construction of traffic improvements needed to maintain traffic movement and safety on City streets. These fees provide the above described project funding to accommodate traffic generated by future development within the City.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$ 2,934.00
Residential-Duplex/Multi	DU	2,054.00
Residential-Mobile Home	DU	1,760.00
Commercial, General	KSF	Varies ²
Commercial, Service	KSF	Varies ²
Hotel/Motel	KSF	Varies ²
Industrial-Light	KSF	Varies ²
Industrial-Heavy	KSF	Varies ²

1 Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area. Resolution 5947(14) reinstates this fee effective July 1, 2016, at 54.6% of the amount stated as of July 1, 2014.

2 To determine the Traffic Signal Impact Fee for each peak-hour-trip, the City Engineer, or his/her designee, will refer to the City's most current schedule of fees per Resolution No. 5136(03). A person seeking to construct a non-residential development project shall pay a Traffic Signal Impact Fee per peak hour trip generated by the non-residential development project. For purposes of calculating the fee, the square footage of the proposed development project will be based on the gross square footage within the structure. If applicable to the specific development, the peak-hour-trips will be reduced by a factor that is based upon the number of pass-by trips and/or diverted trips (Reduction Factor), if applicable, as determined by the City Engineer. The Total fee shall be determined as follows: Traffic Signal Impact Fee multiplied by Peak-Hour-Trips multiplied by Reduction Factor.

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$2,032,425.37
Prior Period Adjustment	2,455.54
Plus: Fees Collected	138,808.00
Interest	32,875.87
Less: Project Costs	(6,723.81)
Refunds	(.00)
Ending – June 30, 2018	<u>\$2,199,840.97</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

- \$6,723.81 for professional services

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Once the design and planning stage is complete, timing of project construction will depend upon development activity anticipated by the improvements moving forward.

(G) *A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) *The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.*

No refunds were made during the fiscal year.

CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
LIBRARY FACILITIES AND MATERIALS IMPACT FEES
Fiscal Year Ending June 30, 2018

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Library Facilities and Materials Impact Fees – The purpose of the Library Facilities and Materials Impact Fees is to provide library facilities and materials needed to serve future development in Lompoc.

(B) The amount of the fee.

	<u>Dev Units¹</u>	<u>Impact Fee Per Unit¹</u>
Residential-Single Family	DU	\$ 708.00
Residential-Duplex/Multi	DU	660.00
Residential-Mobile Home	DU	496.00
Commercial, General	KSF	No fee
Commercial, Service	KSF	No fee
Hotel/Motel	KSF	No fee
Industrial-Light	KSF	No fee
Industrial-Heavy	KSF	No fee

¹ Development Units--DU = dwelling unit; KSF = 1,000 gross square feet of building area.

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$217,125.62
Prior Period Adjustment	262.33
Plus: Fees Collected	.00
Interest	3,366.05
Less: Project Costs	(718.31)
Refunds	(.00)
Ending – June 30, 2018	<u>\$220,035.69</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

No expenditures were made for these public facilities or materials during this fiscal year.

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Not Applicable.

(G) *A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) *The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.*

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
WATER SYSTEM IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Water System Impact Fees – The purpose of Water System Impact Fees is to provide funds for a safe supply of water to the City for residential and commercial use and for fire suppression. These fees provide the facilities for the above-described services to accommodate the demands generated by future development within the City.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$3,081.00
Residential-Duplex/Multi	DU	Meter ²
Residential-Mobile Home	DU	Meter ²
Commercial, General	KSF	Meter ²
Commercial, Service	KSF	Meter ²
Hotel/Motel	KSF	Meter ²
Industrial-Light	KSF	Meter ²
Industrial-Heavy	KSF	Meter ²
<u>Meter Size</u> ²		<u>Per Unit</u> ¹
5/8" Water Meter		\$3,081.00
3/4" Water Meter		3,081.00
1" Water Meter		5,237.00
1-1/2" Water Meter		10,167.00
2" Water Meter		16,328.00
3" Water Meter		32,964.00
4" Water Meter		51,449.00
6" Water Meter		95,513.00

1 Development Units-DU = dwelling unit; KSF = 1,000 gross square feet of building area.

2 Fee is based on meter size.

8" Water Meter	168,774.00
10" Water Meter	263,710.00
12" Water Meter	300,059.00

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	\$ (4,941,063.79)
Plus: Fees Collected	41,047.00
Interest	.00
Less: Project Costs	(425,845.00)
Refunds	(.00)
Ending – June 30, 2018	<u>\$ (5,325,861.79)</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

The new development share of 1998, 2005 and 2007 bond debt service is at 22.6%, 45.3%, and 45.3% respectively, per the Impact Fee Study Report for the City of Lompoc, dated November 2003, and adopted on December 2, 2003, by Resolution No. 5136(03). See Exhibit C of the Resolution or Chapter 6 of the Impact Fee Study for further detail.

New development share

1998 bond debt service	\$127,714.00	22.6%
2005 and 2007 bonds' debt service	<u>298,132.00</u>	45.3%
	<u>\$425,846.00</u>	

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Not Applicable.

Attachment 10

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
WASTEWATER SYSTEM IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Wastewater System Impact Fees – The purpose of the Wastewater System Impact Fees is to provide funds for the collection, treatment and proper disposal of wastewater. These fees provide the facilities for the above described services to accommodate the demands generated by future development within the City.

(B) The amount of the fee.

	<u>Dev Units</u> ¹	<u>Impact Fee Per Unit</u> ¹
Residential-Single Family	DU	\$2,548.00
Residential-Duplex/Multi	DU	Meter ²
Residential-Mobile Home	DU	Meter ²
Commercial, General	KSF	Meter ²
Commercial, Service	KSF	Meter ²
Hotel/Motel	KSF	Meter ²
Industrial-Light	KSF	Meter ²
Industrial-Heavy	KSF	Meter ²
		<u>Per Unit</u> ¹
<u>Meter Size</u> ²		
5/8" Water Meter		\$2,548.00
3/4" Water Meter		2,548.00
1" Water Meter		4,332.00
1-1/2" Water Meter		8,409.00
2" Water Meter		13,506.00
3" Water Meter		27,266.00
4" Water Meter		42,556.00
6" Water Meter		79,004.00

1 Development Units-DU = dwelling unit; KSF = 1,000 gross square feet of building area.

2 Fee is based on meter size.

8" Water Meter	139,602.00
10" Water Meter	218,128.00
12" Water Meter	248,195.00

(C) *The beginning and ending balance of the account or fund.*

(D) *The amount of the fees collected and the interest earned.*

Beginning – July 1, 2017	(\$4,871,764.60)
Plus: Fees Collected	25,748.00
Interest	.00
Less: Project Costs	(622,076.00)
Refunds	(.00)
Ending – June 30, 2018	<u>(\$5,468,092.60)</u>

(E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

The new developments share of 1998, 2005 and 2007 bond debt service and the 2009 State Revolving Fund loan is at 10.2% per the Impact Fee Study Report for the City, dated November 2003, and adopted on December 2, 2003, by Resolution No. 5136(03). See Exhibit D of the Resolution or Chapter 7 of the Impact Fee Study for further detail.

New development share:

1998, 2005 & 2007 bond debt	\$622,076.00	10.2%
Service and 2009 SRF loan		

(F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Not Applicable.

Attachment 11

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.

No interfund transfers or loans were made during the fiscal year utilizing these funds.

(H) The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds were made during the fiscal year.

**CITY OF LOMPOC
ANNUAL COMPLIANCE REPORT FOR AB 1600
REFUSE CONTAINER COSTS IMPACT FEES
Fiscal Year Ending June 30, 2018**

For the purpose of compliance with Government Code subdivision 66006(b)(1), the following information regarding AB 1600 fees is presented:

For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

(A) A brief description of the type of fee in the account or fund.

Refuse Container Costs Impact Fees – The purpose of the Refuse Container Cost Impact Fees is to provide funds for the purchase of refuse and recycling automated collection containers. These fees shall be used to pay for standard-sized and shaped refuse containers, to be used by the City in providing refuse collection service to all residences and businesses in the City that are established in new development projects.

(B) The amount of the fee.

	<u>Impact Fee Per Unit</u>
Single Family Residential Containers – Refuse, Recycling and Yard Waste	\$ 321.00
All other:	
60 gallon (ea.)	107.00
90 gallon (ea.)	107.00
350 gallon (ea.)	412.00
440 gallon (ea.)	476.00

(C) The beginning and ending balance of the account or fund.

(D) The amount of the fees collected and the interest earned.

Beginning – July 1, 2017	\$.00
Plus: Fees Collected	10,217.00
Interest	.00
Less: Project Costs	(10,217.00)
Refunds	(.00)
Ending – June 30, 2018	<u>\$.00</u>

- (E) *An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.*

During the fiscal year, \$10,217.00 was expended for new collection containers. The public improvement was funded 100% with Refuse Container Cost Impact Fees.

- (F) *An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.*

Not Applicable.

- (G) *A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.*

No interfund transfers or loans were made during the fiscal year utilizing these funds.

- (H) *The amount of refunds made pursuant to subdivision (e) Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.*

No refunds were made during the fiscal year.

City of Lompoc

Park Improvement Impact Fee Program

As of June 30, 2017, activity for 2017-18, and as of June 30, 2018

Program Projects	Commitments at 6/30/2017	2017-18					Preliminary Draft 6/30/2018
		Encumbrances	2017-19 Budget	Supplemental	2017-18 Cash Outlay	A/P items	Remaining
2017-19 Debt Service			\$ 25,456		\$ 12,728		\$ 12,728
Top Dresser/Spreader	\$ 72,189				72,189		-
Riverbank Stabilization design	81,735	\$ 81,735		\$ 31,000	5,176	\$ 741	108,300
Riverbank Stabilization const				106,000	231	183	105,952
Thompson Park Improvements							-
Thompson Park Improv - Contgcy	29,889	29,889			23,973		5,916
Bicycle Skills Park	4,320	4,320					4,320
Ryon Park Master Plan	175,000	175,000					175,000
Pioneer Park Restroom Project	180,000	180,000					180,000
Ryon Park Restroom Project	167,000	167,000					167,000
Charlotte Web Improvements	250,000	250,000					250,000
Portable Stage Trailer	81,000						-
Parking Renovations		80,000			2,168		77,832
Fallen Warrior Memorial	1,632	1,632					1,632
River Park Campground Design	169,102	167,163			2,189		166,914
Professional Services - Study			10,000		5,049		4,951
2019-2027 Debt Service			108,189		108,189		-
Undesignated Projects			159,689	(85,779)			73,910
Subtotals at 6-30-2017/2018	\$ 1,211,867	\$ 1,136,738	\$ 303,334	\$ 51,221	\$ 231,891	\$ 924	\$ 1,334,455
Program Revenues							
Fees Collected							16,304
Interest earnings & PY int adjustment							22,960
Subtotal - Program revenues							39,264
Estimated Cash at 6-30-18	\$ 1,526,158						\$ 1,334,455
Uncommitted balances	\$ 314,291					Uncommitted balances	\$ -

Notes:

* - Top Dresser/Spreader purchased in 2016-17 for \$106,068. \$72,189 of the purchase price paid for during July 2017.

City of Lompoc

Capital Development Fund - Cash analysis

Account number 424-101670

Account name Quimby Fees

Date/Period	Account	Object	Activity	Dr	Cr	Cash Balance
6/30/2017	424	101670				326,327.18
2017-18	424RCD	441660	Interest	5,052.88		331,380.06
2017-18	424RCD	480810	Fees	-		331,380.06
2017-18	424QMB	various	Expenses		-	331,380.06
2017-18	424	200010	A/P			331,380.06
6/30/2018						<u>331,380.06</u>



Lompoc City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Keith Quinlan, Solid Waste Superintendent

SUBJECT: Approval of Organics Processing Agreement

Recommendation:

Staff recommends the City Council:

- 1) Award the Professional Services Agreement to Engel and Gray, Inc., (Attachment 1) the lowest cost and most responsive bidder to Request for Proposal No. 2889 (RFP No. 2889), to provide processing and related services for Lompoc's green waste and food scraps, in the amount not to exceed \$197,000 annually;
- 2) Authorize the City Manager to execute the Agreement;
- 3) Authorize the City Manager to execute contract amendments for an aggregate amount not to exceed \$19,700 annually; and
- 4) Authorize the Purchasing and Materials Manager to issue a Contract Purchase Order in the amount not to exceed \$197,000 annually to Engel & Gray, Inc., for organics processing and related services. The term of the Contract Purchase Order will be for 3 years with two additional 1-year optional extensions.

Background:

The State of California has passed several laws (Assembly Bill [AB] 1826, AB 1594, and Senate Bill [SB] 1383) since 2014 that govern the management of organic wastes. Those laws are administered by the Department of Resources Recycling and Recovery (CalRecycle) and have the purpose of increasing diversion from landfills and reducing greenhouse gas emissions. Organic wastes include green waste, food waste, and non-hazardous wood waste. Although the organics laws have different scopes and mechanisms from one another, collectively, they will impact all of Lompoc's Collection sectors – single-family, multifamily, and commercial. Table 1 below provides a brief summary of the scope and major requirements of AB 1826, AB 1594, and SB 1383.

Table 1: Summary of CalRecycle’s Organics Laws

Legislation	Became Law	Requirements Summary	Effective Date	Target Sector
AB 1826 - Mandatory Commercial Organics Recycling Law	2014	Businesses generating a specified amount of solid waste must recycle organics; and multifamily dwellings of five or more units must recycle green waste.	April, 2016	Commercial and Multifamily
AB 1594 - Green Material Used as Alternative Daily Cover	2014	Green waste material used as Alternative Daily Cover must be composted to be considered recycling.	January, 2020	Commercial, Multifamily, and Single-Family
SB 1383 - Organic Waste Methane Emissions Reductions	2016	50% reduction in disposal of organic waste from the 2014 level by 2020, and a 75% reduction by 2025.	January, 2020	Commercial, Multifamily, and Single-Family

Establishing a contract with an organics recycler for the City of Lompoc’s (City) green waste and food scraps is the first step towards complying with the three organics laws. On July 3, 2018, staff released RFP No. 2889 seeking an organics waste recycling firm capable of providing transportation, grinding, processing/composting, and compost marketing services. RFP No. 2889, closed on July 25, 2018, with the City receiving two proposals. The proposals were thoroughly reviewed and evaluated, and staff recommends awarding the contract to the lowest and most responsive bidder, Engel & Gray, Inc., based in Santa Maria. Engel & Gray has been providing composting services since 1993 and offers the full spectrum of services, providing the City flexibility in its Organics Program. Engel & Gray currently receives organic wastes (green, food, or biosolids) from the City of Santa Maria, City of San Luis Obispo, and the Montecito Sanitary District, among other clients.

AB 1826 – Mandatory Commercial Organics Recycling Law (MORe)

Because AB 1826 went into effect in April, 2016, it is of immediate compliance concern to the Solid Waste Division (Division). MORe targets organic wastes generated from the commercial and multifamily sector to varying degrees. For the commercial sector, affected businesses must recycle their green waste and/or food scraps. The number of businesses required to recycle organics are dependent on various waste generation thresholds, which shrink over time. For example, there are 22 businesses that meet the current threshold of four cubic yards of organic wastes per week. In January 2019, approximately 150 businesses will be required to recycle organics when the threshold becomes 4 cubic yards of solid waste per week. The number is anticipated to double to 300 businesses by 2021 as the threshold drops further.

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Vendor Services Agreement for Organic Materials Processing

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MORe also applies to multifamily dwellings. The law requires all apartment complexes containing five or more units to recycle green waste. Based on this threshold, 170 Lompoc apartment complexes are required to arrange for green waste recycling services.

AB 1594 – Green Material Used as Alternative Daily Cover (ADC)

AB 1594 eliminates the recycling credit that jurisdictions receive when green waste material is used as ADC at landfills. Beginning January 1, 2020, green material used as ADC will be considered disposal in terms of measuring a jurisdiction's annual 50% per capita disposal rate. Therefore, the Division will need to start hauling its green waste to a composter in order to comply with AB 939, AB 341, AB 1826, and SB 1383. As green waste comprises nearly 15% of the total tons received at the Lompoc Landfill, that change will increase labor and processing costs for that material.

SB 1383 – Organic Waste Methane Emissions Reductions

SB 1383 does not target specific sectors (*i.e.*, commercial and multifamily) like AB 1826. Instead, it establishes the following specific organic waste diversion targets: 50% reduction from 2014 levels by 2020; and a 75% reduction by 2025. Because the organics diversion from the commercial and multifamily sectors alone will likely not be enough to meet the targets, the Division anticipates it will need to roll-out food scraps collection services to the single-family sector as well, and increase its green waste participation rates. Compliance with AB 1826 and AB 1594 are precursors to achieving compliance with SB 1383.

Discussion:

On January 10, 2018, the City received a letter from CalRecycle finding it to be deficient in its implementation of MORe, primarily for failure to launch a food scraps collection program (Attachment 2). In order to avoid referral to the agency's Jurisdiction Compliance Unit, staff submitted a detailed implementation plan to address program gaps in February, 2018 (Plan) (Attachment 3). The Plan included milestones and corresponding implementation dates. CalRecycle approved the Plan and the City avoided enforcement actions.

In its timeline, staff proposed to enter into an agreement with an organics processor and begin composting its green waste by the end of November, 2018. In addition, commercial food scraps collection is scheduled to commence by the end of February, 2019. In the meantime, staff will be providing the necessary public education and outreach materials to affected apartments and commercial customers.

Recognizing the Division did not have sufficient staffing to meet the plethora of new diversion and greenhouse gas rules passed over the last decade, a Solid Waste Program Analyst ("Recycling Coordinator") position was proposed to be added during the Biennial Budget Fiscal Years (FYs) 2017-19. The hiring process for the approved Recycling Coordinator was initiated shortly after the adoption of the Biennial Budget FYs 2017-19 at the November 21, 2017 City Council meeting and the Recycling Coordinator was hired

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in May, 2018. The Recycling Coordinator is focusing on continued implementation of AB 341 (Mandatory Commercial Recycling), as well as program development and implementation of AB 1826 and SB 1383.

The cost proposals from the RFP No. 2889 solicitation were based on anticipated, and estimated annual volumes of 6,000 tons of green waste and 1,300 tons of food scraps. Approximately 60% of the green waste received at the Landfill is from self-hauls, and the remaining 40% is collected from curbside customers. The vast majority of curbside green waste tons are believed to be from the single-family sector. The food waste estimate of 1,300 tons is based on collection figures from the City of Santa Maria's food scraps program and 100% implementation of 150 Lompoc businesses. Actual food tons are likely to be lower due to the disparity in sizes of Lompoc's and Santa Maria's food waste generators.

The Division offers curbside collection of green waste to all sectors, at no additional charge, which is hauled to the Lompoc Landfill. In addition, the Landfill receives green waste from self-haul customers, which are primarily comprised of landscapers, residents, and other City Divisions (e.g., Parks and Urban Forestry). Both green and wood waste materials are run through a grinder, and the processed material is utilized onsite as ADC on the Landfill's working face. As stated previously, green waste ADC will be considered diversion/recycling until January 1, 2020. After that, green waste used as ADC will be considered disposal.

Because green waste sent to a composter will need to contain less than 1% contamination, the Division will require a transition period in order to meet the contamination limit. Staff will be working on cleaning-up curbside green waste routes and Landfill staff will be performing extra monitoring and sorting at the Landfill's green waste recycling area. The goal is, by 2020 nearly all of the Landfill's green waste will be clean enough to haul to Engel & Gray for composting.

Once the City's commercial food scraps collection routes are established, Collection drivers will haul their loads of food scraps directly to Engel & Gray. It will be a particular challenge to meet the 1% contamination specification for food scraps. Therefore, the program will ramp up slowly to ensure businesses are properly educated in order to avoid rejected loads at Engel & Gray. To help ensure the success of the program, only pre-consumer food scraps will be targeted initially.

Fiscal Impact:

The State's organics laws (AB 1826, AB 1594, and SB 1383) are all unfunded mandates imposed upon the City and its customers. The costs to comply with the organic laws will not be reimbursed by the State. The City generally has two options to pay for the cost of compliance. The first is for the City's General Fund to pay for the costs of implementation of the programs and for the cost of continued compliance with the regulations enacting the various organics laws. The other option is to pass the costs along to the City's Solid Waste customers in the form of charges for services.

Although diverting green waste and food scraps from the Landfill will save airspace, reduce greenhouse gas emissions, and comply with State mandates, the Division’s hauling and processing costs will rise significantly as a result of the State’s organics laws (AB 1826, AB 1594, and SB 1383). Table 2 below projects the processing costs of Engel & Gray for the current FY 2018-19. These costs are estimated based on a prorated timeline, and an implementation level of 75%, as the program will take time to fully develop.

Table 2: Estimated FY 2018-19 Processing Costs of Engel & Gray

Fiscal Year	Material	Prorated Tons (75% Implementation)	Engel & Gray (\$/Ton)	Processing Cost
FY 18/19 (Dec '18 - June '19)	Green Waste	2,610	\$21.00	\$54,810
FY 18/19 (March - June, 2019)	Food Waste	322	\$54.95	\$17,680
			Total:	\$72,490

Staff anticipated the processing costs associated with AB 1826 and AB 1594 during the FYs 2017-19 budget process, and proposed adequate funding for recycle processing in FY 2018-19. In addition to processing costs, staff anticipates initial startup costs of \$23,000. This includes the purchase of a roll-off box for green waste, food waste containers (curbside and indoor bins), and public education materials. Therefore, total external costs in the current fiscal year equate to \$95,490, which were budgeted by the Division in account 759SWR-534360 – Solid Waste – Recycling – Recycling Services.

In subsequent years, additional funding will need to be allocated for Organics and will be incorporated into the proposed 2019-21 and future biennial budgets. Table 3 shows estimated processing costs for FY 2019-20, which is based on full implementation of AB 1826 and AB 1594. Additional costs associated with SB 1383 are not yet known. The Solid Waste Division initiated a rates study in September, 2018, which will include a full cost analysis of the City’s Organics Program going forward. In addition to the external processing and supplies costs, the study will project the additional internal labor and transportation costs associated with hauling green waste and food scraps to Engel & Gray. The study will ultimately determine the recommendation for future Collection rates for the single-family, multifamily, and commercial sectors to provide for the unfunded State mandates for new recycling costs attributable to the passage of organics laws (AB 1826, AB 1594, and SB 1383).

Table 3: Estimated FY 2019-20 Processing Costs at Engel & Gray

Fiscal Year	Material	Annual Tons (100 % implementation)	Engel & Gray (\$/Ton)	Processing Cost
FY 19/20	Green Waste	6,000	\$21.00	\$126,000
FY 19/20	Food Waste	1,300	\$54.95	\$71,435
			Total:	\$197,435

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Vendor Services Agreement for Organic Materials Processing

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Not implementing the programs to achieve compliance with the organics laws would risk the City being subject to enforcement actions by CalRecycle. Such enforcement actions could include monetary penalties. CalRecycle has the authority to impose monetary penalties of up to \$10,000 per day for non-compliance. Any such penalties would be required to be paid by the City's General Fund.

Conclusion:

The award of the Vendor Services Agreement to Engel & Gray is a critical first step for the Division to achieve compliance with AB 1826, and will place the City on solid footing to address the requirements of AB 1594 and SB 1383. Engel & Gray is the lowest cost and most responsive bidder to RFP No. 2889, Organic Materials Processing Services, dated July 3, 2018. Delaying the award of the Agreement will put the City in jeopardy of enforcement actions by CalRecycle due to non-compliance with AB 1826, which may include financial penalties. The Division has sufficient funds in its current operating budget to implement its Organics Collection Program through FY 2018-19. The Solid Waste Rates Study, that is currently underway, will provide a comprehensive cost analysis associated with the City's Organics Program and will propose properly allocated rate adjustments for the single-family, multifamily, and commercial sectors.

Respectfully submitted,

Keith Quinlan, Solid Waste Superintendent

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Tikan Singh, Acting Utility Director

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) Professional Services Agreement
2) CalRecycle Letter, MORE Program Gaps
3) MORE Implementation Plan

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (Agreement) is made effective as of _____, 2018, by and between Engel & Gray, Inc., a California corporation (Contractor), and the City of Lompoc, a municipal corporation (City). Contractor and City are referred to herein individually as a “party” and collectively as the “parties.”

RECITALS

WHEREAS, City has need for services and assistance in the area of organic materials processing (Project); and

WHEREAS, Contractor engages in the business organic materials processing (Contractor Services); and

WHEREAS, City seeks the services of Contractor to assist with the Project; and

WHEREAS, Contractor and City desire to enter into this Agreement to memorialize their agreements regarding the Contractor Services to be provided to City.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Contractor and City agree as follows:

ARTICLE 1 ENGAGEMENT

1.1. Engagement: City hereby engages Contractor to provide the Contractor Services described herein, and City hereby accepts such engagement, all on the terms and conditions set forth herein.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Contractor: Contractor hereby represents and warrants to City, at all times during the term of this Agreement, Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California.

2.2. Representations and Warranties of City: City hereby represents and warrants to Contractor, at all times during the term of this Agreement, City is organized and established pursuant to the constitution and laws of the State of California.

ARTICLE 3 CONTRACTOR STATUS AND QUALIFICATIONS

3.1. Independent Contractor: Contractor enters into this Agreement, and will remain throughout the term of the Agreement, as an independent contractor. Contractor agrees it will not become an employee, partner, agent or principal of City while this Agreement is in effect.

3.2. Payment of Income Taxes: Contractor is responsible for paying, when due, all income taxes, including estimated taxes, incurred as a result of the compensation paid by City to

Contractor for services satisfactorily rendered under this Agreement. On request, Contractor will provide City with proof of timely payment. Contractor agrees to indemnify, defend and hold harmless City for any and all claims, costs, losses, fees, penalties, interest, or damages, including court costs and reasonable attorney's fees, resulting from Contractor's failure to comply with this provision.

3.3. Use of Employees or Subcontractors: Contractor may, at Contractor's own expense, use any employees or subcontractors as Contractor deems necessary to satisfactorily perform the Contractor Services, as defined below. City may not control, direct, or supervise Contractor's employees or subcontractors in the performance of those services.

3.4. Qualifications: Contractor represents it is qualified and has the skills necessary to perform the Contractor Services in a competent and professional manner, without the advice or direction of City.

3.5. No Benefit Contributions: Contractor shall have no obligation under this Agreement to compensate or pay applicable taxes or provide employee benefits of any kind to any person employed by City.

ARTICLE 4 GENERAL RESPONSIBILITIES OF CONTRACTOR

4.1. Minimum Amount of Service: Contractor agrees to devote as much time and attention to the performance of the Contractor Services, as may be, in Contractor's sole discretion, required to satisfactorily accomplish the tasks described herein to accomplish the results for which the Contractor is responsible under this Agreement.

4.2. Contractor Scope of Services: Contractor agrees to satisfactorily provide the services described in Exhibit A, attached hereto and incorporated herein by reference, including those additional services requested by City and accepted in writing by the Contractor during the term of this Agreement (Contractor Services).

4.3. Nondiscrimination: There shall be no discrimination against any person employed pursuant to this Agreement in any manner forbidden by law.

4.4. Non-Exclusive Relationship: Contractor may represent, perform services for, and contract with as many additional clients, persons, or companies as Contractor, in Contractor's sole discretion, sees fit; provided, that Contractor retains capacity at its facility to service City, as required by this Agreement.

4.5. Time and Place of Performing Contractor Services: Contractor shall perform the Contractor Services as established pursuant to Exhibit A.

4.6. Materials and Equipment: Contractor will supply all materials and equipment required to perform the Contractor Services under this Agreement.

4.7. Professional Skill: It is further understood and agreed by and between the parties hereto Contractor is skilled in the professional calling necessary to perform the Contractor Services; and City, not being skilled in such matters, relies upon the skillful manner in accordance with generally-accepted professional practice and the Contractor agrees to thus perform the

Contractor Services, and the acceptance of its work by City shall not operate as a release of Contractor from this Agreement.

4.8. Workers' Compensation: Contractor agrees to provide workers' compensation insurance for Contractor and Contractor's employees and agents and agrees to defend, hold harmless and indemnify City for any and all claims arising out of any injury, disability, or death of any of Contractor's employees or agents.

4.9. Assignment: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Contractor without the prior written consent of City.

ARTICLE 5 COMPENSATION OF CONTRACTOR

5.1. Compensation for Contractor Services: All Contractor Services provided pursuant to this Agreement will be provided in accordance with the terms, including compensation amounts and schedule of remittance, set forth in Exhibit B, which is incorporated by this reference as though set forth in full; provided, that the parties understand and agree the fee schedule is not an estimate but the complete costs for the Contractor to provide the Contractor Services. The Waste Superintendent, or written designee, will determine which of the Scenarios described in Exhibit B will be used and when. Compensation shall not exceed \$197,000.00 annually.

5.2. Payment will be in accordance with City's standard accounts payable process. Term no longer than 45 days after presentation and approval of a valid monthly invoice for disbursement of the payment. Payment to be made by accounts payable check processed and available as part of the weekly disbursement cycle, available each Friday for pickup or mailed delivery.

5.3. Contractor shall provide itemized billing to City listing the tonnage of material processed or hauled, in accordance with the Request for Proposal attached as Exhibit A, and the rate schedule attached as Exhibit B, and listing the City Purchase Order Number on each invoice.

5.4. The provisions of Article 9 of this Agreement will govern any dispute associated with compensation.

ARTICLE 6 OBLIGATIONS OF CITY

6.1. Cooperation of City: City agrees to comply with all reasonable requests of Contractor and provide access to all documents reasonably necessary to the performance of Contractor's duties under this Agreement. To the extent determined in the best public interest, in the sole discretion of City's City Council, City shall be responsible for initially insuring, and continuing to review, local and state laws in City's jurisdiction to assure adequate legal authority for Contractor to engage in the Services described herein on behalf of City.

6.2. Conflict of Interest: No officer, employee, director or agent of City shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Agreement or the provisions thereof.

**ARTICLE 7
TERMINATION OF AGREEMENT**

7.1. Termination: Unless earlier terminated as set forth below, this Agreement shall be effective as of the date first set out above and shall continue for three years after that date, unless the term is modified as permitted for modifications of this Agreement. City may extend the term of the Agreement for two additional one-year periods at the same annual total compensation.

7.2. Termination on Occurrence of Stated Events: This Agreement will terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of either party;
- (b) The assignment of this Agreement by either party without the consent of the other party; the parties agree that neither party will unreasonably withhold consent to such an assignment.

7.3. Termination Without Cause: City may terminate this Agreement at any time without cause on 30-days' written notice to Contractor. Contractor shall be entitled to receive payment for the Contractor Services Contractor satisfactorily provided prior to that termination date and upon City's receipt and approval of an invoice in accordance with Section 5.3.

7.4. Termination for Default: If either party defaults in the performance of this Agreement or materially breaches any of its provisions, then the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Contractor's failure to satisfactorily complete the Contractor Services;
- (b) City's material breach of any representation, warranty or agreement contained in this Agreement; or
- (c) Contractor's material breach of any representation, warranty or agreement contained in this Agreement;

**ARTICLE 8
INDEMNIFICATION; INSURANCE**

8.1. Indemnification: To the extent permitted by applicable law, Contractor will indemnify, defend and hold harmless City and each of its officers, employees and agents from and against any and all losses, damages, liabilities, claims, death, injuries or costs, including court costs and reasonable attorney's fees, (collectively, Damages) resulting from any act or omission of Contractor or any of its officers, employees, agents or subcontractors related to this Agreement; provided, that the obligation to indemnify and hold harmless is only to the extent Contractor or any of its officers, employees, agents or subcontractors caused the Damages.

8.2. Insurance: Contractor shall provide the insurance described in Exhibit C.

ARTICLE 9 GENERAL PROVISIONS

9.1. Governing Law: This Agreement shall be governed in all respects by the laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of California). Venue for any matter related to this Agreement shall be the Superior Court of the County of Santa Barbara.

9.2. Section Headings: The section headings appearing herein shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, or intent of the provisions of this Agreement.

9.3. Inconsistency: In the event any provision of this Agreement and the documents incorporated herein by reference are deemed to be in conflict, the provision in this Agreement shall prevail.

9.4. Entire Agreement: This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understanding of the Parties. No amendment or modification of the amendment shall be valid unless evidenced in writing and executed by the parties thereto.

9.5. Successors and Assigns: Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. No party may assign any of its rights or obligations hereunder without the express written consent of the other party hereto, which consent may not be unreasonably withheld; provided, however, any party may assign any and all of its rights and interests hereunder to one or more of its affiliates and designate one or more of its affiliates to perform its obligations hereunder; provided, however, that such party remains liable for full and total performance of its obligations hereunder.

9.6. Notices: Any notices authorized to be given hereunder shall be in writing and deemed given, if delivered personally or by overnight courier, on the date of delivery, if a Business Day, or if not a business day, on the first Business Day following delivery, or if mailed, three days after mailing by registered or certified mail, return receipt requested, and in each case, addressed, as follows:

If to the Contractor to:

Robert Engel, Vice President
Engel & Gray, Inc.
P.O. Box 5020
Santa Maria, CA 93456-5020
805-925-2771
EGAdmin@ENGELandGRAY.com

If to City to:

City of Lompoc
Attn: Solid Waste Division
1300 W. Laurel Avenue
Lompoc CA 93436

And a copy to:

Aleshire & Wynder, LLP
Attn: Joseph W. Pannone
2361 Rosecrans Avenue, Suite 475
El Segundo, CA 90245-4916

With copies to:

City of Lompoc
Attn: Utility Department
100 Civic Center Plaza
Lompoc CA 93436

With original invoices to:

City of Lompoc
Attn: Accounts Payable
100 Civic Center Plaza
Lompoc, CA 93436
Or via e-mail to:
ap@ci.lompoc.ca.us

or, if delivered by telecopy or E-mail, on a Business Day before 4:00 p.m. local time of addressee, on transmission confirmed electronically, or if at any other time or day on the first Business Day succeeding transmission confirmed electronically, to the facsimile numbers or E-mail addresses provided above, or to such other address, E-mail or telecopy number as any party shall specify to the other, pursuant to the foregoing notice provisions. When used in this Agreement, the term "Business Day" shall mean a day other than a Saturday, Sunday, Federal Holiday, or other day City's city hall is closed to the public.

9.7. Counterparts: This Agreement may be signed in several counterparts.

9.8. Expenses: Each party shall bear its own expenses incurred with respect to the preparation of this Agreement and the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

CONTRACTOR

CITY OF LOMPOC

By: _____
Robert Engel
Vice President

By: _____
James Throop, City Manager

ATTEST:

Stacey Haddon, City Clerk

By: _____

APPROVED AS TO FORM:

Its: _____

Joseph W. Pannone, City Attorney

EXHIBIT A
SCOPE OF WORK

1.0 BACKGROUND INFORMATION

1.1 Statement of Purpose

City sought proposals from qualified vendors that specialize in composting organics. Contractor shall provide complete organics processing, sorting, composting, marketing services and detailed data reporting to support City's efforts to compost green waste and food scraps. Contractor has been selected based on its level of experience, qualifications, diversion methods/rates, organics processing and contamination removal methods utilized, capacity of facility, location, fees, and the overall best interest of City.

1.2 City – Waste Collection and Landfill Services

City is located in Santa Barbara County, approximately 55 miles north-west of Santa Barbara, and 30 miles south of Santa Maria. From Highway 101, City can be reached via Highway 246 or Highway 1. City's Solid Waste Division provides curbside collection services to its approximately 40,000 residents and 700 businesses, which include: trash, single- stream recycling, green waste, and source-separated cardboard. In addition, City owns and operates the Lompoc Sanitary Landfill (SWIS # 42-AA-0017) located at 700 S. Avalon Street. The Landfill provides disposal and recycling services to the City of Lompoc and the surrounding unincorporated areas, including Vandenberg Village, Mission Hills, and Mesa Oaks. The total population of the Landfill's waste shed is approximately 50,000 residents.

1.3 Organic Materials Tonnages

The following subsections describe City's green waste collection volumes and processing methods, as well as its plans to collect and recycle food wastes:

1.3.1 Green Waste Collection

Based on collection and landfill records from 2015 – 2017, City and its customers generate an average of 6,000 tons/year of green waste (landscaping and garden wastes). Approximately 60% of this material is from self-hauls to the Lompoc Landfill, and the remaining 40% is collected curbside from residential and commercial customers.

1.3.2 Green Waste Processing

City collection vehicles and self-haul customers off-load their material at the Landfill's green waste recycling area. Landfill staff monitors the off-loading area to ensure that trash, treated wood wastes, hazardous wastes and other contaminants are not mixed in the materials. Green waste is then ground utilizing a Morbark Wood Hog 3800 grinder. The ground green and wood material is ground to a specification of less than six (6) inches. Once properly processed, the material is spread and compacted over the landfill's working face as alternative daily cover (ADC).

1.3.3 Food Scraps Collection

To meet the requirements of California's Mandatory Commercial Organics Recycling Law, AB 1826, City plans to launch a food scraps collection program in February, 2019. In 2019, approximately 150 Lompoc businesses will be required to recycle their organic wastes. In order to minimize contamination levels and keep costs to a minimum, City staff will initially focus on pre-consumer food scraps first. Once all 150 businesses have subscribed to food scraps collection services,

City staff estimates 1,300 tons will be generated annually. As AB 1826 phases in additional businesses over time, and as SB 1383 sets significant organic waste reduction targets by 2022, food scrap collection will increase gradually, but steadily, over time. In order to meet the reduction targets of SB 1383, the City's food scraps collection program will ultimately expand to include the residential sector.

2.0 COMPOSTABLE MATERIALS

At a minimum, the following organic materials are considered compostable:

2.1 Green Waste

Grass clippings, leaves, weeds, small branches, bush/shrub trimmings, plants/flowers, and unpainted/untreated lumber scraps.

2.2 Food Wastes

2.2.1 Produce: fruits, vegetables, nuts, and beans

2.2.2 Proteins: meats including but not limited to: deli meats, raw and cooked meats (beef, poultry, pork, and seafood), meat trimmings and renderings, bones, and shells.

2.2.3 Grains and Dairy: bread, pasta, rice, potatoes, cheeses, pizza, tortillas, chips, crackers, desserts, pastries, egg shells

2.2.4 Food-soiled Paper Items: coffee grounds and filters, tea bags

2.3 Materials may be added or deleted as mutually agreed.

3.0 TRANSPORTATION & ORGANICS PROCESSING

City proposes to transport ground green waste materials from the Landfill to Contractor's facility. Food wastes collected directly from customers will be hauled in City packer vehicles (side-loaders or rear-loaders) to Contractor's facility.

3.1 City is also interested in alternative options to Section 3.0 above, which may include, but are not limited to the following:

3.1.1 Contractor hauls green waste material from Lompoc's Landfill to Contractor's facility.

3.1.2 Contractor provides processing/composting of unground green waste.

3.1.3 Contractor provides processing/composting of unground green waste commingled with food wastes.

The total annual compensation set forth in this Agreement includes the option set forth above.

4.0 SCOPE OF WORK AND SPECIFICATIONS

4.1 City Agrees:

Exhibit A

4.1.1 Transportation - City will transport organic materials to a processor for composting/diversion.

4.1.2 Contamination – City will implement an education and monitoring program in order to minimize contaminants in organic materials to the maximum extent practicable. When Contractor finds excessive contamination in loads, City staff will make all attempts to identify the sources of the contamination and make necessary changes to its education and monitoring program.

4.1.3 Green Waste Processing – Prior to delivery, City will grind green waste in accordance with the specifications set forth by the Contractor.

4.1.4 Title – City gives Contractor title to all materials once received at processing site.

4.2 Contractor Agrees:

4.2.1 Facility - Contractor shall be responsible for providing an organic materials processing facility sufficient to handle the volumes of materials that will be collected as Lompoc's green waste and food scraps collection program expands as described in Section 1.3.3.

4.2.2 Diversion – Contractor shall divert organic materials in a manner that guarantees diversion credit under the requirements of AB 939, AB 1594, AB 1826, and SB 1383. Materials shall be processed for diversion from landfill disposal and are not to be used as Alternative Daily Cover (ADC) at a landfill.

4.2.3 Receiving Hours: Provide access during reasonable times for the delivery of organic materials received from the Lompoc Landfill and directly from collection routes. Contractor shall keep locations open to accept deliveries from the City Monday through Friday from 7:00 a.m. to 4:00 p.m., excluding the following holidays: New Year's Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, and Christmas. In addition, Contractor may be required to accept deliveries on Saturdays immediately following the above listed holidays.

4.2.4 Ingress/Egress - Contractor shall ensure City drivers have easy ingress and egress to access and off-load materials.

4.2.5 Licenses/Permits – Contractor shall obtain and maintain all permits, licenses, and registrations to perform all services described herein. Copies of applicable credentials shall be provided in its proposal, and at any time during the contract when requested by the City.

4.2.6 Compliance – All services and operations associated with this RFP shall comply with all applicable laws, regulations, and ordinances at the local, State, and Federal level. Contractors are presumed to know what the legal requirements are and shall be solely responsible to maintain all said regulatory requirements and are liable for the failure to do so.

4.2.7 Labor – Contractor shall provide all labor, equipment, supplies, utility services, vehicles, transportation and all resources necessary to successfully accept, process and market the volume of materials delivered.

4.2.8 Materials – Contractor shall furnish a list of acceptable and unacceptable materials to be used by the City in its educational literature in order to minimize contamination.

4.2.9 Processing/Volume – All tonnages of organic materials stated above are estimates only, and are not a guarantee of actual volumes to be delivered. The City reserves the right to increase and/or decrease volumes of all organic wastes sent to the Contractor during the contract period. Volumes of green waste, and food wastes in particular, are likely to increase over time as the City's food scraps program may ultimately expand to include full Citywide participation. Contractors should provide detailed information as to the facility's production, storage and processing capacities, and ability to handle increased volumes.

4.2.10 Training – Contractor shall properly train all employees, subcontractors and agents in all regulatory requirements, hazards and dangers in the delivery and processing of organic materials.

4.2.11 Safety – Contractor shall ensure all employees, subcontractors and agents working with, around, and/or processing organic materials shall wear the proper personal protective equipment while on the premises.

4.2.12 Contamination Documentation – Contractor agrees to provide City clear guidelines as to its policies and procedures for contaminants found in City loads. Loads found to be excessively contaminated shall be documented and reported in a timely manner. Documentation shall consist of pictures, a list of the contaminant materials, City truck number, weight ticket number, and the date/time of the delivery. This information will be used to make modifications to the City's education and monitoring program in order to minimize contamination in subsequent loads.

4.2.13 Disposal Fees – Contractor shall be solely responsible for the disposal of all residuals and contaminated materials, and shall provide information regarding any facility where contaminated waste will be disposed, subject to City-approval. All disposal facilities must be properly permitted and in full compliance of all regulatory requirements. Applicable contamination/disposal fees shall be fully addressed and included in the Contractor's proposal and cost matrix.

4.2.14 Licenses/Permits – Contractor shall maintain all necessary licenses, permits, and or registrations for the compost/organics operations. Documentation shall be provided with proposal and upon the request of the City.

4.2.15 Marketing – Contractor shall be solely responsible to process, compost, market, sell, recycle, and/or beneficially reuse all compostable materials received from the City.

4.2.16 Diversion – All compostable materials received from the City shall be composted, recycled, or reused in a manner that meets the definition of diversion/recycling in AB 1826, AB 1594, and SB 1383.

4.2.17 Monthly Reports – Contractor shall submit to City monthly invoices and reports, which shall include, at a minimum, the following information: dates of loads, weight ticket numbers, customer, truck number, material, net tons, price per ton, and documentation regarding contamination if applicable, total tons received per month, and total invoice amount.

4.2.18 Omissions – It is the intention of these specifications to acquire complete organics processing and composting services of the type described herein, with all necessary components. All items and/or services omitted from this specification that are clearly necessary for the successful operation of the services described herein shall be considered requirements even though not directly specified or called for herein.

EXHIBIT B

RATE SCHEDULE FOR CONTRACTOR SERVICES

RFP2889

Organic Materials Processing Services

Appendix A

Cost Matrix

This excel spread sheet is available for download. List all costs associated with the services you are proposing. Note: 1 ton = 2,000 pounds

SCENARIO 1: City delivers ground green waste from Landfill. City delivers food waste from customers. Contractor provides processing/composting.

Material	\$/ton	Notes
Green Waste	\$21.00	
Food Waste	54.95	

SCENARIO 2: Optional Service - Contractor hauls green waste material from Lompoc's Landfill to Contractor's facility.

Material	\$/Haul	Notes
Green Waste	\$14.95	Transport only

SCENARIO 3: Optional Service - Contractor provides processing/composting of unground green waste.

Material	\$/ton	Notes
Green Waste	\$35.95	

SCENARIO 4: Optional Service - Contractor provides processing/composting of unground green waste commingled with food waste.

Material	\$/ton	Notes
Green Waste Commingled with Food Waste	\$46.95	

SCENARIO 5: Other Costs/Service(s) - optional service EG hauls foodwaste from Lompoc landfill in sealed covered rolloff. 3 bins provided by EG at Lompoc

Material/Etc.	\$/haul	Notes
FoodWaste	\$23.75	Transport only cost. Lompoc loads rolloffs for transfer

Exhibit C

INSURANCE REQUIREMENTS

Contractor shall furnish and maintain current certificates of insurance for the duration and term of the Agreement within the scope and limits of the requirements listed here. The certificates and endorsements are to be signed by a person authorized by the insurers to bind coverage on their behalf.

You must secure the following insurance coverage to protect the City from claims brought against the City, employees, authorized representatives, agents, or third parties.

1. **Worker's Compensation Insurance in an amount not less than \$1,000,000** per occurrence as required by State of California statutes, and employer's liability insurance (including disease coverage). Insurer shall waive all rights of subrogation against the City, its employees, representatives, and agents.

2. **Automobile Liability Insurance** with coverage for any vehicle including those owned, leased, rented, or borrowed. This insurance shall have an endorsement naming the City as Additional Insured and with a standard cross-liability clause or endorsement. The limit amount for this insurance shall be not less than **\$500,000 per occurrence** combined single limit for bodily injury and property damage.

3. **General Liability Insurance** including premises and operations, products, completed operations, contractual liability, independent contractors, and broad form property damage coverages. This insurance shall be on a commercial insurance, occurrence form with an endorsement naming the City as Additional Insured and with a standard cross-liability clause or endorsement. The limit amount for this insurance shall be **not less than \$1,000,000** per occurrence combined single limit for bodily injury and property damage.

4. **You must provide evidence the insurance policy names the City and its officers, employees and representatives as additional insureds or a separate endorsement naming them as additional insureds** referencing your name and policy number. Examples of such endorsements are ISO CG 25 04 11 85, ISO CG 25 03 11 85, ISO CG 25 01 11 85.

5. The insurance policies described above shall include the following provisions or have added by endorsement:

- a. The **coverages shall be primary**, and no other insurance or self-insurance such as may be utilized by the City shall contribute to a loss under these policies.
- b. The policies shall not be canceled or materially altered without **30-days' prior written notice** to the City.

6. The insurers utilized shall conform to the following terms:

- a. Insurers shall have at least an "A-" policyholder's rating and a "VII" financial rating in accordance with the most current Best's Key Rating Guide.
- b. Vendor shall furnish the City, within ten (10) calendar days of receiving Notice of Award, or a Request for Insurance letter, and not less than two (2) working days prior to the commencement of the work, with adequate certificates of insurance and with original endorsements affecting coverage as will demonstrate that the provisions and/or requirements of this section have been complied with.

Please send insurance certificates to:
City of Lompoc, Purchasing Division
1300 West Laurel Avenue; Lompoc, CA 93436
Fax: (805) 735-7628 or via email to
t_hernandez@ci.lompoc.ca.us

For more information, please call (805) 875-8000



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

1001 I STREET, SACRAMENTO, CALIFORNIA 95814 • WWW.CALRECYCLE.CA.GOV • (916) 322-4027

P.O. BOX 4025 MS 9A, SACRAMENTO, CALIFORNIA 95812

January 10, 2018

Teresa Gallavan
City of Lompoc
PO Box 8001
Lompoc, Ca 93438

Dear Teresa Gallavan,

We are writing regarding the status of CalRecycle's review of whether City of Lompoc is complying with meeting its AB 341 and AB 1826 requirements. Both AB 341 and AB 1826 specifically authorize CalRecycle to conduct reviews of mandatory commercial recycling programs (PRC Section 42649.3(h)) and/or mandatory commercial organics recycling programs (PRC Section 42649.82(g)(2)) at any time. These laws require all Jurisdiction conduct education, outreach, and monitoring activities annually to covered businesses and multifamily dwellings and provides an update to CalRecycle each reporting year. AB 1826 also requires each jurisdiction address other activities, such as infrastructure, etc., and report that annually to CalRecycle. As a result of this review the City of Lompoc was found to be deficient in implementing its Mandatory Commercial Organics Recycling (MORe).

After reviewing the City's MORe program implementation for 2016, CalRecycle management has determined there are gap(s) in the City's mandatory commercial organics recycling program that warrant further review by CalRecycle's Jurisdiction Compliance unit. The program gaps consist of the following:

- The City of Lompoc does not have a food waste collection nor food recovery program, which is needed to cover current MORe thresholds
- The City has not yet determined when or if food collection rates will be established, which the City has stated is needed to fully implement the program.

As a result of these programmatic gaps, the City is being referred to CalRecycle's Jurisdiction Compliance Unit (JCU) at the CalRecycle monthly meeting on April 17, 2018, for additional compliance review. CalRecycle staff will send a link to the public agenda item when it is posted.

If the City can provide a detailed plan to implement its MORe program(s), including milestones and expected implementation date, Local Assistance & Market Development (LAMd) staff would be able to provide the updated information to CalRecycle management, and the public agenda item may be modified to reflect this additional information. If the program implementation gaps are adequately addressed through the submitted plan, the City would not be referred for further review by JCU and the jurisdiction would not need to attend the meeting. In order to have adequate time to assess the information submitted and provide additional



information in the public agenda item, **LAMD management requests the information be submitted by February 9, 2018.**

Following the public meeting in April:

- If the City has submitted a strategy to adequately address the gaps as indicated in the public agenda item April 17, 2018, LAMD staff will monitor implementation during the subsequent 12 months to ensure the program gaps are fully addressed. Should the same gaps persist, the City will be notified and will be referred to the Jurisdiction Compliance Unit (JCU) for consideration of a compliance order.
- If the gaps are not adequately addressed or a plan is not submitted to address program implementation gaps, the City will receive a letter from JCU the conferring period for considering a compliance order is beginning.
 - During the conferring time if the gaps are addressed JCU will inform the jurisdiction a compliance order will not be issued and the City is being referred back to LAMD for regular annual reviews. JCU will also report the jurisdiction has addressed the gaps in a public report at one of the Department's monthly meetings.
 - If JCU finds the gaps have not been addressed, JCU will initiate the process to commence issuing a compliance order. The City/County will receive information from JCU about the process should the jurisdiction proceed down that path. LAMD staff will continue working with the jurisdiction on other program areas.
 - JCU will conduct an independent assessment and may determine there are additional programs needing further evaluation. JCU will then determine whether to recommend CalRecycle issue an Order of Compliance, as provided by PRC Section 41825.

If you have any questions regarding this letter, please contact LAMD Section manager, Kristin Yee at (916) 341-6444 or Kristin.Yee@CalRecycle.Ca.Gov. We appreciate the City's attention to fully addressing the programmatic gaps indicated above. As noted, the information requested to address the information and/or programmatic gaps noted must be submitted by February 9, 2018, in order to be considered in relation to the April 17, 2018, Request for Approval.

Sincerely,



Kristin Yee

cc: Steve Clark, Solid Waste Program Analyst
Keith Quilan, Solid Waste Superintendent
Julie Trueblood, Supervisor
Harnak Samra, LAMD Staff



March 8, 2018

Kristin Yee, Central Section Manager
Department of Resources Recycling and Recovery (CalRecycle)
Local Assistance Market Development Division
1001 "I" Street, P.O. Box 4025
Sacramento, CA 95812

Re: MORE Implementation Plan

Dear Kristin:

I am writing in response to your January 10, 2018 letter which outlines CalRecycle staff's concerns over the existing gaps in Lompoc's implementation of AB 1826, California's Mandatory Commercial Organics Recycling Law (MORE). Accordingly, I have provided some background below as to the reasons for the gaps, but more importantly, I have provided an implementation timeline through April, 2019, aimed to address those gaps.

As you may know, the City's Solid Waste Division provides solid waste collection services, manages a landfill (with a host of recycling opportunities), operates a household hazardous waste collection facility, oversees six used oil and filter collection centers, provides street sweeping, and abates illegal dumping and graffiti. For its small size and limited resources, Lompoc has been remarkably successful at providing the full spectrum of integrated waste management services for the community, while also meeting the increasing, stringent regulatory landscape in the waste management industry.

However, with the passage of AB 341 and 1826, while Solid Waste Division staff was largely focused on the permitting and construction of a Landfill Gas Collection and Control System, it became clear that current staffing resources were insufficient. For this reason, the Solid Waste Division proposed to add a Recycling Coordinator in its 2017 – 2019 budget. Unfortunately, due to City budget negotiations lasting nearly 5-months longer than anticipated, the Recycling Coordinator position was not approved until late November, 2017. The focus of this new position will be on building a food scraps collection program, as well as continuing efforts on setting up recycling programs at apartments, pursuant to AB 341. Staff anticipates that with the addition of the Recycling Coordinator this April, the City will be able to successfully close the existing gaps in its MORE implementation.

As requested, the following is a timeline of milestones necessary for the implementation of a food scraps recovery/collection program. The timeline runs for 12-months, starting on April 18th, 2018. Staff endeavors to launch a food scraps collection and recovery program by the end of the 12-month period, which will include the development of all necessary outreach and educational materials. CalRecycle staff will be updated as each milestone is completed, or will be provided an explanation when a particular milestone passes without completion.

I. Program Staffing/Administration

Hiring an additional, full-time staff person is an integral part of implementing MORE. As mentioned above, the City's new Recycling Coordinator will focus their time between AB 1826 and AB 341. The Solid Waste Division included the new position in its budget proposal in January, 2017. However, due to unforeseen delays in City Council's budget negotiations, the Recycling Coordinator was not authorized until the end of November, 2017. The solicitation for the position opened on January 11th and closed on February 23rd. Applications have been reviewed and interviews are forthcoming. Staff anticipates hiring the Recycling Coordinator by the end of April.

A. Hire Recycling Coordinator Apr., 2018

II. Contract with Composter & Diversion of Organics

Currently, Engel & Gray, Inc. is the only known composter in Santa Barbara County that accepts green waste and food scraps. The facility is located 35 miles North in the City of Santa Maria. The next closest composter, B. Goodrow, Inc., is located in San Luis Obispo County, and is 80 miles away. Establishing a contract with an organics composter will be a critical first step in establishing a food scraps collection program.

A. Release RFP to Organics Processors (green waste & food scraps) Jun., 2018
B. Receive and evaluate proposal(s) Jul., 2018
C. Award contract following City Council approval Nov., 2018

III. Approvals at City Council

Staff will need City Council approval to pass a resolution to launch its MORE Program and to award the organics processing contract.

A. Present MORE Program to City Utility Commission Aug., 2018
B. Adopt Resolution to launch MORE Program Oct., 2018

IV. Program Funding

The additional program and processing costs associated with launching MORE program can be absorbed by the Division's existing 2017 – 2019 budget. However, in the Fall of 2018, staff will initiate a comprehensive rates study to set collection and landfill rates that will go into effect beginning July, 2019. Among other items, the study will address the increased costs associated with AB 1826, SB 1383, AB 341, and the overall downturn in recycling markets.

- | | |
|---------------------------------------|------------|
| A. Initiate comprehensive rates study | Oct., 2018 |
|---------------------------------------|------------|

V. Organics Collection

Modifications may need to be made to an existing collection vehicle due to the wet nature of food waste. In addition, food scraps carts will need to be purchased, and a food scraps route established.

- | | |
|---|------------|
| A. Modify collection vehicle (as needed) for food scraps collection | Nov., 2018 |
| B. Order food scraps containers (indoor bins and curbside carts) | Nov., 2018 |
| C. Commence with hauling green waste to composter | Nov., 2018 |
| D. Begin developing food scraps collection route at businesses | Dec., 2018 |
| E. Commence with food scraps collection from businesses | Feb., 2019 |

VI. Outreach, Education, and Monitoring

Staff will provide targeted outreach and education to affected businesses and apartment owners/managers utilizing direct mail pieces. Outreach materials will consist of letters, brochures, flyers, and posters. Follow-up outreach will include phone calls and site visits.

- | | |
|---|------------|
| A. Develop outreach letter to inform businesses and apartment owners/managers of MORE requirements | Jun., 2018 |
| B. Add MORE section to the City's Solid Waste website (include food recovery and backyard composting program information) | Jun., 2018 |
| C. Meet with Lompoc Food Pantry to discuss MORE and potential collaboration efforts | Jun., 2018 |
| D. Develop MORE brochure for businesses and apartments | Jul., 2018 |
| E. Send outreach letters and brochures to apartments | Aug., 2018 |
| F. Develop food scraps recycling flyer and poster | Oct., 2018 |
| G. Provide follow-up outreach (calls, site visits) to apartments | Nov., 2018 |
| H. Send letters and brochures/flyers to MORE covered businesses | Dec., 2018 |
| I. Provide follow-up outreach (calls, site visits) to businesses | Apr., 2019 |

I believe the above timeline adequately addresses the current gaps in the City's MORE implementation and hope that further review by CalRecycle's Jurisdictional Compliance Unit (JCU) will not be necessary. I am also optimistic that with the addition of a Recycling Coordinator position to Lompoc's Solid Waste Division, Lompoc will be able to launch a food scraps recovery program in February, 2019. If you have any questions, please feel free to contact me at (805) 875-8027, or at s_clark@ci.lompoc.ca.us.

Sincerely,

A handwritten signature in cursive script that reads "Steve Clark".

Steve Clark
Solid Waste Compliance Coordinator

C: Keith Quinlan, Solid Waste Superintendent
Larry Bean, Utilities Director
Teresa Gallavan, Interim City Manager



City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Stacy L. Lawson, Senior Environmental Coordinator
s_lawson@ci.lompoc.ca.us

SUBJECT: Approval of a Sole Source Contract for Removal of Materials and Refuse from the Santa Ynez Riverbed

Recommendation:

Staff recommends the City Council:

- 1) Approve Qwik Response as a sole-source provider for cleaning up some of the Santa Ynez River beds and banks (Riverbed); and
- 2) Award that contract to Qwik Response in an amount not to exceed \$400,000;
- 3) Authorize the City Manager to execute the Professional Services Agreement (attached); and
- 4) Authorize the Purchasing and Materials Manager to issue a Purchase Order encumbering funds in account number 751STR-538310 – Services – Clean Up to Qwik Response for \$400,000.

Background:

Over the past three weeks, the City of Lompoc (City) has successfully removed a significant number of homeless individuals and will actively not allow camping in the Riverbed. After that effort, a large amount of trash and refuse from vacated encampments has been left behind.

Discussion:

On October 2, 2018, the Lompoc City Council authorized the expenditure of up to \$532,000 for the clean-up of City properties consisting of portions of the Riverbed.

The City has received an estimate for that clean-up work from Qwik Response, a waste clean-up contractor, for 40 days of waste collection and removal services, in an amount not to exceed \$400,000.

This estimate is for time and materials, as there is not the ability to accurately estimate the actual time and materials needed to complete the entire 3-mile stretch of river that needs to be cleaned of the hundreds of tons of trash.

If this current amount is not enough to complete the job, then staff will return to the City Council with an update on the progress that has been made and a new estimate to complete the work.

It is important to remember staff continues to work with the County on a cost-sharing partnership for the clean-up of the river. In conjunction with this partnership, the City has contacted the City's State Assembly person in the hope there may be State funding available to help off-set the costs.

Also, the City Council adopted an emergency declaration concerning the need to remove trash and debris and rehabilitate the Riverbed as quickly as possible. With this declaration, and possibly a similar declaration from the County Board of Supervisors, there may be a possibility to access State and Federal Emergency funds.

Regardless, staff will continue to look for ways to mitigate this large cost to the City.

Pursuant to Lompoc Municipal Code (LMC) section 3.36.160, the City Council is authorized to approve a sole-source contract when it reviews a written justification for waiver provided by the Director of the department initiating the procurement. This vendor has been chosen for its ability and expertise in collecting and removing waste material and its knowledge of the requirements necessary to perform large scale clean-ups of vacated homeless encampments in a natural environment.

Fiscal Impact:

The City Council action adopting Resolution No. 6213(18) at the October 2, 2018, City Council meeting appropriated up to \$532,000 in account number 751STR-538310 – Services – Clean Up for activities to remove waste and debris from the Riverbed. Approval of the contract with Qwik Response to remove waste and debris from the City's primary drinking water recharge area utilizes a portion of the appropriations authorized with the adoption of Resolution No. 6213(18)

Conclusion:

Staff recommends the City Council approve the award of a sole-source contract for clean-up of materials and refuse left by homeless individuals on City properties in and around the Riverbed, direct the City Manager to sign the contract with QwikResponse and the Purchasing and Materials Manager to issue a Purchase Order to Qwik Response in the amount of \$400,000.

Respectfully submitted,

Stacy L. Lawson, Senior Environmental Coordinator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Teresa Gallavan, Economic Development Director, Assistant City Manager

Tikan Singh, Interim Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachment) Professional Services Agreement

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (Agreement) is made effective as of _____, 2018, by and between South Coast Funding Group, Inc., a California corporation, dba QwikResponse (Contractor), and the City of Lompoc, a municipal corporation (City). Contractor and City are referred to herein individually as a "party" and collectively as the "parties."

RECITALS

WHEREAS, City has need for services and assistance in the area of trash and refuse collection and removal from City-owned open space property (Project); and

WHEREAS, Contractor engages in the business of trash and refuse clean-up (Contractor Services); and

WHEREAS, City seeks the services of Contractor to assist with the Project; and

WHEREAS, Contractor and City desire to enter into this Agreement to memorialize their agreements regarding the Contractor Services to be provided to City.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Contractor and City agree as follows:

ARTICLE 1 ENGAGEMENT

1.1. Engagement: City hereby engages Contractor to provide the Contractor Services described herein, and City hereby accepts such engagement, all on the terms and conditions set forth herein.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Contractor: Contractor hereby represents and warrants to City, at all times during the term of this Agreement, Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California.

2.2. Representations and Warranties of City: City hereby represents and warrants to Contractor, at all times during the term of this Agreement, City is organized and established pursuant to the laws and ordinances of the State of California.

ARTICLE 3 CONTRACTOR STATUS AND QUALIFICATIONS

3.1. Independent Contractor: Contractor enters into this Agreement, and will remain throughout the term of the Agreement, as an independent contractor. Contractor agrees that it will not become an employee, partner, agent or principal of City while this Agreement is in effect.

3.2. Payment of Income Taxes: Contractor is responsible for paying, when due, all income taxes, including estimated taxes, incurred as a result of the compensation paid by City to

Contractor for services satisfactorily rendered under this Agreement. On request, Contractor will provide City with proof of timely payment. Contractor agrees to indemnify, defend and hold harmless City for any and all claims, costs, losses, fees, penalties, interest, or damages, including court costs and reasonable attorney's fees, resulting from Contractor's failure to comply with this provision.

3.3. Use of Employees or Subcontractors: Contractor may, at Contractor's own expense, use any employees or subcontractors as Contractor deems necessary to satisfactorily perform the services required of Contractor by this Agreement. City may not control, direct, or supervise Contractor's employees or subcontractors in the performance of those services.

3.4. Qualifications: Contractor represents it is qualified and has the skills necessary to perform the services under this Agreement in a competent and professional manner, without the advice or direction of City.

3.5. No Benefit Contributions: Contractor shall have no obligation under this Agreement to compensate or pay applicable taxes or provide employee benefits of any kind to any person employed or retained by City.

ARTICLE 4 GENERAL RESPONSIBILITIES OF CONTRACTOR

4.1. Minimum Amount of Service: Contractor agrees to devote as much time and attention to the performance of the Contractor Services under this Agreement as may be, in Contractor's sole discretion, required to accomplish the tasks described herein to accomplish the results for which the Contractor is responsible under this Agreement.

4.2. Contractor Scope of Services: Contractor agrees to satisfactorily provide the services described in Exhibit A, attached hereto and incorporated herein by reference, including those additional services requested by City and accepted in writing by the Contractor during the term of this Agreement (Contractor Services).

4.3. Nondiscrimination: There shall be no discrimination against any person employed pursuant to this Agreement in any manner forbidden by law.

4.4. Non-Exclusive Relationship: Contractor may represent, perform services for, and contract with as many additional clients, persons, or companies as Contractor, in Contractor's sole discretion, sees fit.

4.5. Time and Place of Performing Work: Contractor shall perform the services under this Agreement during the times stipulated in Exhibit A. The Contractor Services shall be performed on property owned by City, which is located within the Santa Ynez River's bed and its surroundings, as shown on Exhibit B, attached hereto and incorporated herein by this reference (Project Area).

4.6. Materials and Equipment: Contractor will supply all materials and equipment required to perform the services under this Agreement.

4.7. Professional Skill: It is further understood and agreed by and between the parties hereto Contractor is skilled in the professional calling necessary to perform the work agreed to be done by it under this Agreement, and City, not being skilled in such matters, relies upon the skillful

manner in accordance with generally-accepted professional practice and the Contractor agrees to thus perform its work, and the acceptance of its work by City shall not operate as a release of Contractor from said Agreement.

4.8. Workers' Compensation: Contractor agrees to provide workers' compensation insurance for Contractor and Contractor's employees and agents and agrees to defend, hold harmless and indemnify City for any and all claims arising out of any injury, disability, or death of any of Contractor's employees or agents.

4.9. Assignment: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Contractor without the prior written consent of City, which consent shall not be unreasonably withheld.

ARTICLE 5 COMPENSATION OF CONTRACTOR

5.1. Compensation for Contractor Services: City shall compensate Contractor for all Contractor Services satisfactorily provided pursuant to this Agreement in a total amount not exceed \$400,000.00 including all out of pocket expenses, provided that Contractor shall submit the information described in Section 5.3., below.

5.2. Payment will be in accordance with City's standard accounts payable process. Term no longer than 45 days after presentation of a valid monthly invoice for disbursement of the payment. Payment to be made by accounts payable check processed and available as part of the weekly disbursement cycle, available each Friday for pickup or mailed delivery.

5.3. Contractor shall provide itemized time and materials billings on a weekly basis, including numbers of personnel and their classifications, pay rates, and hours billed, equipment, transport and materials costs, to the Storm Water Division, for which the work is performed, identifying the trash and refuse collection and removal work, with volumes and/or weights, upon completion. Each invoice shall include City's Purchase Order Number, the time spent on the Contractor Services, the hourly rates (as set forth in Exhibit B) for the Contractor Services and a description of the Contractor Services provided.

ARTICLE 6 OBLIGATIONS OF CITY

6.1. Cooperation of City: City agrees to comply with all reasonable requests of Contractor and provide access to all documents reasonably necessary to the performance of Contractor's duties under this Agreement. To the extent determined in the best public interest, in the sole discretion of City's City Council, City shall be responsible for initially insuring, and continuing to review, local and state laws in City's jurisdiction to assure adequate legal authority for Contractor to engage in the Services described herein on behalf of City.

6.2. Conflict of Interest: No officer, employee, director or agent of City shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Agreement or the provisions thereof.

6.3. Assignment: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by City without the prior written consent of Contractor, which consent shall not be unreasonably withheld.

ARTICLE 7 TERMINATION OF AGREEMENT

7.1. Termination: Unless earlier terminated as set forth below, this Agreement shall be effective as of the date first set out above and shall continue for a period of one year from execution of this Agreement by City and Contractor. Contractor shall satisfactorily complete Contractor Services pursuant to this Agreement within that term, and the terms specified in the Scope of Work, unless the term(s) is modified as permitted for modifications of this Agreement.

7.2. Termination on Notice: Notwithstanding any other provision of this Agreement, City may terminate this Agreement at any time by giving three-days' written notice to Contractor.

7.3. Termination on Occurrence of Stated Events: This Agreement will terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of either party;
- (b) The assignment of this Agreement by either party without the consent of the other party; the parties agree that neither party will unreasonably withhold consent to such an assignment.

7.4. Termination for Default: If either party defaults in the performance of this Agreement or materially breaches any of its provisions, then the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Contractor's failure to satisfactorily complete the Contractor Services;
- (b) City's material breach of any representation, warranty or agreement contained in this Agreement;
- (c) Contractor's material breach of any representation, warranty or agreement contained in this Agreement;

ARTICLE 8 INDEMNIFICATION

8.1. Indemnification: To the extent permitted by applicable law, Contractor will indemnify, defend and hold harmless City and each of its officers, employees and agents from and against any and all losses, damages, liabilities, claims, death, injuries or costs, including court costs and reasonable attorney's fees, (collectively, Damages) resulting from any act or omission of Contractor or any of its officers, employees, agents or subcontractors related to this Agreement; provided, that the obligation to indemnify and hold harmless is only to the extent Contractor or any of its officers, employees, agents or subcontractors caused the Damages.

**ARTICLE 9
GENERAL PROVISIONS**

9.1. Governing Law: This Agreement shall be governed in all respects by the laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of California). Venue for any matter related to this Agreement shall be the Superior Court of the County of Santa Barbara.

9.2. Section Headings: The section headings appearing herein shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning, or intent of the provisions of this Agreement.

9.3. Inconsistency: In the event any provision of this Agreement and the documents incorporated herein by reference are deemed to be in conflict, the provision in this Agreement shall prevail.

9.4. Entire Agreement: This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understanding of the Parties. No amendment or modification of the amendment shall be valid unless evidenced in writing and executed by the parties thereto.

9.5. Successors and Assigns: Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. No party may assign any of its rights or obligations hereunder without the express written consent of the other party hereto, which consent may not be unreasonably withheld; provided, however, any party may assign any and all of its rights and interests hereunder to one or more of its affiliates and designate one or more of its affiliates to perform its obligations hereunder; provided, however, that such party remains liable for full and total performance of its obligations hereunder.

9.6. Notices: Any notices authorized to be given hereunder shall be in writing and deemed given, if delivered personally or by overnight courier, on the date of delivery, if a Business Day, or if not a business day, on the first Business Day following delivery, or if mailed, three days after mailing by registered or certified mail, return receipt requested, and in each case, addressed, as follows:

If to the Contractor to:

Cheyne Knight, CEO
QwikResponse Restoration and
Construction
165 Aero Camino,
Goleta, CA 93117
PH# (805) 962-6626

with a copy to:

Steven Delgadillo
QwikResponse Restoration and
Construction
165 Aero Camino,
Goleta, CA 93117
PH# (805) 962-6626

If to City to:

City of Lompoc
Attn: Utility Department
100 Civic Center Plaza
Lompoc CA 93436

And a copy to:

Aleshire & Wynder, LLP
Attn: Joseph W. Pannone
2361 Rosecrans Avenue, Suite 475
El Segundo, CA 90245-4916

With copies to:

City of Lompoc
Attn: Economic Development / Stormwater
100 Civic Center Plaza
Lompoc CA 93436

City of Lompoc
Attn: Accounts Payable
100 Civic Center Plaza
Lompoc, CA 93436
and
via e-mail to ap@ci.lompoc.ca.us

or, if delivered by telecopy or E-mail, on a Business Day before 4:00 p.m. local time of addressee, on transmission confirmed electronically, or if at any other time or day on the first Business Day succeeding transmission confirmed electronically, to the facsimile numbers or E-mail addresses provided above, or to such other address, E-mail or telecopy number as any party shall specify to the other, pursuant to the foregoing notice provisions. When used in this Agreement, the term "Business Day" shall mean a day other than a Saturday, Sunday, Federal Holiday, or other day City's city hall is closed to the public.

9.7. Counterparts: This Agreement may be signed in several counterparts.

9.8. Expenses: Each party shall bear its own expenses incurred with respect to the preparation of this Agreement and the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

SOUTH COAST FUNDING GROUP INC.

CITY OF LOMPOC

By: _____
Cheyne Knight
Its President

By: _____
James Throop, City Manager

ATTEST:

Stacey Haddon, City Clerk

By: _____
By: Steve Knight
Its Secretary

APPROVED AS TO FORM:

Joseph W. Pannone, City Attorney

EXHIBIT A

SCOPE OF CONTRACTOR SERVICES

Scope

It is anticipated up to five clean-up personnel will be present in the Project Area at any one time. Contractor will stage the operations from the parking area nearest the main access & gate to the Santa Ynez River in River Park. Staging will include storage containers for waste collected, equipment and vehicles.

Lompoc Police will assist with GPS locations of material to be cleaned up in and around the riverbed on City property.

Approved Rubber-tired equipment only shall be used in the Riverbed. No damage to the City's Bank Stabilization Project and its related plantings is permitted.

At the conclusion of the Contractor Services, the containers and all equipment shall be removed from the staging area. The staging area shall be left clean and in the same or better condition than it was before the staging area was established.

Methodology

Contractor shall determine the specific methods, equipment, means of performing the services identified herein, and shall provide documentation of methods, amounts of waste sanitized and collected, personnel used, time spent, equipment and materials used, manifests, and verification of transport to the waste disposal facility, and/or other information, as requested by City.

Work Schedule

Contractor shall begin work no earlier than 7:30 a.m. and shall conclude work no later than 4:30 p.m. of each work day.

Fire or Police Emergency Response

In the event of an issue of concern, the City's non-emergency number 805 736-2341 should be called, or in an Emergency, call 911.

Best Management Practices

Contractor shall comply with all applicable Citywide Best Management Practices to protect storm water and reduce the potential for pollution in the commission of its duties (Exhibit D).

EXHIBIT B
CITY'S PROPERTY

EXHIBIT C

RATE SCHEDULE FOR CONTRACTOR SERVICES

(Immediately behind this page)

EXHIBIT D

Citywide Best Management Practices

In Designing and Planning City Projects, All City Departments Shall Strive to do the Following:

1. Preserve drainages in a natural state.
2. Where practical, use alternate paving material that allows percolation, such as gravel or turf-block.
3. Provide vegetation or other cover, such as gravel, in dirt areas, to prevent erosion and sedimentation.
4. Use low maintenance landscaping.
5. Remove existing mature vegetation only when absolutely necessary.
6. Prevent unnecessary disturbance by establishing clear limits to work zones, delineating limits of work and sensitive or critical areas. Critical areas, vegetation, trees, creek beds, and buffer zones, which are to be protected, shall be delineated in the field with fencing and/or survey tape.
7. Avoid construction on steep slopes, when practical.
8. Minimize cut and fill, as much as possible.
9. Align temporary and permanent roads and driveways along slope contours, where possible.
10. Phase large scale grading operations to minimize the amount of time disturbed areas are exposed.
11. Avoid excavation and grading during wet weather, when practical.

Outdoor storage and hazardous materials storage.

1. Keep lids on all containers and store under cover.
2. Use secondary containment for hazardous materials and protect from rain. Store hazardous materials in an area where spills will not reach storm drains.
3. Label all hazardous materials according to hazardous waste regulations.
4. Do not combine wastes when storing them - this increases safety, recycling and disposal options and reduces disposal costs.
5. Never mix waste oil with fuel, antifreeze or chlorinated solvents.
6. Use secondary containment on all bulk fluids stored in amounts in excess of 55 gallons and wastes to prevent accidental discharge. Secondary containment includes, but is not

limited to, berming around storage areas and use of absorbents.

7. Keep storage areas clean and dry. Conduct regular inspections of storage areas to detect leaks and spills.
8. Store new or used batteries securely to avoid breakage and acid spills during earthquakes. When stored outdoors, batteries shall be covered with plastic tarp to protect them from rain.
9. Recycle old batteries.
10. Wood products treated with chromated copper arsenate, ammoniacal copper zinc arsenate, creosote, or pentachlorophenol should be covered with tarps. (Note: Electric Division poles and crossbeams fall under a Regional Water Quality Control Board exemption from this requirement.)
11. Cover stockpiled soil, construction materials and waste with plastic sheeting or temporary roofs, where practical.
12. When procuring new refuse containers, purchase containers with lids.

Construction, Grading and Erosion Control

1. Minimize clearing and grading activity. Clear and grade only during dry weather, when possible.
2. Construct stabilized access roads and entrances.
3. Use appropriate methods to ensure that soil is not tracked onto City streets such as gravel entrances, street sweeping and tire washes, as necessary.
4. Identify all storm drains, drainage swales and creeks located near construction areas, make sure all subcontractors are aware of storm drain locations and the need to prevent pollutants from entering them.
5. Use berms or drainage ditches to capture and divert natural run-off away from the construction site.
6. Protect storm drain inlets from sediment-laden run-off. Storm drain inlet protection devices include but are not limited to, sandbag barriers, filter fabric fences, block and gravel filters and excavated drop inlet sediment traps.
7. Use as little water as possible for dust control during grading operations.
8. If soil stockpiles are to be stored in high wind areas, consider use of a chemical dust suppressant.
9. Use installed straw bale barriers, silt fencing, sand bag barriers, brush or rock filters, temporary sediment basins, sediment traps or temporary vegetation on slopes to reduce run-off velocity and trap sediments. Do not use asphalt rubble or other demolition debris for this purpose.

10. Earth dikes, drainage swales and ditches, slope drains and subsurface drains, velocity dissipation devices, flared culvert end sections, check dams, slope roughening, terracing and rounding, shall be used to ensure proper drainage and soil retention once a project is completed or when a phase of a project is completed.
11. When cleaning sediments from streets, driveways and paved areas on construction sites, use a standard dry sweeper with a water system to control dust, wherever possible. Dispose of solids at the landfill, and run the remaining swept material through a clarifier, with approved sediment/oil separators. Dispose of the clean water into the storm drain and dispose of the residual oils as hazardous waste.
12. Install cover materials such as vegetative debris, mulch, crushed stone, geo-textile, fabric erosion control blankets, soil stabilizers, and temporary seeding and planting to reduce erosion during and after clearing and grading operations.
13. When dewatering a site, remove sediment from the discharge, using filtration methods or if the site is large enough, use a discharge pond to allow the clear water to percolate into the groundwater table leaving sediments on the surface. If the material is drilling mud, or testing indicates that it is contaminated, dispose of it as required by law.
14. Clean up leaks and spills on the construction site immediately.
15. When placing or removing concrete, ensure that wet concrete, cement and its components, or concrete dust do not enter storm flows.
16. Refuel and perform emergency repairs on vehicles and heavy equipment in a designated, protected location. Protect the soil from leaks and spills. If refueling or repair must be done away from the fuel station or garage, try to do so away from storm inlets, storm channels and the river.
17. Ensure that spill kits are readily available to construction sites and vehicles.
18. If a spill of any size occurs on dirt, notify the Lompoc Fire Department and the Certified Unified Program Agency (CUPA) at 686-8166. Aerate, remediate or dispose of as required by the Certified Unified Program Agency Representative (CUPA).
19. Wash vehicles at an appropriate off-site facility. If equipment must be washed, on-site, do not use soaps, solvents, degreasers, or steam cleaning equipment, and prevent wash water from entering the storm drain.
20. Cover construction materials, stockpiled soil, and waste with plastic sheeting or temporary roofs, prior to expected rain. Sweep and remove materials from surfaces that drain to storm drains, the river and channels, prior to expected rain.
21. Place refuse containers and recycling receptacles around construction sites to reduce litter.
22. Recycle or reuse leftover materials whenever possible.
23. Dispose of all wastes properly. Material that cannot be recycled or reused must be taken to the landfill, hazardous waste collection facility or shipped as hazardous waste. 24.

Train employees and supervisors to implement these requirements.

24. When transporting material to and from the construction area, cover or reduce the height of loads so that earthen material and debris do not blow out of the truck.
25. Avoid flushing streets with water. If flushing street or wet cleaning is required, sweep and remove debris beforehand, plug storm inlets, collect wash water and dispose of as required by law. Alternately, allow wash-water to drain to the storm drain and collect it downstream at a manhole or storm drain clean out and dispose as required by law.
26. If drilling is to occur near a watercourse, ensure that all appropriate permits are obtained.

Paint Work

1. Never clean brushes or rinse paint containers into a street gutter, storm drain or creek or where they will end up in a gutter, storm drain, or creek.
2. When finished painting, use up water-based paint in brushes and then rinse them into the sanitary sewer (indoor plumbing).
3. When stripping building exteriors with high pressure water, cover or berm storm drain inlets. If possible, collect building cleaning water and discharge to the sanitary sewer, if disposal is approved by Wastewater. If the substances test too high in critical elements to be disposed of in the sanitary sewer, dispose of wash water as a hazardous material.
4. If power washing or stripping surfaces painted with lead paint, block storm drains, contain and vacuum water and test water for lead. If lead above threshold levels is found, proper disposal methods shall be followed.
5. Once finished with oil based painting, paint out brushes to the extent possible, and filter and reuse thinners and solvents. Dispose of unusable thinners and residue as hazardous waste.
6. Return unused water based (latex) paint, properly contained, back to the supplier, or turn it in to the Household Hazardous Waste Collection Facility (HHWCF) where it will be processed and reused.
7. Dry latex paint and paint cans with dried latex paint may be disposed of in the garbage.
8. Take unwanted oil-based paint, paint thinners and sludges to the HHWCF or ship as hazardous waste.
9. Clean equipment including sprayers, and sprayer paint supply lines, at the end of each day, collecting and disposing of wash water and excess paint properly.

Cement and Concrete Work

1. Saw-cut concrete in dry weather, whenever possible. Protect nearby storm drain inlets and water bodies with sandbags around inlets and work areas where debris could be introduced into a water body.
2. After removal, recycle concrete material and sweep area thoroughly.

3. Use as little water as possible during saw-cutting operations. Block or berm around storm inlets, drainage channels and watercourses with sandbags or absorbent materials to contain slurry. If slurry enters the storm system, remove immediately.
4. When saw-cutting to make repairs to utility lines or for other repairs, collect and deposit debris and earth away from any water and ensure that pollutants do not contact water from saw-cutting or necessary repair work.
5. Remove saw-cut slurry, with a shovel or vacuum or by sweeping when dry, as soon as possible.
6. Avoid mixing excess fresh concrete or cement mortar on-site.
7. Store dry and wet concrete materials under cover, protected from rain and run-off.
8. Washout concrete transit mixers only in wash out areas where water will flow into settling ponds of dirt, aggregate base or sand, located away from a watercourse. If possible, recycle wash-water by pumping back into mixers for reuse. Do not dispose of washout into storm system.
9. Whenever possible, reuse or recycle small amounts of excess concrete, grout and mortar. Allow excess to set in concrete forms and reuse or dispose of excess at the landfill.
10. Place tarps or drop-cloths under mixers when mixing concrete over impervious surfaces. Hose down mixers, tools, and other equipment in a dirt area where the rinse water can soak into the ground and not run into the creek or storm drain.
11. Sweep surfaces at the end of the day and dispose of swept materials properly.

Asphalt, Paving, Patching, Resurfacing and Surface Sealing

1. Apply paving, patching, resurfacing and surface sealing materials in dry weather, when there will be adequate time for materials to dry, unless emergency repair in rain is necessary.
2. After pavement removal, recycle paving and sweep area thoroughly.
3. When patching, resurfacing, sealing and removing asphalt, protect nearby storm drain inlets and water bodies with sandbags around inlets and around work areas where debris could be introduced into a water body.
4. Stockpile materials away from streets, gutter areas, storm drain inlets or watercourses. Cover or berm stockpiles in wet weather.
5. Pre-heat, transfer and load hot bituminous material away from drainage systems and watercourses.
6. Cover and seal storm drain inlets and covers, prior to applying seal coat, slurry seal etc. Leave covers in place until job is complete and all water has evaporated or drained. Clean collected material from covers and dispose of properly.
7. Designate a protected area for cleanup and proper disposal of excess paving and

surfacing materials.

8. Avoid run-off when using water for dust control.
9. Sweep debris and dispose of properly when construction is completed.
10. Remove stockpiles as soon as possible after job is complete.
11. If it rains unexpectedly, cover stockpiles and divert run-off around construction, where possible.
12. Use as little water as possible during saw-cutting operations. Block or berm around storm inlets, drainage channels and watercourses with sandbags or absorbent materials to contain slurry. If slurry enters storm system, remove immediately.
13. Remove saw-cut slurry, with a shovel or vacuum or by sweeping when dry, as soon as possible.
14. Wash down exposed aggregate concrete only when the wash water can (1) flow onto a dirt area; (2) Drain onto a bermed surface from which it can be pumped and disposed of properly; or (3) be vacuumed from the area along the curb where sediment has accumulated by blocking a storm drain inlet.
15. Allow aggregate rinse to settle and pump water to sanitary sewer if allowed.
16. Recycle broken asphalt at a construction demolition facility.
17. Always park paving machines over drip pans or absorbent materials.
18. Clean patch and paving equipment, if possible, at the end of each day, at the Corporate Yard.

Sweeping

1. Street sweeping schedule shall be based on factors such as traffic volume, land use, field observation of sediment and trash accumulation, and proximity to watercourses. The whole City shall be swept at least twice each month, with high traffic areas being swept once a week.
2. Use standard sweeper with minimal water use for dust control.
3. Notify the public of street sweeping schedule changes.
4. Maintain street sweepers for maximum effectiveness. Replace old sweepers with technologically advanced sweepers. Review existing sweepers for effectiveness to schedule for replacement.
5. Clean sweepers at a wash facility that drains to a clarifier tank with approved sediment/oil separators.
6. Dispose of street sweeping residuals at the City Landfill.

7. Do not leave street sweeping debris in piles along the road, especially near storm drain inlets or riparian areas.
8. Ensure that piles of swept material are not left adjacent to storm drains. Make a second pass with sweeper or hand sweep, if necessary.
9. If sweeper dewatering is necessary, discharge water to a clarifier tank.
10. Sweep City-owned parking lots at least once before the onset of the wet season.
11. Ensure that sweeper drivers are familiar with spill response requirements and that absorbents are either kept on sweepers or are readily available at all times.
12. Dispose of spill containment and remediation materials properly.

Storm Drains

1. Ensure energy dissipation below culvert outfalls.
2. All catch basins, inlets, debris basins and storm drain lines shall be inspected once a year and shall be maintained, as necessary.
3. Visual inspections shall be conducted during the dry season to identify problem areas of trash accumulation.
4. Inlets shall be inspected before and after the wet season. Clean all inlets before the wet season and clean inlets, after the wet season.
5. Inspect and clean storm drain pipes and inlets in areas affected by pollutant generating incidents such as fire or spills immediately, or at minimum, before the first rain.
6. If no evidence of chemical contamination of wastes collected during inlet cleaning is found, dispose of solid waste material at the landfill. If liquid material is obtained and potentially contaminated, run the material through a clarifier (portable/in-sink/Corporate Yard/other type) discharging clean water to the storm drain and disposing of the hazardous material properly, as required by law.
7. If there is evidence of chemical contamination in the sediment cleaned from the inlets, the sediment should be analyzed for pollutants, including lead, oil and grease and hydrocarbons. If concentrations are elevated, sediments should be disposed of as hazardous waste.

Solid Waste

1. Post no littering signs.
2. Provide litter receptacles and recycling containers in high use areas.
3. Clean out litter receptacles in high use areas frequently to prevent spillage.

Garage / Transit / Vehicle Maintenance

1. Perform major repairs at the Corporate Yard.
2. If refueling or repair must be done away from the fuel station or Corporate Yard, try to do so away from storm inlets, channels and the river.
3. Recycle used motor oil, diesel oil, vehicles fluids and parts, whenever possible.
4. Inspect equipment daily and repair any leaks, as soon as possible.
5. When receiving vehicles for parts or salvage, park them on a paved surface and immediately drain and collect gasoline and other fluids properly.
6. Use containers and drip plans when changing oil and antifreeze. Recycle oil and dispose of filters properly.
7. Check vehicles for leaks. Soak up any spills and leaks with absorbents and dispose of properly.
8. Develop and implement a spill response plan. Spill kits shall be stored on selected City vehicles and shall be readily available to all City operations and facilities. Dispose of spill containment and remediation materials properly.
9. If a spill occurs on dirt, excavate and remove soil. Aerate, remediate or dispose of as required by CUPA.
10. Ensure spill kits are carried on, or are readily available to all large equipment, including utility vehicles and those which have hydraulics.

Vegetation Management and Landscape Maintenance

1. Maintain vegetative cover on medians and embankments to prevent erosion.
2. Apply mulch or leave clippings in place to reduce run-off.
3. Limit the use of disking to areas which are flat. Only disk when necessary to amend clay or sandy soil to retain water, as frequent disking could contribute to sedimentation in run-off. If disking is necessary, disk early in the spring or fall and always prior to the rainy season. Incorporate mulch and water into the soil to help retain it in place, grade and compact soil once disking is completed.
4. Remove pruned vegetation from gutter, shoulder and storm drain inlets.
5. Avoid loosening the soil when manually or mechanically weeding.
6. Inspect irrigation systems to ensure that excessive run-off is not occurring.
7. Repair irrigation leaks as soon as they are identified.
8. If muddy water is being bailed out of an area, deposit it on landscaped areas, rather than in the storm system. Follow federal, state and local laws governing the use, storage and disposal of pesticides and herbicides.

9. Reduce or eliminate use of pesticides for prevention, using them to address known problems. Avoid use of copper-based pesticides.
10. Do not apply fertilizer, pesticides or herbicides if rain is expected.
11. Use and mix the minimum amount of pesticides and herbicides necessary.
12. Do not mix or prepare pesticides for application near gutters, storm drains, storm channels, creeks or the river.
13. Fully use pesticides, rinse containers and use rinse water as pesticide, dispose of unused pesticide as hazardous waste.
14. Replace existing vegetation with fire-resistant and native vegetation to reduce the need for herbicides.
15. Calibrate the pesticide/herbicide distributor to avoid excessive application.
16. Clean pavement and sidewalk before applying irrigation water, if fertilizer is spilled on these surfaces.
17. Follow federal, state and local laws governing the use, storage and disposal of pesticides and herbicides.
18. Minimize use of chemical fertilizers. Consider grasscycling or composting to assist in augmenting your fertilizers naturally. Limit fertilizer application to twice a year, fall and spring.
19. When watering, water in early morning or evening to minimize evaporation.
20. Use the least toxic pesticides and herbicides available. Read labels for warnings and use only as directed.

Additional requirements for construction.

- Proper use and disposal of toxic materials
- Erosion and sediment control measures
- Reduced tracking of sediment onto public and private streets
- Proper Dust control
- Preservation of existing vegetation wherever possible
- Adequate Sweeping schedule
- Maintaining all construction equipment to prevent oil or other fluid leaks.
- Keeping vehicles and equipment clean, preventing excessive buildup of oil and grease.
- Protection of the ground beneath staging, fueling and maintenance areas with impermeable materials. Placement of drip pans below equipment that is parked. Use of off-site repair shops whenever possible.
- Stockpiled spill cleanup materials readily accessible.
- Regular inspection of on-site vehicles and equipment for leaks and immediate repair.
- Checking incoming vehicles and equipment (including delivery trucks, and employee and subcontractor vehicles) for leaking oil and fluids. Prohibiting leaking vehicles or equipment on-site.

- Use of designated areas away from drainages, if fueling must occur on-site.
- On-site fuel storage tanks located within bermed areas designed to hold the tank's volume. Retention area covered with an impervious material and installed in a manner that ensures any spills will be contained.
- Secondary containment always used, including drain pans or drop cloths to catch spills or leaks when removing or changing fluids.
- Use of drip pans for any oil or fluid changes.
- As little water as possible used while washing to avoid having to install erosion and sediment controls for the wash area. Use of designated, bermed wash areas to prevent wastewater discharge into storm water, creeks, rivers, and other water bodies. Use of phosphate free, biodegradable soaps.
- Steam cleaning not permitted on-site.
- Material handling areas kept free and clean of spills, leaks and deleterious material.
- All discharge points to off-site locations kept free of noticeable pollutant discharges and sediment.
- All internal discharge points provided with temporary and permanent inlet protection. Including a City approved method of silt removal and an oil and grease filter.
- Hazardous materials kept covered.
- Paved areas used for parking equipment whenever possible.
- Use of properly maintained sediment barriers such as gravel or sandbags, straw bales and rolls, silt fences and sediment traps/basins and storm drain inlet protectors to control sedimentation.
- Protection of all exposed slopes with acceptable soil stabilization practices.
- Keep all on-site traffic routes, parking and storage of equipment and supplies in designated areas.
- Properly maintain seeded and landscaped areas.
- Stabilized construction entrances and staging areas provided. A graveled entrance or equivalent provided to reduce tracking of soil onto streets.
- Sediment and debris swept from public streets adjacent to construction sites at the end of each day.
- Use of geo-textiles and fiber mats and mulch to maintain landscaping and seeding and reduce erosion.
- Velocity of flows through the site reduced using outlet protection / dissipaters, check dams and slope roughening.
- Diversion of run-off on construction sites using earth dikes, temporary drains and swales, and slope drain terracing.

QwikResponse Pricing Sheet

Schedule A: Labor

Code	Description	Rate
GEN	General Labor	\$ 43.75
SKL	Skilled Labor	\$ 48.75
WTR	Cleaning & Restoration Technician	\$ 52.50
WTS	Restoration Supervisor	\$ 72.50
HMR	Hazardous Waste / Mold Technician	\$ 75.50
HMS	Hazardous Waste Supervisor	\$ 87.50
TRM	Trauma Scene Technician	\$ 98.75
TRS	Trauma Scene Supervisor / Project Manager	\$ 114.00
DRY	Drywaller	\$ 86.86
PNT	Painter	\$ 64.50
ELE	Electrician	\$ 97.50
FNC	Carpenter	\$ 79.50
EQU	Truck Driver	\$ 74.00
PW-DRY	Prevailing Wage: Drywaller / Carpenter	\$ 105.00
PW-HMR	Prevailing Wage: Hazardous Materials Technician	\$ 102.00
PW-PNT	Prevailing Wage: Painter	\$ 91.00
PW-TRM	Prevailing Wage: Trauma Scene Technician	\$ 120.00
PW-WTR	Prevailing Wage: Water Technician / General Laborer	\$ 98.50
PW-PM	Prevailing Wage: Project Manager	\$ 110.00
PM	Project Manager	\$ 95.00
AP	Assistant Project Manager	\$ 75.00
PD	Project Director	\$ 150.00
PC	Project Coordinator	\$ 125.00
PE	Project Estimator	\$ 125.00
AA	Administrative Assistant	\$ 46.50
DM	Documentation Manager	\$ 75.00
PA	Project Auditor / Accountant	\$ 85.00
HS	Health & Safety Officer	\$ 80.00
RC	Resource Coordinator	\$ 65.00
TC	Technical Project Consultant/Engineer	\$ 150.00

Labor Provisions

A.1 Standard Hours – All labor rates stated above are for Monday through Friday between the hours of 8am to 5pm, not to exceed 8 hours in a day (excluding Christmas Eve, Christmas, New Years, New Years Eve, Independence Day, Labor Day, Memorial Day, Thanksgiving Day).

A.2 Non Standard Hours – The rates for labor performed by all classifications outside of 8am to 5pm, over 8 hours per day, or on Saturday will be 1.5 times the rates scheduled in the section above. Work on Sundays, holidays (including Christmas Eve, Christmas, New Years, New Years Eve, Independence Day, Labor Day, Memorial Day, Thanksgiving Day), or above 12 hours in a day will be billed at 2.0 times the rates scheduled above.

A.3 During the course of performance of the work, if the work requires labor to be performed at a Prevailing Wage category that isn't listed above, then that rate will be added to the above scheduled rates at the Total Prevailing Wage (base + fringe) * 1.8.

A.4 Travel time for personnel shall be billed to the contract at the rates in the section above as well as prep time and off-site hours.

A.5 Work performed under a particular contract that is subject to Federal and State wage and hour laws, Prevailing Wages, and/or collective bargaining agreements may require negotiated changes to the above stated rates if the base rates change. If needed, adjustments will be made to the hourly rates and other labor provisions.

A.6 The scheduled labor rates will be charged for all QwikResponse personnel, labor crews, and subcontractors meeting any of the Labor Classifications.

A.7 Labor minimum for a job is 2 hours.

Schedule B: Consumables

Code	Description (Type)	Rate
BAG	Bags - Contractor Trash (Box)	\$ 26.56
BAG	Bags - Ziplock (Box)	\$ 12.50
BAG	Bags - 6-mil (Roll)	\$ 95.04
CHEMICAL	Chemical - Anti-Microbial (Gallon)	\$ 62.00
CHEMICAL	Chemical - General Cleaner (Gallon)	\$ 28.00
CHEMICAL	Chemical - Hospital Cleaner (Gallon)	\$ 49.25
CHEMICAL	Chemical - Hospital Cleaner Wipes Container (Each)	\$ 19.50
CHEMICAL	Chemical - Trauma Scene Cleaner (Gallon)	\$ 46.25
CHEMICAL	Chemical - Deodorizer (Gallon)	\$ 95.25
CHEMICAL	Chemical - Odor Encapsulant (5-Gallon)	\$ 239.25
CHEMICAL	Chemical - Asbestos Encapsulant (5-Gallon)	\$ 75.25
CHEMICAL	Chemical - Anti-Microbial Encapsulant (5-Gallon)	\$ 298.75
CHEMICAL	Chemical - Mastic Remover (5-Gallon)	\$ 178.65
CHEMICAL	Chemical - Carpet and Upholstery Cleaner (Gallon)	\$ 64.50
CHEMICAL	Chemical - Furniture Polish (Can)	\$ 7.29
CHEMICAL	Chemical - Glass Cleaner (Can)	\$ 5.87
CHEMICAL	Chemical - Glass Cleaner (Gallon)	\$ 24.00
CHEMICAL	Chemical - Stainless Steel Cleaner (Can)	\$ 8.29
CHEMICAL	Chemical - Ultrasonic Cln. Agent (Gallon)	\$ 65.90
CLEAN	Cleaning - Towels (Bundle)	\$ 14.50
CLEAN	Cleaning - Cloth Masslin Bag (Each)	\$ 58.75
CLEAN	Cleaning - Mop Head (Each)	\$ 10.50
CLEAN	Cleaning - Chem Sponge (Each)	\$ 4.53
CLEAN	Cleaning - Spray Bottles (Each)	\$ 8.00
CLEAN	Cleaning - Bio-Hazard Soil Treatment (Bag)	\$ 12.75
CLEAN	Cleaning - Absorbant (Bag)	\$ 12.50
FILTER	Filter - Vacuum Bags (Each)	\$ 8.90
FILTER	Filter - HEPA for AFD (Each)	\$ 125.00
FILTER	Filter - HEPA for Vacuum (Each)	\$ 45.00
FILTER	Filter - Pre filter - Pleated (Each)	\$ 14.40
FILTER	Filter - Pre filter - 1st stage (Each)	\$ 3.72
FILTER	Filter - ShopVac (Each)	\$ 20.36
FILTER	Filter - Activated Carbon Filter (Each)	\$ 58.75
FILTER	Filter - Nano-Technology Filter (Each)	\$ 72.25
MISC	Storage - Portable Storage Container P/U or Delivery (Each)	\$ 99.40
MISC	Fuel - Delivery (Each)	\$ 125.00

MISC	Fuel (Gallon)	\$	7.50
TRASH	Debris - Dumpster - 40 yards (Each)	\$	842.00
TRASH	Debris - Dumpster - 30 yards (Each)	\$	755.00
TRASH	Debris - Dumpster - 20 yards (Each)	\$	515.00
TRASH	Debris - Truck Load - 13+ Box Truck (Each)	\$	275.00
TRASH	Debris - Truck Load - Pick-up (Each)	\$	135.00
TRASH	Debris - Asbestos Waste Bag (Each)	\$	25.00
TRASH	Debris - Asbestos Waste Dumpster (Each)	\$	1,850.00
TRASH	Debris - Asbestos Waste Non-Building Material Dumpster (Each)	\$	2,200.00
TRASH	Debris - Trauma Waste Bag (Each)	\$	90.00
MISC	Toilet - Pick-up / Delivery (Each)	\$	65.00
MISC	Floor Scrapper Blades (Each)	\$	47.00
MISC	Kettsaw Blades (Each)	\$	21.00
MISC	Kettsaw Blades - Masonry (Each)	\$	91.00
MISC	Water - Injection Hose (Roll)	\$	175.00
PACKING	Packing - Bubble Wrap 12 - 24" wide (Roll)	\$	66.84
PACKING	Packing - Bubble Wrap 25 - 48" wide (Roll)	\$	69.60
PACKING	Packing - Box – Small Packing (Each)	\$	3.40
PACKING	Packing - Box – Medium Packing (Each)	\$	4.36
PACKING	Packing - Box – Large packing (Each)	\$	5.75
PACKING	Packing - Box - Specialty (Each)	\$	12.45
PACKING	Packing - Zip Ties (Bag)	\$	11.50
PACKING	Packing - Moving blanket (Each)	\$	7.50
PACKING	Packing - Mattress Bags (Roll)	\$	213.84
PACKING	Packing - Paper (Bundle)	\$	42.00
PACKING	Packing - Paper Pad (Bundle)	\$	45.63
PACKING	Packing - Furniture Tags (Bundle)	\$	42.91
PACKING	Packing - Stretch Wrap (Roll)	\$	20.30
PPE	PPE - Hard Hat (Each)	\$	13.50
PPE	PPE - Dust Mask (Box)	\$	23.94
PPE	PPE - Saftey Glasses (Each)	\$	4.76
PPE	PPE - Gloves - Latex/Nitrile (Box)	\$	16.74
PPE	PPE - Gloves - Cotton/Leather (Each Pair)	\$	6.75
PPE	PPE - Gloves - Rubber (Each Pair)	\$	8.50
PPE	PPE - Respirator Cartridge - HEPA (Each Pair)	\$	10.90
PPE	PPE - Respirator Cartridge - HEPA & Organic (Each Pair)	\$	29.25
PPE	PPE - Tyvek Coverall - Standard White - Hood/Boots (Each)	\$	8.45
PPE	PPE - Tyvek Coverall - Heavy Duty Yellow/Blue - Hood/Boots (Each)	\$	17.71
PPE	PPE - Shoe Covers (Box)	\$	14.96
PROTECT	Protection - Lay Flat Tubing 12"-31" (Roll)	\$	115.20
PROTECT	Protection - Zipper (Each)	\$	22.74
PROTECT	Protection - Zip-Pole (Each)	\$	115.72
PROTECT	Protection - Plastic Carpet Mask (Roll)	\$	87.54
PROTECT	Protection - Spray Glue (Can)	\$	15.58
PROTECT	Protection - Plastic Sheeting - 1.5 mil (Roll)	\$	53.50
PROTECT	Protection - Plastic Sheeting - 2 mil (Roll)	\$	59.96
PROTECT	Protection - Plastic Sheeting - 4 mil (Roll)	\$	88.76
PROTECT	Protection - Plastic Sheeting - 6 mil (Roll)	\$	145.20
PROTECT	Protection - Plastic Sheeting - 6 mil fire-rated (Roll)	\$	190.80
PROTECT	Protection - Decontamination chamber (Each)	\$	65.00
PROTECT	Protection - Ram Board (Roll)	\$	65.72

PROTECT	Protection - Rosin Paper (Roll)	\$	15.56
PROTECT	Protection - Foam/Wood Blocks (Box)	\$	1.80
PROTECT	Protection - Tack Mats (Box)	\$	65.00
PROTECT	Protection - Caution Tape (Roll)	\$	15.25
TAPE	Tape - Masking/Blue Painters (Roll)	\$	8.25
TAPE	Tape - Packing Clear Tape (Roll)	\$	8.96
TAPE	Tape - Double Sided (Roll)	\$	14.36
TAPE	Tape - Duct/Packing (Roll)	\$	10.78

Consumable Provisions

B.1 The foregoing prices shall be applied to all materials which are utilized in the performance of the work, whether shipped to the site from inventory, shipped directly to the site from sources, or purchased locally by either an affiliated or non-affiliated entity.

B.2 All building materials, construction supplies & other materials not listed in the schedule below will be billed at the rate incurred, including delivery, sales tax & other fees, plus overhead & profit.

Schedule C: Equipment Rental Per Day

Code	Description	Rate
1-DRY	Dehumidifier - Standard	\$ 85.00
1-DRY	Dehumidifier - Large	\$ 115.00
1-DRY	Desiccant Dehumidifier- upto 400 CFM	\$ 230.00
1-DRY	Desiccant Dehumidifier- upto 700 CFM	\$ 505.00
1-DRY	Desiccant Dehumidifier- upto 1000 CFM*	\$ 635.00
1-DRY	Desiccant Dehumidifier- upto 3000 CFM*	\$ 975.00
1-DRY	Desiccant Dehumidifier-upto 15,000 CFM*	\$ 2,575.00
1-DRY	Injection Air Drying Unit	\$ 137.50
1-DRY	High Speed Air Mover	\$ 29.00
1-DRY	Humidifier- Evaporative Cooling Unit	\$ 205.00
1-DRY	Humidifier- Evaporative Cooling Unit	\$ 574.00
1-DRY	Rescue Mat System (Wood Floors)	\$ 50.00
1-DRY	Heat - Electric Thermal Exchanger	\$ 210.00
1-DRY	Heat - Gas Heat System - Portable 100 - 200 btu	\$ 460.00
1-DRY	Heat - Gas Heat System - Trailer	\$ 825.00
2-WTR	Extractor – Portable Industrial	\$ 155.50
2-WTR	Extractor – Truck Mount - Per Hour	\$ 145.00
2-WTR	Infrared Camera	\$ 225.00
2-WTR	Moisture Meter-Content/Hygrometer	\$ 50.00
2-WTR	Negative Air Machine - upto 690 CFM	\$ 70.00
2-WTR	Negative Air Machine - upto 1400 CFM	\$ 120.00
2-WTR	Negative Air Machine - over 1400 CFM	\$ 145.00
6-MSC	Manometer Pressure Recorder	\$ 145.00
2-WTR	Fogger Day	\$ 70.00
2-WTR	Airless Sprayer w/Compressor	\$ 115.00
2-WTR	Sump Pump	\$ 127.50
2-WTR	Zip-Pole	\$ 11.50
2-WTR	Sound Blanket	\$ 19.75
3-POWER	Cable Ramps	\$ 18.95

3-POWER	Fuel Tank Auxillary	\$	135.00
3-POWER	Generator – 10-25KW*	\$	350.00
3-POWER	Generator – 25-95KW*	\$	612.00
3-POWER	Generator – 100-155KW*	\$	761.00
3-POWER	Generator – 160-245KW*	\$	1,200.00
3-POWER	Generator – 250-400KW*	\$	1,939.00
3-POWER	Generator – Portable*	\$	92.00
3-POWER	Generator - Cord 50' up to 10/5*	\$	16.00
3-POWER	Generator - Cord 50' heavy duty*	\$	39.00
3-POWER	Power Distribution Box – 100-200A*	\$	115.00
3-POWER	Power Distribution Box – 50A*	\$	40.00
4-CLN	Ultra-Sonic Cleaning Station	\$	445.00
4-CLN	HVAC Cleaning Machine	\$	555.00
4-CLN	Hydroxol Machine	\$	235.00
4-CLN	Odor Control Unit	\$	65.00
4-CLN	Sand Blaster / Soda Blaster	\$	375.00
4-CLN	Pressure Washer	\$	85.00
4-CLN	Vacuum – HEPA w/attachments	\$	87.50
4-CLN	Vacuum – Shop Vacuum	\$	15.50
4-CLN	Vacuum - Upright	\$	17.50
5-PPE	Personal Fall Protection	\$	44.50
5-PPE	Respirator – Half or Full Face	\$	5.50
5-PPE	Decontamination shower	\$	75.00
5-PPE	4-Gas Personal Meter	\$	69.95
6-CON	Moving - 4 Wheel Dolly	\$	5.00
6-CON	Moving - Hand truck	\$	7.50
7-TOOLS	Air Compressor & Hoses	\$	135.00
7-TOOLS	Air Compressor & Hoses - Large	\$	540.23
7-TOOLS	Work Lights	\$	12.50
7-TOOLS	Wheelbarrow	\$	9.00
7-TOOLS	Power Tool Set	\$	31.50
7-TOOLS	Jackhammer	\$	67.00
7-TOOLS	Ladder	\$	9.50
7-TOOLS	Scaffolding (per section)	\$	14.50
7-TOOLS	Workstation - Table, chair, lights, etc.	\$	25.00
8-OFFICE	Radio- 2 Way Communication	\$	145.00
8-OFFICE	Office Electronics Package - Printer / Computer	\$	75.00
9-STOR/TLT	Storage - Climate Controlled Vault - Per Month	\$	185.00
9-STOR/TLT	Storage - Portable Storage Container 16-20' - Per Month	\$	173.00
9-STOR/TLT	Storage - Portable Storage Container 21-26' - Per Month	\$	187.95
9-STOR/TLT	Storage - Climate Controlled Rack Space - Per 100sf/mo	\$	225.00
9-STOR/TLT	Storage - Rolling Clothing Rack	\$	12.50
9-STOR/TLT	Storage - Offsite Drying Rack	\$	55.00
9-STOR/TLT	Toilet - Rental - Per Month	\$	129.00
10-VEHICLE	Vehicle - Tilt Truck	\$	76.50
10-VEHICLE	Vehicle - Dump Truck upto 20 yards	\$	135.00
10-VEHICLE	Vehicle - Dump Truck upto 40 yards	\$	275.00
10-VEHICLE	Vehicle - Passenger (upto 10 people)	\$	110.00
10-VEHICLE	Vehicle - SUV, car, small pickup	\$	55.00
10-VEHICLE	Vehicle – Pickup/ Utility Van	\$	75.50
10-VEHICLE	Vehicle – Box Van / Truck Day upto 13'	\$	95.00

10-VEHICLE	Vehicle – Mobile Command Center	\$	175.00
10-VEHICLE	Vehicle - Box Truck 14'+	\$	115.00
10-VEHICLE	Vehicle-On Site Recovery Trailer	\$	165.00
11-TOOLS	Hand Tools Job		3% Labor
<i>* 3-day minimum charge</i>			

Equipment Rental Provisions

C.1 Scheduled Equipment – The daily rental rate shall be charged for each day or portion thereof during which the equipment is used to perform work, regardless of the number of shifts on which the equipment is used during the day.

C.2 During the course of performance of the work, QwikResponse may add additional equipment to the schedule above at rates to be determined upon approval or based on industry standards (ex. Xactimate pricing for the region).

C.3 Equipment not listed in the schedule above and rented by QwikResponse from third party vendors specifically for use in performing the work that doesn't have pre-approved or industry standard rates will be billed at the rate incurred, including delivery, sales tax & other fees, plus overhead & profit.

C.4 Small hand tools will be invoiced at 3% total labor rate

Schedule D: Expenses

Provisions Respecting Subcontract Work

D.1 Lodging and Per Diem: If applicable, QwikResponse will bill for costs incurred for lodging and per diems for employees assigned to the work per the prevailing Government Service Administration rates as posted on their web site www.gsa.gov, plus overhead & profit.

D.2 Freight/Transportation and Other charges: QwikResponse shall be compensated for cost incurred for the transportation of people, equipment, supplies and materials to and from the site of work and for other job related charges not listed in the sections above on the basis of cost for such charges, plus overhead & profit.

D.3 Taxes and Permits: The rates contained in this schedule are exclusive of federal, state and local sales or use taxes and any applicable federal, state or local approvals, consents, permits, licenses and orders incident to performance of the work. QwikResponse shall be compensated for all costs incurred which are described above on the basis of actual cost incurred, plus overhead & profit.

Schedule E: Insurance Agreed Upon Pricing

E.1 On projects that are being submitted to the insurance company, contractor agrees to work with the insurance carrier to negotiate pricing per industry standards. Emergency Services are priced time & materials using the above pricing. Repairs will typically be priced using insurance standard Xactimate pricing (adjusted for prevailing wage) which will supercede the above pricing & be agreed upon with insurance prior to invoicing.

Schedule F: Overhead & Profit

F.1 Contractors 10% overhead & 10% Profit will be added to all non-scheduled expenses incurred without specific pricing in the tables above (Schedules A - C).

Client agrees that Provider is working for the Client and not Client's insurance company or any agent / adjuster.

Client:

Signature

Date

Printed Name

QwikResponse:

Signature

Date

Printed Name



City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Mayor and Members of the City Council

FROM: Jim Throop, City Manager
j_throop@ci.lompoc.ca.us

Jeff Malawy, Assistant City Attorney
jmalawy@awattorneys.com

SUBJECT: Review of the Need for Continuing the Local Emergency Proclaimed by the City Council on October 2, 2018, Relating to the Clean-up of the Santa Ynez Riverbed

Recommendation:

Staff recommends the City Council review, receive and file, this staff report regarding the need for continuing the local emergency proclaimed by the City Council on October 2, 2018, relating to the clean-up of the Santa Ynez riverbed (Riverbed).

Background and Discussion:

On October 2, 2018, the City Council adopted Resolution No. 6220(18) proclaiming a local emergency relating to the clean-up of the Riverbed.

Government Code section 8630(c) requires the City Council to review the need for continuing the local emergency at least once every 30 days until the City Council terminates the local emergency.

As of today, there is a need to continue the local emergency because the conditions described in the October 2, 2018, City Council staff report and in Resolution No. 6220(18) continue to exist.

Trash and refuse still exist in the Riverbed and continue to pose significant risks to surface water quality and potentially groundwater and drinking water quality. Additionally, significant dangers still exist related to excavations of the river's bank by the former Riverbed inhabitants, which have potentially compromised the bank's integrity and

increased the risk of flow and flood-related damage to the bank, the City's bike path, and the roadway beyond.

Mitigation and clean-up of these conditions continue to require assistance from the State or other local entities. A source for funding the clean-up of the Riverbed still has not been identified. It is crucial for this work to take place prior to the impending rainy season when flows occur in the River, giving rise to the potential for flow and flood-related damage to the banks and mobilizing pollutants in the Riverbed.

Fiscal Impact:

The declaration of a local emergency by the City Council does not have a material fiscal impact on the City or the City's General Fund. The continuation of the declaration with the proposed Resolution No. 6220(18) does not have a material fiscal impact to the City or the City's General Fund.

Conclusion:

For the above reasons, there is a need to continue the local emergency proclaimed by the City Council in Resolution No. 6220(18) on October 2, 2018.

Respectfully submitted,

Jim Throop, City Manager



Jeff Malawy,
Assistant City Attorney

COMMISSION/COMMITTEE: Human Services Commission

NUMBER OF VACANCIES: 1 Term Ending 12/2020 – (Council Member Mosby’s appointment)

DATE FILED	TELEPHONE	NAME	ADDRESS	If applicable: Date Appointed Term Expires	
6/20/2018	[REDACTED]	Mark Ashamalla	[REDACTED]		



City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Brad Wilkie, Management Services Director
b_wilkie@ci.lompoc.ca.us

Brian Halvorson, Planning Manager
b_halvorson@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6201(18) Declaring Intention to Form the Proposed Community Facilities District No. 2018-01 (Summit View Homes) to Fund Certain Public Services and Authorizing and Directing Certain Related Actions

Recommendation:

Staff recommends the City Council:

- 1) Accept the Petition, Consent, and Waiver from the landowners requesting the formation of a Community Facilities District (CFD) to fund certain services (Attachment 1); and
- 2) Adopt Resolution No. 6201(18) declaring intention to establish Community Facilities District No. 2018-01 (CFD No. 2018-01) and authorizing the levy of a special tax to fund certain services (Attachment 2); and
- 3) Set a public hearing for November 20, 2018, at 6:30 p.m. for public comment on the intention to form CFD No. 2018-01 for the Summit View Homes development (Project) and the levy of special taxes to fund certain services; and
- 4) Direct the City Clerk to publish a notice of public hearing for the formation of CFD No. 2018-01.

Background:

The Mello-Roos Community Facilities Act (Act), California Government Code sections 53311 *et seq*, was adopted in 1982 by the State of California to provide an alternative means for financing public infrastructure and services following the passage of

Proposition 13. The Act has been amended many times to make it an increasingly useful tool, and to add additional requirements to protect the interests of taxpayers, sponsoring public agencies and bond investors. The key feature of the Act is the creation of a financing district empowered to levy special taxes to finance a wide range of public improvements and services. The Act allows any county, city, special district, school district, or joint powers authority to establish a community facilities district (CFD). Once formed, a CFD provides a mechanism to finance public improvements and services. The improvements and services may include streets, wastewater collection and treatment systems, other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums, and other cultural facilities. In addition, a CFD can recover expenses of formation and the annual administrative costs of providing for the special taxes and, if issued, bonded debt.

The levy of the special tax requires a two-thirds vote of the qualified electors within the boundaries of the proposed CFD. To the extent the election is by property owners of the CFD, the services to be funded must be “additional services” not available in the CFD before the formation – i.e. the increased demand on services by virtue of a new development. The Act provides that the qualified electors are the property owners when less than twelve registered voters reside in the proposed CFD. As such, the Act has become a useful tool for financing public improvements and services in connection with the original development of property.

On July 19, 2016, the City Council approved the approximate 10.05 acre, 44-unit single family Project located at the intersection of Harris Grade Road and Purisima Road. As part of the approval of the Vesting Tentative Map (LOM 594) (Attachment 3), the applicant agreed to establish a CFD to help fund and maintain infrastructure costs associated with the Project. On August 2, 2016, the City of Lompoc (City) entered into a development agreement with Summit View Homes, LLC (Developer) that made provisions for the Developer to pay a property tax gap payment (Tax Gap Payment) and an operation and maintenance fee payment (O&M Payment). The purpose of the Tax Gap Payment is to compensate the City for property tax adjustments made resulting from the City’s allocation of 11% of the base 1% property tax as opposed to 14.6% percent of the base property tax, which the City had originally requested from the County of Santa Barbara prior to annexation. The landowner at the time of the annexation agreed to provide for the Tax Gap Payment to further the annexation process. The purpose of the O&M Payment is to fund public roadway frontage maintenance costs associated with the Project. These components were generally to offset the costs of servicing the development with respect to maintenance, and public safety, including ambulance services.

The development agreement provides for the formation of a Homeowner’s Association (HOA) of the Project’s homeowners. The HOA will fund and provide for the annual operation, maintenance, and servicing, including repair and replacement of trees and landscaping of private areas within the Project. The HOA and CFD No. 2018-01 provide funding for similar but distinctly separate services; one for public right-of-way improvements and the other for private improvements.

October 16, 2018

Community Facilities District No. 2018-01 (Summit View Homes)

Page 3 of 5

The development agreement allows the Tax Gap Payment and the O&M Payment obligations to be satisfied by the formation of a CFD and the levy of an annual special tax on territory within the CFD in perpetuity. Certain of the actual costs to be funded pursuant to the CFD differ from the development agreement and the Developer has executed (has represented it will execute) a waiver with respect to any difference so the City can recover its actual costs. Staff worked with SCI Consulting Group, the City's Special Tax Consultant, and the Developer to determine various aspects of a proposed CFD to fund the services and costs described in the development agreement. Adoption of Resolution No. 6201(18) will commence the proceedings necessary to establish CFD No. 2018-01 to provide funding for the required services.

Discussion:

The maximum special tax and the formula for calculating the annual special tax must be approved, first by the City Council, and then by the qualified electors in CFD No. 2018-01 by voting at a special election conducted as a mailed-ballot election. The public services that will be funded by CFD No. 2018-01 are described in Exhibit A of Resolution No. 6201(18) (Attachment 2). Those services include the roadway frontage maintenance and servicing, including repair and replacement within the CFD No. 2018-01 territory and a contribution to public safety services costs. The special tax will fund services that are in addition to those provided in, or required for, the territory within CFD No. 2018-01 and will not be replacing services already available. The services are necessary to meet increased demands placed upon the City as a result of development occurring in CFD No. 2018-01.

Each fiscal year, the City will determine the maximum special tax rates, the annual special tax requirement, and associated annual special tax rates for CFD No. 2018-01. The special tax will be levied and collected in perpetuity, unless and until such time the City determines the revenue is no longer needed and the related services are no longer necessary. The total maximum annual costs (in 2018 dollars) for the services are estimated to be \$34,133 annually. The cost for annual administration of CFD No. 2018-01 is estimated as \$3,544. CFD No. 2018-01 formation costs are estimated at approximately \$18,000 to \$25,000 and will be recovered in the early years of CFD No. 2018-01. This translates to a maximum special tax at buildout of \$775 annually for each homeowner. A separate Waiver and Implementation Agreement provides for modification of certain terms of the development agreement allowing for the repayment of CFD formation costs as part of the annual special tax of the CFD; included in the initial annual amount of \$775 for each homeowner.

The Act requires a public hearing on the establishment of a CFD. In order to consolidate and expedite the formation process, the participating landowner has signed a Petition, Consent, and Waiver (Attachment 1) confirming their participation in the formation of CFD No. 2018-01 and waiving certain timing and noticing requirements for a typical special tax election. Accordingly, the landowner has agreed to submit their ballot no later than November 20, 2018, at 4:30 p.m., to make the election results available shortly after the

public hearing, expediting the formation proceedings and the election on the special tax immediately following.

Resolution No. 6201(18) also directs staff to prepare a Public Hearing Report on the proposed CFD No. 2018-01 providing a description of the services to be funded by CFD No. 2018-01 and an estimate of the fair and reasonable cost of the services and incidental expenses. The Special Tax Report includes a map showing the boundaries of the proposed CFD No. 2018-01 and the affected assessor's parcels. Attachment 4 is a preview of the Public Hearing Report.

If the City Council approves the recommendations, then the following additional steps to complete the formation of CFD No. 2018-01 will need to be taken:

- The City Clerk must record the boundary map with the County Recorder. A landowner special tax election ballot will be mailed to the landowners within CFD No. 2018-01, who will be asked to vote on whether they approve or disapprove of the special tax formula related to the formation of CFD No. 2018-01.
- A Public Hearing will be scheduled for November 20, 2018, at approximately 7:00 p.m. The City will hold a public hearing on formation of CFD No. 2018-01 and will hear any protest. If there is no majority protest, then the City may form CFD No. 2018-01.
 - Following formation, the City Council must adopt a resolution calling a landowner special tax election for the formation of CFD No. 2018-01.
 - The election would be held at approximately 7:00 p.m. on November 20, 2018, at which time the City Clerk will open the ballot, tally the vote and announce the result.
 - The City Council must then adopt a resolution declaring results of the landowner special tax election, determining validity of prior proceedings, and directing recording of the notice of special tax lien.
 - Then the City Council must adopt an ordinance levying the tax.

Upon the final approval of CFD No. 2018-01, a notice of special tax lien will be recorded with the County Recorder, resulting in a permanent lien on the assessor's parcels within CFD No. 2018-01. The lien will continue in perpetuity unless the City Council terminates the special tax obligation in accordance with the Act.

Fiscal Impact:

Resources are necessary to provide for the actions in connection with CFD No. 2018-01 including:

- Cost for the formation of the CFD,
- Providing the services of the CFD, and
- Annual administration of the CFD.

Additional information regarding the services provided is included in the Preliminary Public Hearing Report (Attachment 4). The resources will be provided from collection of the special tax levies of CFD No. 2018-01.

Unless rescinded by actions in accordance with the Act, CFD No. 2018-01 will provide funding and related services of the Project. The City's General Fund will not subsidize, nor will it be subsidized by the activities of CFD No. 2018-01.

Conclusion:

Initiation of the proceedings for the formation of CFD No. 2018-01 by the adoption of Resolution No. 6201(18) will allow for the completion of its formation at the November 20, 2018, City Council meeting.

Respectfully submitted,

Brad Wilkie, Management Services Director

Brian Halvorson, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

- Attachments: 1) Petition, Consent, and Waiver from the Landowners
2) Resolution No. 6201(18)
3) Vesting Tentative Map
4) Preliminary Public Hearing Report for the CFD

PETITION, CONSENT AND WAIVER

**PETITION, CONSENT AND WAIVER OF OWNERS OF PROPERTY
REGARDING PROPOSED FORMATION OF CITY OF LOMPOC COMMUNITY
FACILITIES DISTRICT NO. 2018-01 (SUMMIT VIEW HOMES) REGARDING
CERTAIN TIME LIMITS AND PROCEDURAL REQUIREMENTS WITH RESPECT TO
A SPECIAL LANDOWNER'S ELECTION**

To: Honorable City Council
City of Lompoc
100 Civic Center Plaza
Lompoc, California 93436
Attn: Stacey Haddon, City Clerk

Council Members:

The undersigned is the owner (or duly authorized representative thereof) of all of the real property identified in Exhibit A and hereby requests that the City of Lompoc (the "City") initiate formation proceedings for a community facilities district to be known as City of Lompoc Community Facilities District No. 2018-01 (Summit View Homes) or such other name as may be designated by the City Council (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, et seq., California Government Code) (the "Act"), and hereby respectfully petitions and shows as follows:

1. The undersigned requests that the property identified in Exhibit A be included in the formation of the CFD as shown on a map of the proposed boundaries to be filed with the City Clerk and that the City take all steps necessary to complete the formation of the CFD and to levy a special tax therein for the purpose of financing the public services (the "Services") described in Exhibit B attached hereto and incorporated herein by reference.
2. The undersigned hereby certifies that as of the date indicated above his/her signature, the landowner listed herein is the owner of all of the property within the proposed boundaries of the CFD described in Exhibit A hereto (the "Property"). The undersigned further certifies that there have been no persons residing and registered to vote within the Property for each of the ninety (90) days preceding the date of this Petition, Consent and Waiver.
3. The undersigned hereby acknowledges that inclusion of the Property in the formation of the CFD is voluntary.

4. In furtherance of this waiver, we agree that the election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the office of the City Clerk and that the results of said election be canvassed and reported to you as soon as possible, and to the extent permitted by law.
5. In accordance with the provisions of the Act, and specifically Sections 53326(a) and 53327(b) thereof allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a community facilities district and concurrence of the election official conducting the election, the undersigned (i) expressly consents to the conduct of the special election at the earliest possible time following the adoption by the Council of a resolution forming the CFD, including consenting that the election may be held on the same date immediately following approval of the resolution forming the CFD and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Act or in the California Elections Code.
6. The undersigned waives any requirements for the mailing of the ballot for the special election and expressly agrees that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the City Clerk at the same meeting of the Council as the public hearing of the formation of the CFD.
7. The undersigned expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election, as set forth in Section 53327 of the Act, and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot.
8. The undersigned expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including, but limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.
9. The undersigned hereby consents to and expressly waives any and all claims based on any irregularity, error, mistake or departure from the provisions of the Act or other laws of the State and any and all laws and requirements incorporated therein, and no step or action in any proceedings relative to the CFD or the special election therein shall be invalidated or affected by any such irregularity, error, mistake or departure.

10. The undersigned agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this Petition, Consent and Waiver. The undersigned further agrees that this Petition, Consent and Waiver shall not be considered as filed with the City for purposes of commencing proceedings for the CFD under the Act unless and until deemed filed by the City in its absolute discretion.
11. The undersigned hereby declares under penalty of perjury to be the owner of record or the authorized representative of the landowner and the person whose name appears on the identification envelope.
12. The undersigned agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this Petition, Consent and Waiver. The undersigned further agrees that this Petition, Consent and Waiver shall not be considered as filed with the City for purposes of commencing proceedings for the CFD under the Act unless and until deemed filed by the City in its absolute discretion.

Respectfully submitted as of this day of July 12 2018

By: MC Summit 44, LLC

Signature: [Signature]

Title: Chief Operating Officer

The address of the above owner for purposes of receiving all notices and ballots is:

721 E. Main St
Ventura, CA
93001

Filed in the Office of the City Clerk of the City of Lompoc this day of July 13 2018.

[Signature]
City Clerk Stacey Haddom
City of Lompoc

EXHIBIT A

DESCRIPTION OF LANDOWNER PROPERTIES

**CITY OF LOMPOC
Community Facilities District No. 2018-01
(Summit View Homes)**

<u>Assessor's Parcel Number</u>	<u>Acres</u>	<u>Property Owner</u>
097-250-034	10.05	MC Summit 44 LLC

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

PARCEL ONE:

THAT PORTION OF LOT 19 OF THE PARTITION OF THE RANCHO MISSION DE LA PURISIMA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON THE MAP THEREOF FILED WITH THE REPORT OF THE REFEREES IN ACTION NO. 642 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF SANTA BARBARA, ENTITLED "JOHN H. WISE, ET AL, PLAINTIFFS, VS. RAMONA MALO DE JONES, ET AL, DEFENDANTS," DESCRIBED AS FOLLOWS:

BEGINNING AT A 2 INCH IRON PIPE TAGGED 2666, SET IN THE MOST NORTHERLY CORNER OF THE "13.512" ACRE TRACT OF LAND SHOWN ON A MAP OF A SURVEY FILED OCTOBER 22, 1958 AS NO. 25866 IN BOOK 43, PAGE 57 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 29°36' WEST 677.72 FEET, TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 29°36' WEST, 320.78 FEET; THENCE SOUTH 60°24' EAST 568.19 FEET TO A POINT IN THE EASTERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO ROBERT W. SMITH AND VINCENTE V. SMITH, RECORDED APRIL 22, 1948 IN BOOK 781, PAGE 97 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE, NORTH 0°02'30" WEST 369.08 FEET TO A POINT FROM WHICH THE TRUE POINT OF BEGINNING BEARS NORTH 60°24' WEST; THENCE NORTH 60°24' WEST 385.65 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO:

THAT PORTION OF LOT 19 OF THE PARTITION OF THE RANCHO MISSION DE LA PURISIMA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON THE MAP THEREOF FILED WITH THE REPORT OF THE REFEREES IN ACTION NO. 642 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF SANTA BARBARA ENTITLED "JOHN H. WISE, ET AL., PLAINTIFFS, VS. RAMONA MALO DE JONES, ET AL., DEFENDANTS," DESCRIBED AS FOLLOWS:

BEGINNING AT A 2 INCH IRON PIPE TAGGED 2666, SET IN THE MOST NORTHERLY CORNER OF THE "13.512" ACRE TRACT OF LAND SHOWN ON A MAP OF A SURVEY FILED OCTOBER 22, 1958 AS NO. 25866 IN BOOK 43, PAGE 57 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 29°36' WEST 998.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 29°36' WEST 365.90 FEET TO A 2 INCH IRON PIPE SET IN THE NORTHEASTERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 13, 1944 IN BOOK 591, PAGE 178 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, AND THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 50 FEET AND A DELTA OF 76°24'04"; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE AND THE ARC OF SAID CURVE 66.67 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 1560 FEET, THE LONG CHORD OF WHICH BEARS SOUTH 59°24'46" EAST 681.32 FEET; THENCE ALONG THE ARC OF SAID CURVE 686.76 FEET TO A 2 INCH IRON PIPE; THENCE SOUTH 78°32'50" EAST 81.03 FEET TO THE EASTERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO ROBERT W. SMITH AND VINCENTE V. SMITH, RECORDED APRIL 22, 1948 IN BOOK 781, PAGE 97 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE, NORTH 0°02'30" WEST 461.37 FEET TO A POINT FROM WHICH THE TRUE POINT OF BEGINNING BEARS NORTH 60°24' WEST; THENCE NORTH 60°24' WEST 568.19 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION OF SAID PARCELS ONE AND TWO DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED FEBRUARY 21, 1966, AS INSTRUMENT NO. 5937 IN BOOK 2140, PAGE 1349 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM PARCELS ONE AND TWO ABOVE DESCRIBED THE FULL FREE, EXCLUSIVE AND PERPETUAL RIGHT TO AND THE OWNERSHIP OF ALL COAL, LIGNITE, COAL OIL, PETROLEUM, NAPHTHA, ASPHALTUM, BREA, BITUMEN, NATURAL GAS AND ALL OTHER HYDROCARBONS AND LIKE SUBSTANCES, WHICH NOW EXIST UPON, IN OR UNDER THE LAND HEREIN ABOVE DESCRIBED, AS RESERVED IN THE DEED FROM UNION OIL COMPANY OF CALIFORNIA, A CORPORATION, ET AL., DATED OCTOBER 26, 1910 AND RECORDED IN BOOK 129, PAGE 134 OF DEEDS.

BY QUITCLAIM DEED DATED MARCH 18, 1959 AND RECORDED APRIL 6, 1959 AS INSTRUMENT NO. 10601 IN BOOK 1612, PAGE 441 OF OFFICIAL RECORDS, UNION OIL COMPANY OF CALIFORNIA, A CORPORATION, RELEASED AND QUITCLAIMED ALL OF ITS RIGHTS TO ENTER UPON THE SURFACE AND TO USE ANY PART THEREOF ABOVE A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE OF THE ABOVE DESCRIBED LAND.

EXCEPTING FROM PARCELS ONE AND TWO ABOVE ALL URANIUM, THORIUM, AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B) (1) OF THE ATOMIC ENERGY ACT OF 1946, Z(60 STATE. 761) TO BE PARTICULARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, CONTAINED IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS ABOVE DESCRIBED, AS RESERVED TO THE UNITED STATES OF AMERICA BY DEED RECORDED APRIL 22, 1948 AS INSTRUMENT NO. 5697 IN BOOK 781, PAGE 97 OF OFFICIAL RECORDS IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS THEREIN SET FORTH.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT TO DRILL, MAINTAIN, REPAIR AND OPERATE A WATER WELL AS CREATED BY DOCUMENT RECORDED AUGUST 7, 2000 AS INSTRUMENT NO. 00-48466 OF OFFICIAL RECORDS IN, ON AND UNDER THAT PORTION OF FARM LOT 19 OF THE RANCHO LOMPOC AND MISSION VIEJA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, SHOWN ON THE MAP RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK 1, PAGE 45 OF MAPS AND SURVEYS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH TERMINUS OF THE COURSE IN THE EAST LINE OF STATE HIGHWAY 1 AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE COUNTY RECORDER ON 6 DECEMBER 1994 IN BOOK 146, PAGES 54-56, INCLUSIVE, OF RECORDED OF SURVEYS, SAID COURSE SHOWN AS NORTH 09°39' 38" EAST 343.85 FEET ON SAID MAP; THENCE, ALONG SAID EAST LINE, NORTH 09°39'38" EAST 6.70 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING ALONG SAID EAST LINE,

1ST NORTH 09°39'38" EAST 15.00 FEET, THENCE LEAVING SAID EAST LINE,
2ND SOUTH 80°20'22" EAST 15.00 FEET; THENCE
3RD SOUTH 09°38'38" WEST 15.00 FEET; THENCE
4TH NORTH 80°20'22" WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL FOUR:

A NON-EXCLUSIVE EASEMENT TO INSTALL, MAINTAIN, REPAIR, REPLACE AND USE A WATER PIPE LINE AS CREATED BY DOCUMENT RECORDED AUGUST 7, 2000 AS INSTRUMENT NO. 00-48466 OF OFFICIAL RECORDS IN, ON AND UNDER THAT PORTION OF FARM LOT 19 OF THE RANCHO LOMPOC AND MISSION VIEJA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, SHOWN ON THE MAP RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK 1, PAGE 45 OF MAPS AND SURVEYS, DESCRIBED AS FOLLOWS:

A STRIP OF LAND, 3.00 FEET WIDE, LYING EASTERLY OF AND ADJOINING THE EAST LINE OF STATE HIGHWAY 1 AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE COUNTY RECORDER ON 6 DECEMBER 1994 IN BOOK 146, PAGES 54-56, INCLUSIVE, OF RECORDED OF SURVEYS, EXTENDING NORTHERLY FROM THE NORTH LINE OF PARCEL THREE HEREINABOVE DESCRIBED TO THE SOUTH

LINE OF PURISIMA ROAD AS SHOWN ON SAID MAP FILED IN BOOK 146, PAGES 54-56, INCLUSIVE, OF RECORD OF SURVEYS.

PARCEL FIVE:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS, AND TO LAY, CONSTRUCT, MAINTAIN, OPERATE, REPAIR, REPLACE AND REMOVE PIPELINES FOR UNDERGROUND UTILITY LINES, TOGETHER WITH APPURTENANCES THERETO, AS CREATED BY AND PURSUANT TO THE TERMS OF THE DOCUMENT RECORDED JULY 16, 2001 AS INSTRUMENT NO. 01-58787 AND AMENDED BY DOCUMENT RECORDED MAY 22, 2002 AS INSTRUMENT NO. 02-50050 OF OFFICIAL RECORDS AND CONFIRMED AND RATIFIED BY DOCUMENT ENTITLED "EASEMENT DEED" RECORDED AUGUST 10, 2017 AS INSTRUMENT NO. 17-0038304 OF OFFICIAL RECORDS OVER AND ACROSS THE SOUTHWESTERLY 80 FEET, MEASURED ALONG THE NORTHWESTERLY LINE, OF THE FOLLOWING DESCRIBED LAND SITUATED IN THE STATE OF CALIFORNIA, IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

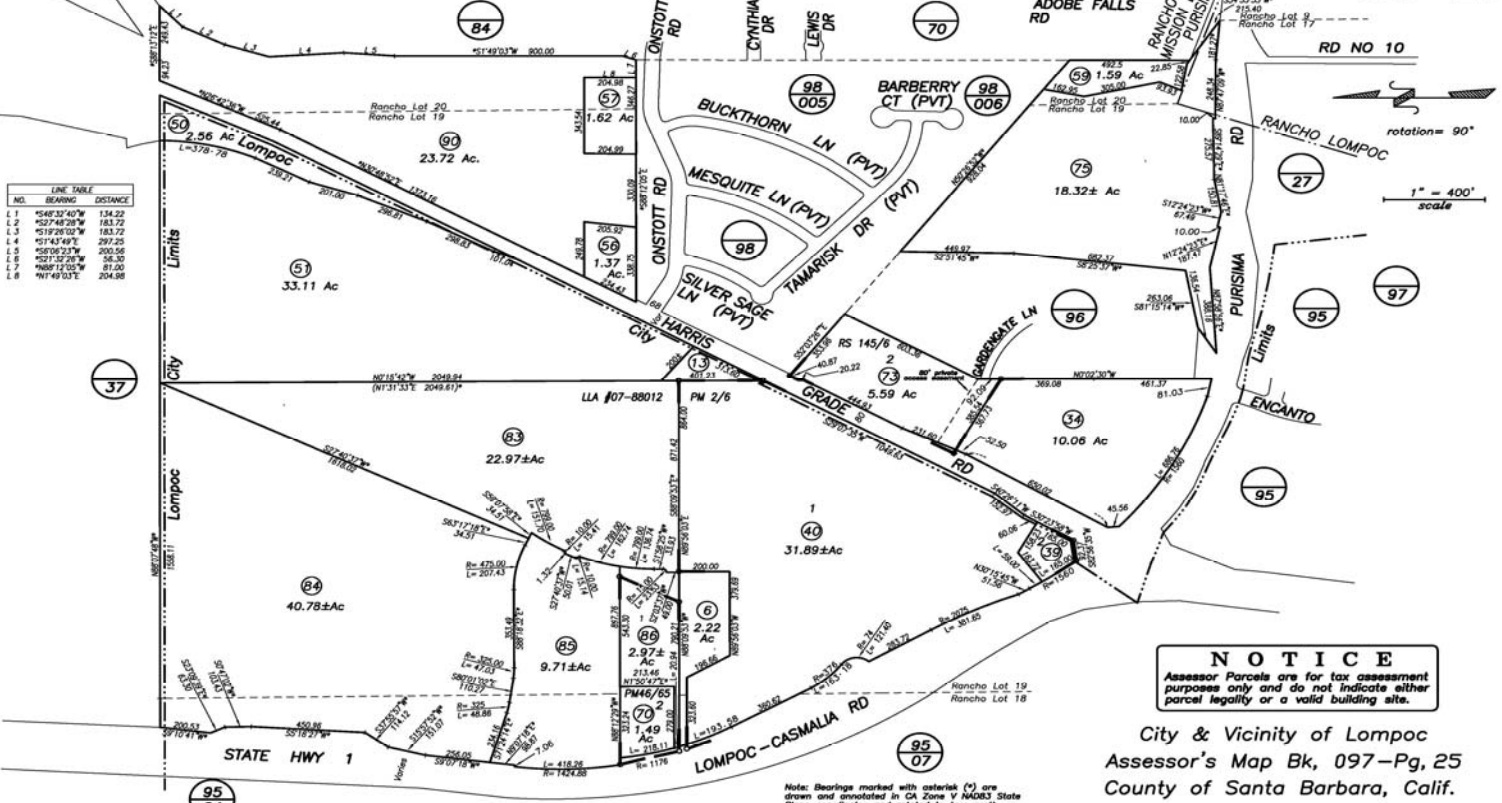
BEGINNING AT A 2" IRON PIPE SET IN THE MOST NORTHERLY CORNER OF THE "13.512" ACRE TRACT OF LAND SHOWN ON RECORD OF SURVEY BOOK 43, PAGE 57, SANTA BARBARA COUNTY RECORDS, SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT OF WAY LINE OF HARRIS GRADE ROAD.

THENCE (1), NORTH 1°23'32" EAST 20.22 FEET TO A POINT ON SAID EASTERLY RIGHT OF WAY LINE; THENCE (2), CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 31°01'36" EAST 40.87 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT TRACT OF LAND DESCRIBED IN A DEED FROM ANTONE SCOLARI TO J.L. TALBOTT, RECORDED IN BOOK 141, PAGE 299 OF DEEDS; THENCE (3), ALONG THE SOUTHERLY BOUNDARY LINE OF SAID TRACT OF LAND SOUTH 50°23'58" EAST 353.96 FEET; THENCE (4), LEAVING SAID SOUTHERLY BOUNDARY LINE. SOUTHERLY AND PARALLEL TO SAID EASTERLY RIGHT OF WAY LINE SOUTH 31°01'36" WEST 602.76 FEET TO A POINT IN THE WESTERLY LINE OF SUBDIVISION 2, LOT 19, AS SHOWN ON MAP RECORDED IN BOOK 23, PAGE 131 OF MAPS AND SURVEYS, SANTA BARBARA COUNTY RECORDS; THENCE (5), ALONG SAID WESTERLY LINE SOUTH 1°23'32" WEST 92.09 FEET; THENCE (6), NORTH 58°58'24" WEST 385.54 FEET TO A POINT ON SAID EASTERLY RIGHT OF WAY LINE; THENCE (7), NORTH 31°01'36" EAST 677.72 FEET ALONG THE SAID EASTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING.

APN: [097-250-034](#)

POR. RANCHO MISSION LA PURISIMA

097-25



NO.	BEARING	DISTANCE
1.1	S48°32'40"W	134.22
1.2	S57°48'28"W	183.72
1.3	S19°28'02"W	183.72
1.4	S1°43'49"E	297.25
1.5	S80°03'23"W	202.56
1.6	S21°32'28"W	36.30
1.7	N88°12'02"W	81.60
1.8	N1°49'03"E	204.98

NOTICE
 Assessor Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

City & Vicinity of Lompoc
 Assessor's Map Bk, 097-Pg, 25
 County of Santa Barbara, Calif.

Subdivision of Por. Rancho Mission De La Purisima, S.B. County Court Case # 642

LD/13 Par. Hey and 45, 46 into 90

EXHIBIT B

DESCRIPTION OF SERVICES TO BE FINANCED BY THE CFD

CITY OF LOMPOC Community Facilities District No. 2018-01 (Summit View Homes)

The types of services to be funded by the CFD ("Services") shall include 1) the annual operation, maintenance, and servicing, including repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage; storm drainage; 2) fire protection and suppression services, and ambulance and paramedic services; 3) police protection services, including, but not limited to, criminal justice services; 4) any incidental expenses authorized by the Act including the costs associated with the formation and annual administration of the CFD; and 5) and any other miscellaneous or incidental services identified by the City necessary to provide the described Services herein including the collection and accumulation of funds to pay for anticipated Service, future repairs and replacements and cost shortfalls.

Resolution No. 6201(18)

**A Resolution of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
Declaring the Intention to Establish City of Lompoc Community Facilities
District No. 2018-01 (Summit View Homes) and Authorize the
Levy of a Special Tax Therein to Fund Certain Public Services
for the Summit View Homes Residential Development**

WHEREAS, the City Council of the City of Lompoc (City) desires to form a Community Facilities District (CFD) for services of public improvements of Summit View Homes (Project); and

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (Act), California Government Code sections 53311 *et seq*, the City Council is authorized to establish a CFD and to act as the legislative body for such CFD; and

WHEREAS, as a Condition of Approval of the Summit View Homes Vesting Tentative Map (LOM 594), the establishment of a CFD is required prior to recordation of LOM 594; and

WHEREAS, the City desires to proceed with the establishment of a CFD in order to fund the annual operation, maintenance and servicing, including, but not limited to, repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage; and to fund fire protection and suppression services, and ambulance and paramedic services, police protection services, including, but not limited to, criminal justice services, and

WHEREAS, on December 19, 2017, by Resolution No. 6150(17), the City Council adopted local goals and policies concerning the use of the Act; and

WHEREAS, a separate Waiver and Implementation Agreement between the City and the landowner provides for modification of certain terms of the development agreement allowing for the repayment of CFD formation costs as part of the annual special tax of the CFD; and

WHEREAS, the City Council having received petitions from ONE HUNDRED PERCENT (100%) of the landowners in the proposed CFD requesting the City initiate proceedings for the establishment of a CFD pursuant to the Act, for the purposes of paying the costs of services to be provided by the City for the additional services authorized to be financed pursuant to Sections 53313 and 53313.5 of the California Government Code that are necessary to meet increased demands placed upon the City as a result of the development of real property (Property), and agreeing to the services to be provided by the City and the costs incidental thereto; and

WHEREAS, the City Clerk has certified the petition presented to the City Council complies with the requirements of Sections 53318 and 53319 of the California Government Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Acceptance of Petitions. The Petitions including Consent and Waivers of the landowners of the Property comprising the proposed CFD are hereby accepted, and the City Council hereby determines the public convenience and necessity require proceedings be undertaken to authorize the establishment of the CFD pursuant to the Act.

SECTION 2. Name of CFD. The proposed name for the proposed CFD is the “City of Lompoc Community Facilities District No. 2018-01 (Summit View Homes)” (District No. 2018-01).

SECTION 3. Boundaries Described. The proposed boundaries of District No. 2018-01 are as shown on the map on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. Exhibit A attached hereto shows the approximate location of the proposed District No. 2018-01. The City Clerk is hereby directed to record, or cause to be recorded, said map of the boundaries of District No. 2018-01 in the office of the County Recorder of Santa Barbara County within 15 days of the date of adoption of this Resolution, but in any event at least 15 days prior to the public hearing specified in Section 8 below.

SECTION 4. Services. The type of services proposed to be funded by District No. 2018-01 and pursuant to the Act shall consist of those items listed as services (Services) on Exhibit B attached hereto and hereby incorporated herein.

SECTION 5. Special Tax. Except to the extent funds are otherwise available to District No. 2018-01 to pay for the Services, a special tax (the Special Tax) sufficient to pay the costs thereof, secured by recordation of a continuing lien against all nonexempt real property in District No. 2018-01, will be levied annually within District No. 2018-01 in perpetuity, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners.

The proposed rate and method of apportionment of the Special Tax among the parcels of real property within District No. 2018-01 in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay are described in Exhibit C attached hereto and hereby incorporated herein.

Under no circumstances will the special tax to be levied against any parcel used for private residential purposes subject to the foregoing sentence be increased as a

consequence of delinquency or default by the owner of any other parcel or parcels within the District No. 2018-01 by more than 10%. As specified by the Act, for purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

SECTION 6. Voting Procedure. The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or a portion of an acre such owner owns in the CFD. The City Council hereby determines the Services are necessary to meet increased demands placed upon the City as the result of development occurring within the CFD. The qualified elector of the CFD expressly consents to the conduct of the special election at the earliest possible time following the adoption by the City Council of a resolution forming the CFD, including consenting the election may be held on the same date immediately following approval of the resolution forming the CFD.

SECTION 7. CFD Public Hearing Report. The City Manager, as the officer having charge and control of the Services in and for the CFD, or the designee of such official, is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (CFD Public Hearing Report) presenting the following information: (a) a description of the Services by type which will be required to adequately meet the needs of the CFD; (b) an estimate of the fair and reasonable cost of the Services including the cost of incidental expenses in connection therewith. The CFD Public Hearing Report shall be made a part of the record of the public hearing specified below.

SECTION 8. Public Hearing. On November 20, 2018, at 6:30 p.m., or as soon as possible thereafter, in the City Council Chambers, located at 100 Civic Center Plaza, Lompoc, California, 93436, this City Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience, and necessity require the formation of the CFD and the levy of the Special Tax.

SECTION 9. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least two weeks (14 days) before the date of the public hearing referenced in Section 8. The notice shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

The City may accept advances of funds or work-in-kind from any sources, including private persons or private entities, and is authorized and directed to use such funds for any authorized purpose, including any cost incurred in creating District No. 2018-01. District No. 2018-01 may enter into an agreement to repay all of such funds as are not expended or committed for any authorized purpose at the time of the election on the levy of the Special Tax, if the proposal to levy such tax should fail, and to repay all of such

funds advanced if the levy of the Special Tax shall be approved by the qualified electors of District No. 2018-01. The City is advancing costs to pay for the formation of the CFD. The District No. 2018-01 will reimburse the City on an annual basis until paid in full. Interest will accrue on the unpaid balance of the advance at an interest rate of 2.1%; the daily yield of the City's investments as of September 26, 2018, in the Local Agency Investment Fund (LAIF).

SECTION 10. Effective Date. This resolution is effective on the day of its adoption.

The foregoing resolution was proposed by Council Member _____, seconded by Council Member _____, and was passed and adopted by the Council of the City of Lompoc at its duly noticed regular meeting on October 16, 2018, by the following electronic vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc

Attachments: Exhibit A: Map of Proposed CFD No 2018-01 (Summit View Homes)
Exhibit B: Description of Services to be Funded by the CFD
Exhibit C: Rate and Method of Apportionment of Special Tax

Exhibit A

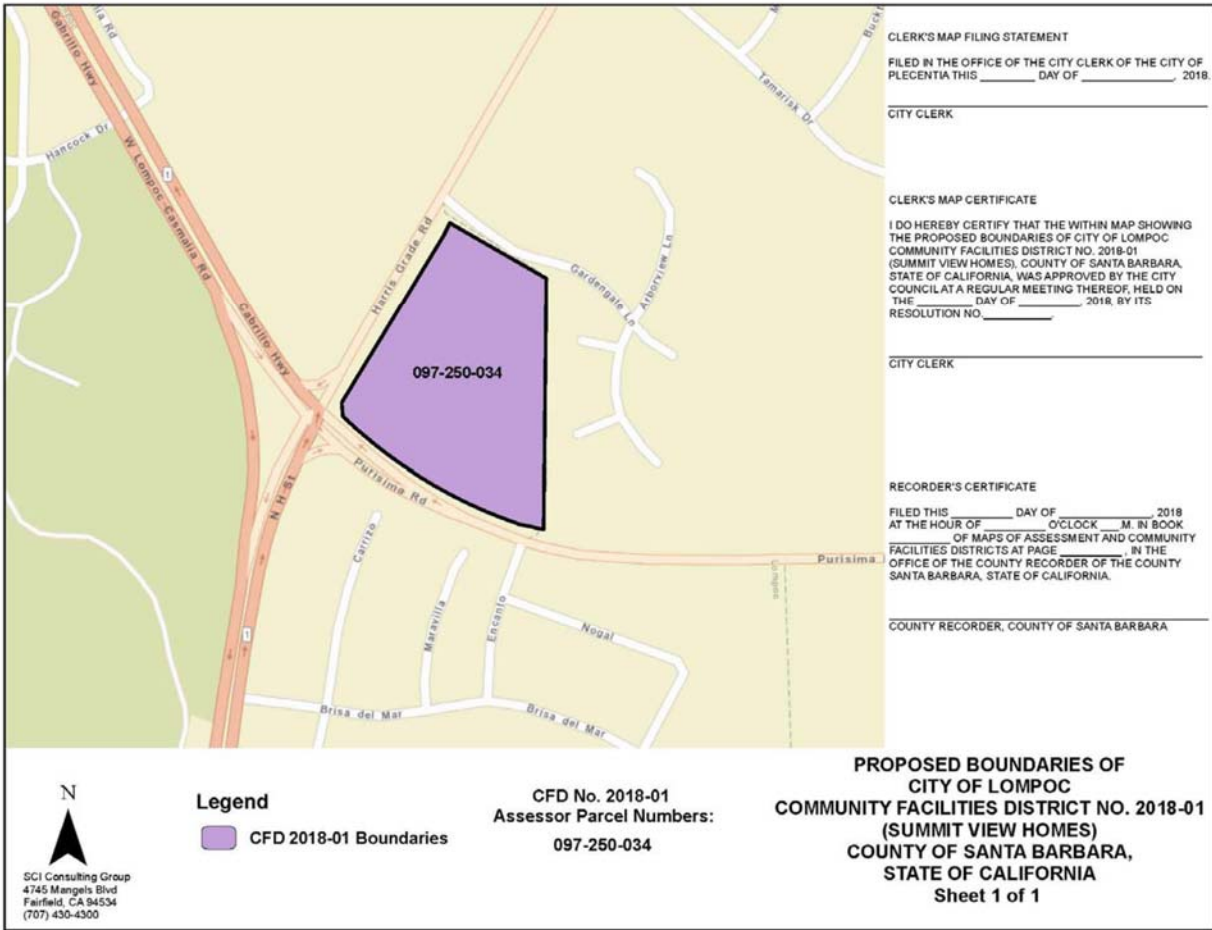


EXHIBIT B

DESCRIPTION OF SERVICES TO BE FUNDED BY THE CFD

CITY OF LOMPOC Community Facilities District No. 2018-01 (Summit View Homes)

The types of services to be funded by the CFD ("Services") shall include:

- 1) The annual operation, maintenance, and servicing, including repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage, storm drainage;
- 2) Fire protection and suppression services, and ambulance and paramedic services;
- 3) Police protection services, including, but not limited to, criminal justice services;
- 4) Any incidental expenses authorized by the Act including the costs associated with the formation and annual administration of the CFD; and
- 5) Any other miscellaneous or incidental services identified by the City necessary to provide the described Services herein including the collection and accumulation of funds to pay for anticipated Service, future repairs and replacements and cost shortfalls.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF LOMPOC Community Facilities District No. 2018-01 (Summit View Homes)

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 2018-01 (CFD) of the City of Lompoc (City) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate described herein.

A. DEFINITIONS

“Acre” means each acre of the land area making up an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means the actual or estimated costs incurred by the City to determine, levy and collect the Special Taxes, including the proportionate amount of the salaries and benefits of City employees whose duties are directly related to administration of the CFD and the fees of Special Tax levy administrator, other consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the County tax rolls and any other incidental costs authorized by the Act.

“Annual Escalation Factor for Maintenance Service Costs” means an amount equal to the percentage change in the Construction Cost Index as published by the Engineering News-Record (ENRCCI) for the twelve months ending in January, as published in January of the preceding year, or 4%, whichever is greater. If the ENRCCI at any time is no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used.

“Annual Escalation Factor for Non-Maintenance Service Costs” means an amount equal to the percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim, CA, metropolitan area (CPI-U), as published by the U.S. Department of Labor, Bureau of Labor Statistics for the twelve months ending in January, as published in January of the preceding year, or 4%, whichever is greater. If the CPI-U at any time is no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County of Santa Barbara for purposes of identification.

“Annual Special Tax” means the annual Special Tax, determined in accordance with Section D below to be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Base Year” means the Fiscal Year ending June 30, 2019.

“Building Permit” means a single permit or set of permits required to construct an entire structure.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining and providing for the levy and collection of the Special Tax.

“CFD” or **“CFD No. 2018-01”** means Community Facilities District No. 2018-01 (Summit View Homes) of the City of Lompoc.

“City” means the City of Lompoc.

“City Council” means the City Council of the City of Lompoc, acting as the legislative body of the City and the CFD.

“County” means the County of Santa Barbara, California.

“County Assessor” means the Santa Barbara County Assessor.

“Developed Residential Property” means all Assessor Parcels of Developed Property for which a Building Permit has been issued prior to April 1 of the preceding Fiscal Year for construction of a Residential Unit.

“Fiscal Year” means the period starting July 1 and ending the following June 30.

“Land Use Classification” means any of the classes listed in Section B(1).

“Maximum Special Tax” means the greatest amount of Special Tax, determined in accordance with Sections B and C below that can be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Owner Association Property” means any property within the boundaries of the CFD owned by a homeowner association or property owner association, including any master or sub association.

“Public Property” means any property within the boundaries of the CFD that is either (i) owned by the federal government, the State of California, the City, the County, another public agency, or a private nonprofit organization that owns and is responsible for conservation of open space areas, or (ii) encumbered by an easement owned by any such public agency or private organization which easement makes the development of such property impractical. Notwithstanding the foregoing, a leasehold or other possessory interest in any such property which is subject to taxation pursuant to Section 53340.1 of the Act shall not constitute “Public Property.”

“Residential Unit” means each separate residential dwelling unit on an Assessor's Parcel that comprises an independent facility capable of conveyance or rental as distinct from adjacent residential dwelling units. An accessory residential dwelling unit that shares a Parcel with a Single Family Detached Residential Unit shall not be considered as a Residential Unit for the purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Services” means the services authorized to be funded by the CFD as described in the Resolution of Intention for the CFD.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for the CFD to i) provide the Services; ii) pay for reasonable Administrative Expenses; iii) repayment of the cost of the CFD formation; iv) pay any amounts required to establish or replenish any reserve funds, and v) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“State” means the State of California.

“Taxable Property” means any Assessor's Parcel that is not Tax-Exempt Property.

“Tax-Exempt Property” means any Parcel within the CFD which is not Developed Residential Property or Undeveloped Property, and includes Public Property and Owner Association Property.

“Undeveloped Property” means any Assessor's Parcel which is not Tax-Exempt Property, and for which no Building Permit has been approved and issued by April 1 of the previous Fiscal Year.

B. DETERMINATION OF MAXIMUM SPECIAL TAX

The Maximum Special Tax shall be calculated as follows:

- 1. Classification of Parcels.** Each Fiscal Year, using the Definitions above and the Parcel records of the County Assessor's Secured Tax Roll of July 1, the City shall cause each Parcel of land in the CFD to be classified as Developed Residential Property, Undeveloped Property, Owner Association Property, or Tax-Exempt Property.
- 2. Assignment of Maximum Special Tax.** Each Fiscal Year, the Base Year Maximum Tax shown below shall be escalated as specified in Section C, Annual Adjustment of Maximum Special Tax, to determine the Maximum Special Tax for the upcoming Fiscal Year for each Land Use Classification.

Land Use Classification	Base Year Maximum Tax
Developed Residential Property	\$775 per Residential Unit
Undeveloped Property	\$2,620 per Acre
Owner Association Property	\$0
Tax-Exempt Property	\$0

- 3. Conversion of a Tax-Exempt Property to a Taxable Property.** If a Tax-Exempt Property is not needed for public use and is converted to private use, it shall become subject to the Special Tax.
- 4. Nonresidential Developed Property.** In the event that any property is converted to nonresidential developed property, it shall become subject to the special tax at an amount equal to the special tax for undeveloped property.

C. ANNUAL ADJUSTMENT OF MAXIMUM SPECIAL TAX

Beginning in January 2019 and each January thereafter, the Maximum Special Tax shall be adjusted each fiscal year by the weighted average of the Annual Escalation Factor for Maintenance Service Costs (50%) and the Annual Escalation Factor for Non-Maintenance Service Costs (50%). Each annual adjustment of the Maximum Special Tax shall become effective for the following Fiscal Year.

D. DETERMINATION OF THE ANNUAL SPECIAL TAX

Commencing with the Base Year, and for each subsequent Fiscal Year, the City Council shall determine the Special Tax Requirement and shall levy the Annual Special Tax on each Assessor's Parcel of Developed Residential Property at up to 100% of the applicable Maximum Special Tax to fund the Special Tax Requirement.

If additional revenues are needed to provide the 1) Maintenance Services; 2) Road Maintenance Costs; 3) pay anticipated Administrative Expenses; and 4) cure any

delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property.

Under no circumstances will the Annual Special tax levied against any Assessor's Parcel of Developed Property increase by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the CFD.

Subject to the preceding, the amount of Annual Special Tax levied upon any Developed Property and Undeveloped Property in any Fiscal Year shall not exceed the Maximum Special Tax for such Fiscal Year as computed herein.

E. DURATION OF THE SPECIAL TAX

Assessor's Parcels in the CFD shall remain subject to the Special Tax in perpetuity. If the Special Tax ceases to be levied, the City or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

F. PREPAYMENT OF SPECIAL TAX

Prepayment of the Special Tax is not authorized.

G. APPEALS AND INTERPRETATION PROCEDURE

Any property owner who feels the portion of the Special Tax levied on the subject property is in error, may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred, with the City Manager or his or her designee, appealing the levy of the Special Tax on the subject property. The City Manager or his or her designee will promptly review the appeal, and, if necessary, meet with the applicant, and decide the merits of the appeal. If the findings of the City Manager or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Special Tax levies; no cash refunds shall be made. Any dispute over the decision of the City Manager or his or her designee shall be referred to the City Manager, and the City Council and the decision of the City Council shall be final and binding on all parties.

Interpretation may be made by resolution of the City Council for purposes of clarifying any vagueness or uncertainty as it relates to the application of the Special Tax rate, or application of the method of apportionment, or classification of properties or any definition applicable to the CFD.

H. COLLECTION OF THE SPECIAL TAX

The Special Tax shall be collected each year in the same manner and at the same time as ad valorem property taxes are collected and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The City shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Special Taxes to be collected are received by the County Auditor for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year. However, the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the City or as otherwise determined appropriate by the CFD Administrator.



**PRELIMINARY PUBLIC HEARING REPORT
COMMUNITY FACILITIES DISTRICT No. 2018-01
(SUMMIT VIEW HOMES)**

SEPTEMBER 2018

PREPARED FOR:

**CITY COUNCIL
CITY OF LOMPOC**

PREPARED BY:



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CITY OF LOMPOC

CITY COUNCIL

Bob Lingl, Mayor
Jim Mosby, Councilmember
Jenelle Osborne, Councilmember
Dirk Starbuck, Councilmember
Victor Vega, Councilmember

CITY MANAGER

Jim Throop

ASSISTANT CITY MANAGER

Teresa Gallavan

MANAGEMENT SERVICES DIRECTOR

Brad Wilkie

PLANNING MANAGER

Brian Halvorson

CITY ENGINEER

Michael Luther

CITY ATTORNEY

Joe Pannone

SPECIAL TAX CONSULTANT

Blair Aas, SCI Consulting Group

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INTRODUCTION

On July 19, 2016, the City of Lompoc (“City”) Council approved the 10.05 acre, 44-unit Summit View Homes residential development (“Project”) located at the intersection of Harris Grade Road and Purisima Road. On August 2, 2016, the City entered into a development agreement with Summit View Homes, LLC. (“Developer”) that made provisions for the Developer to pay a property tax gap payment (“Tax Gap Payment”) and an operation and maintenance fee payment (“O&M Payment”).

The development agreement allows certain costs to be satisfied by the formation of a Mello-Roos Community Facilities District (“CFD”) and the levy of an annual special tax on territory within the CFD in perpetuity. The purpose of the Tax Gap Payment is to compensate the City for property tax adjustments made resulting in the City’s procurement of only 11 percent of the property tax base, as opposed to 14.6 percent of the property tax based which the City had originally requested from the County of Santa Barbara prior to annexation. The purpose of the O&M Payment is to fund roadway frontage maintenance costs associated with the Project. Additionally, the annual cost for road maintenance and replacement of Purisma Road and Harris Road to Gardengate has been included in the CFD as well. Where the development agreement and the CFD has diverged, the Developer has signed a waiver for any changes from the development agreement.

On October 16, 2018, the Lompoc City Council (“Council”) will consider adoption of a resolution declaring its intent to establish a CFD for the Summit View Homes development, authorize the levy of the special tax therein, and schedule a public hearing on the matter for November 20, 2018.

This Preliminary CFD Public Hearing Report (“Report”) was prepared pursuant to California Government Code § 53321.5. The purpose of this Report is to provide the following information at the public hearing:

- Describe the Services to be funded by the CFD; and
- Provide an estimate of the fair and reasonable cost of the Services and incidental expenses for the CFD.

Four important exhibits are attached to this Report. Exhibit A shows the boundaries of the Project and the proposed boundaries of the CFD. Exhibit B is the description of landowner property(ies) included in the formation of the proposed CFD. Exhibit C describes the Services will be financed by the proposed CFD. Exhibit D details the rate and method of apportionment of the proposed special tax.

DESCRIPTION OF CFD BOUNDARIES

The boundaries of CFD No. 2018-01 are described in Exhibit "A," a reduced scale map entitled "Map of Proposed Boundaries of Community Facilities District No. 2018-01." The parcels of real property within the CFD are described more particularly on the assessor's parcel maps that are on file in the Office of the Santa Barbara County Assessor or on maps filed with the County Recorder in connection with lot line adjustments and are incorporated into this Report by reference. Exhibit B lists the landowner(s) and their respective assessor's parcel number(s) that will participate in the formation.

A full-scale map will be on file in the Office of the City Clerk and recorded with the County Recorder upon adoption of a Resolution of Intention to form the CFD by the City Council.

DESCRIPTION OF SERVICES AND MAXIMUM ANNUAL COST

The types of services to be funded by the CFD ("Services") shall include 1) the annual operation, maintenance, and servicing, including repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage, storm drainage; 2) fire protection and suppression services, and ambulance and paramedic services; 3) police protection services, including, but not limited to, criminal justice services; 4) any incidental expenses authorized by the Act including the costs associated with the formation and annual administration of the CFD; and 5) and any other miscellaneous or incidental services identified by the City necessary to provide the described Services herein including the collection and accumulation of funds to pay for anticipated Service, future repairs and replacements and cost shortfalls.

The Services are necessary to meet increased demands placed upon the City as a result of development occurring in the CFD. The Special Tax will fund Services that are in addition to those provided in or required for the territory within the CFD and will not be replacing Services already available.

The list of authorized Services to be funded by the CFD are further described in Exhibit C. The Homeowner's Association ("HOA") will fund the annual operation, maintenance, and servicing, including repair and replacement of trees and landscaping with the Project.

As shown in Figure 2 on the following page, the total maximum annual costs (in 2018 dollars) for the Services required to meet the needs of the CFD at buildout are estimated to be \$26,990 annually. The cost for annual CFD administration is estimated to be \$3,544 annually. CFD formation costs will be recovered over a period of time not to exceed \$3,600 per year.

FIGURE 1 – ESTIMATE OF MAXIMUM ANNUAL COST

Cost Component	Maximum Annual Services Cost (2018\$)
Public Safety Services	\$7,781
Maintenance Services	\$4,959
Road Maintenance	\$12,750
Administrative Expense	\$3,544
Contingency (5%)	\$1,500
CFD Formation Cost Recovery	\$3,600
Total Maximum Annual Cost	\$34,133

Source: City of Lompoc; SCI Consulting Group

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The special taxes within the CFD will be levied according to formulas and provisions of the Rate and Method of Apportionment of Special Tax (the "RMA") which is attached as Exhibit D. Commencing with the base year, which is fiscal year 2018-19, special taxes will be collected annually on all residential lots in the CFD for which a building permit was issued prior to April 1 of the preceding fiscal year. If additional revenues are needed in the earlier years of the development, a special tax will be levied on undeveloped property up to one hundred percent of the maximum special tax for undeveloped property.

As shown in Figure 2 below, the maximum special tax rate for developed residential property is \$775 per residential unit. The maximum special tax rate on undeveloped property is \$2,620 per acre. Tax-exempt property shall not be subject to the special tax.

FIGURE 2 – MAXIMUM ANNUAL SPECIAL TAX

	Calc	
Maximum Annual Special Tax Revenue (Base Year)	a	\$34,133
Total Residential Units at Buildout of CFD	b	44
Total Acres within CFD	c	10.05
Maximum Special Tax Rates (Base Year)		
Developed Residential Property (Per Residential Unit)	$d = a / b$	\$775
Undeveloped Property (Per Acre)	$e = a / c$	\$2,620
Tax Exempt Property	f	\$0

Source: City of Lompoc; SCI Consulting Group

OVERVIEW OF THE PROPOSED CFD SPECIAL TAX

This section provides an overview of the structure and administration procedures of the CFD Special Tax. The specific administrative requirements are detailed in Exhibit C - Description of Services to be funded by the CFD and Exhibit D - Rate and Method of Apportionment of the Special Tax.

USE OF SPECIAL TAX PROCEEDS

The special tax will be used solely for the following:

1. The annual operation, maintenance, and servicing, including repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage; storm drainage; and
2. Fire protection and suppression services, and ambulance and paramedic services; and
3. Police protection service, including, but not limited to, criminal justice services; and
4. Any incidental expenses authorized by the Act including the costs associated with the formation and annual administration of the CFD; and
5. Any other miscellaneous or incidental services identified by the City necessary to provide the described services including the collection and accumulation of funds to pay for anticipated services, future repairs and replacements, and cost shortfalls.

The Services are necessary to meet increased demands placed upon the City as a result of development occurring in the CFD. The Special Tax will fund Services that are in addition to those provided in or required for the territory within the CFD and will not be replacing Services already available.

ANNUAL SPECIAL TAX FORMULA

Commencing with FY 2018-19, and for each subsequent fiscal year, the Council will determine the special tax requirement and will levy the annual special tax on each assessor's parcel of developed residential property at up to one hundred percent of the applicable maximum special tax to fund the special tax requirement.

If additional revenues are needed to provide the 1) maintenance services; 2) road maintenance costs; 3) pay anticipated administrative expenses; and 4) cure any delinquencies in the payment of special taxes which have occurred in the prior fiscal Year or pay for reasonably anticipated delinquent special taxes based on the delinquency rate for special taxes levied in the previous fiscal year, the annual special tax shall be levied

proportionately on each assessor's parcel of undeveloped property up to one hundred percent of the maximum special tax for undeveloped property.

ANNUAL INFLATIONARY ADJUSTMENT

The maximum CFD special tax will be annually adjusted for inflation based on the weighted average of two annual escalation factors. The annual escalation factor for maintenance costs (weighted 50 percent), shall be the percentage change in the Construction Cost Index as published by the Engineering News-Record ("ENRCCI") for the twelve months ending in January, as published in January of the preceding year, or 4 percent, whichever is greater. The annual escalation factor for other, non-maintenance costs (weighted 50 percent) shall be the percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County metropolitan area ("CPI-U"), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 4 percent, whichever is greater. If the ENRCCI or CPI-U at any time is no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used.

PREPAYMENT OF SPECIAL TAX

Prepayment of the CFD special tax is not authorized.

DURATION OF THE SPECIAL TAX

The CFD special tax will be levied and collected annually beginning in Fiscal Year 2018-19 in perpetuity or until the City determines it no longer needs the special tax proceeds to fund the authorized services of the CFD.

MANNER OF COLLECTION

The special tax will be collected in the same manner and at the same time as ad valorem property taxes. At the City's option, the special tax may be billed directly to property owners.

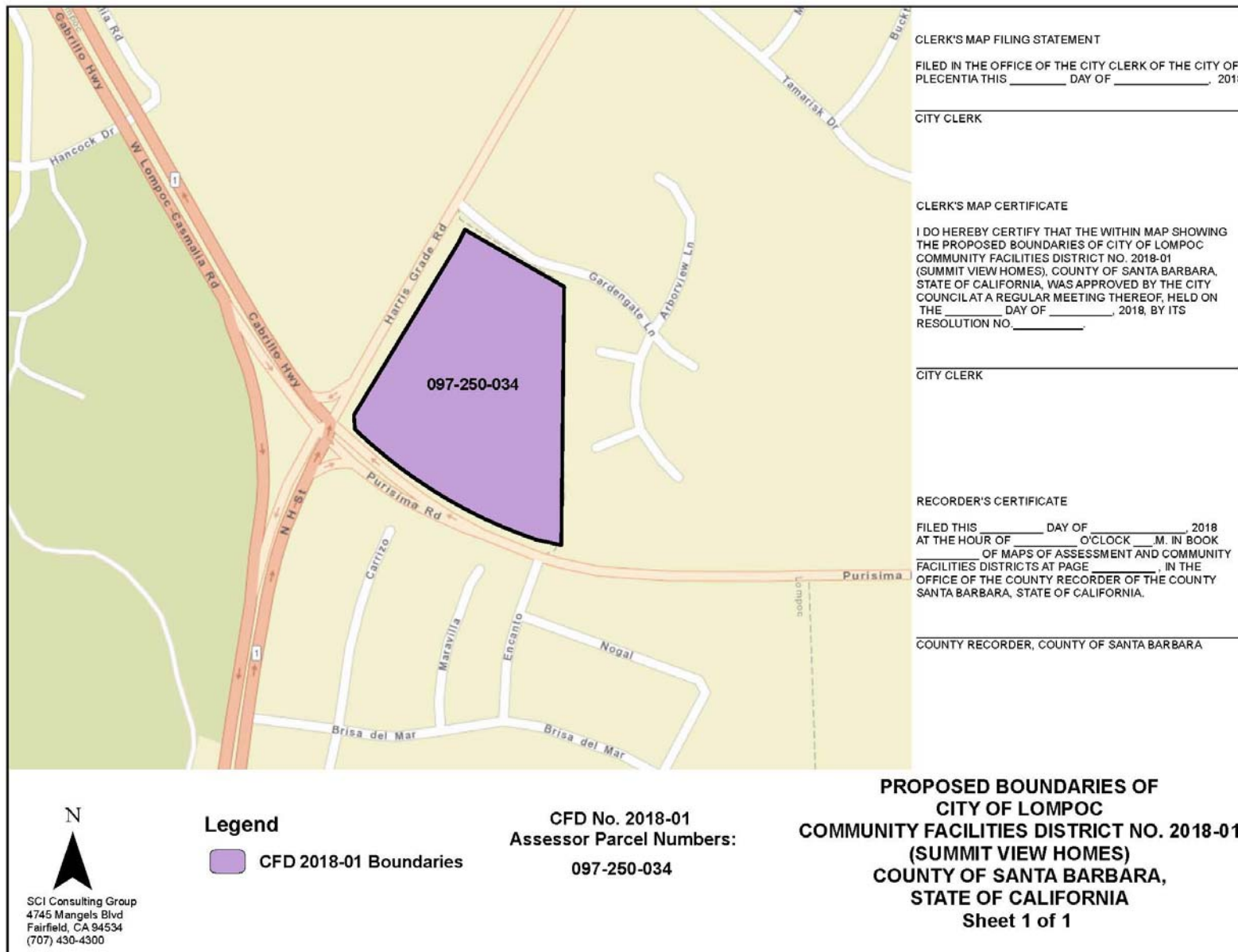
ANNUAL REPORT

In accordance with Government Code § 53343.1, the City Manager, or his or her designee, will file a report with the Council no later 120 days after the last day of each fiscal year. In general, the annual report shall contain (a) the amount of special taxes collected for the year; (b) the amount of special tax proceeds expended for Services and with an identification of the categories of each type of service funded with amounts expended in each category; (c) the amount of special tax proceeds expended on administrative and other incidental costs; (d) and other information required by the Act.

EXHIBIT A – PROPOSED BOUNDARIES OF CFD

CITY OF LOMPOC
Community Facilities District No. 2018-01
(Summit View Homes)

The proposed boundaries of CFD No. 2018-01 include all land on which the Special Tax may be levied. A reduced scale map showing the boundaries of CFD No. 2018-01 is provided herein.



CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF PLECENTIA THIS _____ DAY OF _____, 2018.

CITY CLERK _____

CLERK'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF LOMPOC COMMUNITY FACILITIES DISTRICT NO. 2018-01 (SUMMIT VIEW HOMES), COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2018, BY ITS RESOLUTION NO. _____.

CITY CLERK _____

RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2018 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY SANTA BARBARA, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF SANTA BARBARA

N

 SCI Consulting Group
 4745 Mangels Blvd
 Fairfield, CA 94534
 (707) 430-4300

EXHIBIT B – DESCRIPTION OF LANDOWNER PROPERTIES

CITY OF LOMPOC
Community Facilities District No. 2018-01
(Summit View Homes)

<u>Assessor's Parcel Number</u>	<u>Acres</u>	<u>Property Owner</u>
097-250-034	10.05	MC Summit 44 LLC.
Total Acres	10.05	
Total Landowner Votes	11	

EXHIBIT C – DESCRIPTION OF SERVICES TO BE FUNDED BY THE CFD

CITY OF LOMPOC
Community Facilities District No. 2018-01
(Summit View Homes)

The types of services to be funded by the CFD ("Services") shall include 1) the annual operation, maintenance, and servicing, including repair and replacement of streets, parkways, roads, sidewalks, curbs, gutters, street lighting, signals, street signage, storm drainage; 2) fire protection and suppression services, and ambulance and paramedic services; 3) police protection services, including, but not limited to, criminal justice services; 4) any incidental expenses authorized by the Act including the costs associated with the formation and annual administration of the CFD; and 5) and any other miscellaneous or incidental services identified by the City necessary to provide the described Services herein including the collection and accumulation of funds to pay for anticipated Service, future repairs and replacements and cost shortfalls.

EXHIBIT D – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF LOMPOC Community Facilities District No. 2018-01 (Summit View Homes)

A Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 2018-01 (the “CFD”) of the City of Lompoc (the “City”) shall be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate described herein.

A. DEFINITIONS

“Acre” means each acre of the land area making up an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other recorded County parcel map.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means the actual or estimated costs incurred by the City to determine, levy and collect the Special Taxes, including the proportionate amount of the salaries and benefits of City employees whose duties are directly related to administration of the CFD and the fees of Special Tax levy administrator, other consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the County tax rolls and any other incidental costs authorized by the Act.

“Annual Escalation Factor for Maintenance Costs” means an amount equal to the percentage change in the Construction Cost Index as published by the Engineering News-Record (“ENRCCI”) for the twelve months ending in January, as published in January of the preceding year, or 4 percent, whichever is greater. If the ENRCCI at any time is no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used.

“Annual Escalation Factor for Non-Maintenance Service Costs” means an amount equal to the percentage increase during the preceding year in the Consumer Price Index for All Urban Consumers in the Los Angeles-Riverside-Orange County metropolitan area (“CPI-U”), as published by the U.S. Department of Labor, Bureau of Labor Statistics for the twelve months ending in January, as published in January of the preceding year, or 4 percent, whichever is greater. If the CPI-U at any time is no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for purposes of identification.

“Annual Special Tax” means the annual Special Tax, determined in accordance with Section D below to be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Base Year” means the Fiscal Year ending June 30, 2019.

“Building Permit” means a single permit or set of permits required to construct an entire structure.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining and providing for the levy and collection of the Special Tax.

“CFD” or **“CFD No. 2018-01”** means Community Facilities District No. 2018-01 (Summit View Homes) of the City of Lompoc.

“City” means the City of Lompoc.

“Council” means the City Council of the City of Lompoc, acting as the legislative body of the City and the CFD.

“County” means the County of Santa Barbara, California.

“County Assessor” means the Santa Barbara County Assessor.

“Developed Residential Property” means all Assessor Parcels of Developed Property for which a Building Permit has been issued prior to April 1 of the preceding Fiscal Year for construction of a Residential Unit.

“Fiscal Year” means the period starting July 1 and ending the following June 30.

“Land Use Classification” means any of the classes listed in Section B(1).

“Maximum Special Tax” means the greatest amount of Special Tax, determined in accordance with Sections B and C below that can be levied in the CFD in any Fiscal Year on any Assessor’s Parcel.

“Owner Association Property” means any property within the boundaries of the CFD owned by a homeowner association or property owner association, including any master or sub association.

“Public Property” means any property within the boundaries of the CFD that is either (i) owned by the federal government, the State of California, the City, the County, another public agency, or a private nonprofit organization that owns and is responsible for conservation of open space areas or (ii) encumbered by an easement owned by any such public agency or private organization which easement makes the development of such property impractical. Notwithstanding the foregoing, a leasehold or other possessory interest in any such property which is subject to taxation pursuant to Section 53340.1 of the Act shall not constitute “Public Property.”

“Residential Unit” means each separate residential dwelling unit on an Assessor's Parcel that comprises an independent facility capable of conveyance or rental as distinct from adjacent residential dwelling units. An accessory residential dwelling unit that shares a Parcel with a Single Family Detached Residential Unit shall not be considered as a Residential Unit for the purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Services” means the services authorized to be funded by the CFD as described in the Resolution of Intention for the CFD.

“Special Tax” means a Special Tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for the CFD to 1) provide the Services; 2) pay for reasonable Administrative Expenses; 3) repayment of the cost of the CFD formation; 4) pay any amounts required to establish or replenish any reserve funds, and 5) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“State” means the State of California.

“Taxable Property” means any Assessor's Parcel that is not Tax-Exempt Property.

“Tax-Exempt Property” means any Parcel within the CFD which is not Developed Residential Property or Undeveloped Property, and includes Public Property and Owner Association Property.

“Undeveloped Property” means any Assessor's Parcel which is not Tax-Exempt Property, and for which no Building Permit has been approved and issued by April 1 of the previous Fiscal Year.

B. DETERMINATION OF MAXIMUM SPECIAL TAX

The Maximum Special Tax shall be calculated as follows:

1. **Classification of Parcels.** Each Fiscal Year, using the Definitions above and the Parcel records of the County Assessor’s Secured Tax Roll of July 1, the City shall cause each Parcel of land in the CFD to be classified as Developed Residential Property, Undeveloped Property, Owner Association Property, or Tax-Exempt Property.
2. **Assignment of Maximum Special Tax.** Each Fiscal Year, the Base Year Maximum Tax shown below shall be escalated as specified in Section C, Annual Adjustment of Maximum Special Tax, to determine the Maximum Special Tax for the upcoming Fiscal Year for each Land Use Classification.

Land Use Classification	Base Year Maximum Tax
Developed Residential Property	\$775 per Residential Unit
Undeveloped Property	\$2,620 per Acre
Owner Association Property	\$0
Tax-Exempt Property	\$0

3. **Conversion of a Tax-Exempt Property to a Taxable Property.** If a Tax-Exempt Property is not needed for public use and is converted to private use, it shall become subject to the Special Tax.
4. **Nonresidential Developed Property.** In the event that any property is converted to nonresidential developed property, it shall become subject to the special tax at an amount equal to the special tax for undeveloped property.

C. ANNUAL ADJUSTMENT OF MAXIMUM SPECIAL TAX

Beginning in January 2019 and each January thereafter, the Maximum Special Tax shall be adjusted each fiscal year by the weighted average of the Annual Escalation Factor for Maintenance Costs (50%) and the Annual Escalation Factor for Non-Maintenance Service Costs (50%). Each annual adjustment of the Maximum Special Tax shall become effective for the following Fiscal Year.

D. DETERMINATION OF THE ANNUAL SPECIAL TAX

Commencing with the Base Year, and for each subsequent Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Annual Special Tax on each Assessor's Parcel of Developed Residential Property at up to one hundred percent of the applicable Maximum Special Tax to fund the Special Tax Requirement.

If additional revenues are needed to provide the 1) Maintenance Services; 2) Road Maintenance Costs; 3) pay anticipated Administrative Expenses; and 4) cure any delinquencies in the payment of Special Taxes which have occurred in the prior Fiscal Year or pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to one hundred percent of the Maximum Special Tax for Undeveloped Property.

Under no circumstances will the Annual Special tax levied against any Assessor's Parcel of Developed Property increase by more than ten (10) percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the CFD.

Subject to the preceding, the amount of Annual Special Tax levied upon any Developed Property and Undeveloped Property in any Fiscal Year shall not exceed the Maximum Special Tax for such Fiscal Year as computed herein.

E. DURATION OF THE SPECIAL TAX

Assessor's Parcels in the CFD shall remain subject to the Special Tax in perpetuity. If the Special Tax ceases to be levied, the City or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

F. PREPAYMENT OF SPECIAL TAX

Prepayment of the Special Tax is not authorized.

G. APPEALS AND INTERPRETATION PROCEDURE

Any property owner who feels that the portion of the Special Tax levied on the subject property is in error, may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred, with the City Manager or his or her designee, appealing the levy of the Special Tax on the subject property. City Manager or his or her designee will promptly review the appeal, and, if necessary, meet with the applicant, and decide the merits of the appeal. If the findings of the City Manager or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Special Tax levies; no cash refunds shall be made. Any dispute over the decision of the City Manager or his or her designee shall be referred to the City Manager, and the Council and the decision of the Council shall be final and binding on all parties.

Interpretation may be made by resolution of the Council for purposes of clarifying any vagueness or uncertainty as it relates to the application of the Special Tax rate, or application of the method of apportionment, or classification of properties or any definition applicable to the CFD.

H. COLLECTION OF THE SPECIAL TAX

The Special Tax shall be collected each year in the same manner and at the same time as ad valorem property taxes are collected and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The City shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Special Taxes to be collected are received by the County Auditor for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year. However, the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the City or as otherwise determined appropriate by the CFD Administrator.

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City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Brian Halvorson, Planning Manager
b_halvorson@ci.lompoc.ca.us

SUBJECT: Review and Approval of Payment for City Services Agreement; Introduction of Ordinance No. 1654(18) to Amend the Effective Date of Ordinance No. 1647(18) for the Community Health Centers Project

Recommendation:

Staff recommends the City Council:

- 1) Review and approve the Payment for City Services Agreement (Attachment 1) and authorize the City Manager to sign the agreement; and
- 2) Introduce Ordinance No. 1654(18) (Attachment 2), for first reading by title only with further reading waived, amending the effective date of Ordinance No. 1647(18) (Attachment 3); or
- 3) Provide other direction.

Background:

On August 21, 2018, the City Council held the second reading and adopted Ordinance No. 1647(18) (Attachment 3) approving a Zone change for a 28,000 square-foot health clinic (Project) for Community Health Centers (CHC). At that time, the City Council also approved a Payment In-Lieu of Taxes (PILOT) Agreement (Attachment 4) for the Project. The previously approved PILOT Agreement included the following terms:

- An annual payment in lieu of annual Property Taxes in perpetuity;
- 2% increase each year;
- PILOT Agreement applies to successors (an entity not otherwise subject to paying real property taxes).

To date, CHC has not signed the approved PILOT Agreement. In lieu of signing the approved PILOT Agreement, CHC proposed a payment for services agreement, discussed below.

After reviewing that agreement, staff recommends amending the effective date of Ordinance 1647(18) so the zoning change will take effect when the City of Lompoc (City) and CHC sign that new agreement. The sole purpose of Ordinance No. 1654(18) is to change that effective date.

Discussion:

The new Payment for City Service Agreement (New Agreement) submitted by CHC and reviewed and revised by staff and the City Attorney is attached as Attachment 1.

The New Agreement includes the following terms:

- Annual payments in perpetuity with the initial payment set at \$15,000;
- 2% increase in the annual payment in each subsequent year;
- The New Agreement would apply to all successor entities that own any part of the subject parcels and are not otherwise subject to paying real property taxes.

CHC would like the City Council to consider the New Agreement and, as previously mentioned in past meetings, CHC is committed to its Project and has emphasized numerous benefits of the Project, which include:

- Development plans for Parcel A that will bring new commercial uses along West Ocean Avenue;
- A new medical clinic providing medical care to local residents while reducing the need for residents to travel for care outside of the City;
- 33.5 new full time medical jobs with a “livable wage” and employees who have the ability to rent and purchase market-rate housing; and
- Payment of City fees such as permit fees and development impact fees during the course of planning and construction of the development.

Fiscal Impact:

The New Agreement proposes annual payments to the City in perpetuity. The initial annual payment is \$15,000 with an annual 2% increase each year thereafter in lieu of the City’s share of the payment of real property taxes on the property. The initial payment would be due to the City within 30 days of the execution of the New Agreement if approved by the City Council as recommended. Future payments would be made to the City in a single payment by June 30 each year for the following fiscal year in perpetuity. The payments would be available for discretionary use in the City’s General Fund.

The development of a medical clinic would result in an economic stimulus due to an expected increase in local employment of up to 33.5 new higher paying jobs and associated new spending in the local economy.

Not developing the Project would result in the City not gaining additional local employment from the Project and the associated new spending in the local economy.

CHC has also indicated Phase II (Parcel A) would pay typical real property taxes. In order for the City to receive the same amount of property taxes as is currently generated by the property, the retail component of the property would need to have an assessed value of approximately \$425,000. It is highly likely the Phase II development's assessed value would exceed that.

The City receives \$167.28 for every \$100,000 of assessed value of property in the Tax Rate Area where the Project is proposed. Assuming a structure is built on the West Ocean Avenue frontage, and an assumed construction cost of \$2.5 Million is considered the taxable valuation for the structure, the City's share of the first full year of property tax revenues would be approximately \$4,200. All laws and procedures for determining the property tax lien on the property would be enforced and handled by the County of Santa Barbara as it does for all other taxable property in the City. This approximate share of property taxes would be in addition to the payment by CHC in accordance with the New Agreement.

Conclusion:

The City Council is requested to review and, if determined appropriate, approve the New Agreement proposed by CHC and direct the City Manager to sign it. If that is done, then staff recommends adoption of Ordinance No. 1654(18), which will amend the effective date of Ordinance No. 1647(18) allowing for finalization of the New Agreement before the subject zoning change would become effective.

Respectfully submitted,

Brian Halvorson, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

- Attachments: 1) Payment for City Services Agreement
2) Ordinance No. 1654(18)
3) Ordinance No. 1647(18)
4) Agreement for Payment In Lieu of Taxes

PAYMENT FOR CITY SERVICES AGREEMENT

between

Community Health Centers of Central Coast, Inc.

And

The City of Lompoc

Dated _____, 2018

PAYMENT FOR CITY SERVICES
AGREEMENT

THIS PAYMENT FOR CITY SERVICES AGREEMENT FOR REAL PROPERTY (this "Agreement") is made and entered into as of _____, 2018, by and between COMMUNITY HEALTH CENTERS OF CENTRAL COAST, INC. a California non-profit corporation (Developer), and the CITY OF LOMPOC, a municipal corporation (City). (Developer and the City are collectively referred to in this Agreement as the Parties and are individually referred to as a Party.)

WHEREAS, the Developer is a 501(c)(3) non-profit network of community health centers serving the residents of California's Central Coast and as such is typically eligible to be exempt from paying applicable property taxes;

WHEREAS, the Developer, upon being issued all applicable land use entitlements from the City, proposes to develop the real property located at 1220 and 1300 West Ocean Avenue, Lompoc, CA, (Assessor Parcel Numbers: 091-110-034 and 091-110-035) (Property), as shown on the plan attached as Exhibit A, and plans to build a 28,000 square-foot health care clinic with associated site improvements (Project) on Parcel B on the Property as shown on the site plan attached as Exhibit A.

WHEREAS, it is the intention of the Parties the Developer make annual payments to the City for the term of this Agreement to augment City services that benefit the Property with the Project completed, the costs of which would have partially been covered by real property taxes the Developer would otherwise have paid as a property owner;

WHEREAS, because both the Developer and the City believe it is in their mutual best interests to enter into this Agreement establishing the payments that will be made for the term of this Agreement to assist in compensating the City for services it provides;

WHEREAS, the payments made hereunder over the life of this Agreement are expected to approximate the demand for City services with the Project completed;

WHEREAS, in consideration of the recitations set forth above, the City has been authorized by its City Council to enter into this Agreement with the Developer; and

WHEREAS, the Parties have reached this Agreement after good faith negotiations.

NOW THEREFORE, in exchange for the mutual commitments set forth herein and other good and valuable consideration, the parties agree as follows:

1. Agreement Term. The term of this Agreement shall continue in perpetuity for each Fiscal Year, or portion thereof, the Developer, or each of its successors-in-interest that is an entity not subject to paying real property taxes, continue to own any portion of the Property.

2. Payment For City Services.

(a) During the Agreement Term, the Developer agrees to pay to the City and the City agrees to accept from Developer, annual payments of Fifteen Thousand Dollar (\$15,000), plus the increases described in Subdivision (b) below (Annual Payments). Each Annual Payment shall be made to the City on or before each June 30th during the Agreement Term, except for the first Annual Payment, which shall be made within 30 days after the effective date of this Agreement. (the Due Date). In addition, if the Developer fails to make the payment by the applicable Due Date, then a penalty of ten percent of the amount due, plus interest at the annual rate of seven percent, shall accrue daily on the amount due (excluding any penalties) until the payment (plus penalties and interest) has been paid in full.

(b) Beginning with the second Annual Payment and for each Annual Payment, thereafter, the Annual Payment due shall be increased by 2% over the previous year's Annual Payment.

(c) With the adoption by the City Council of Resolution No. 6515 (18) approving a General Plan Amendment for the Property from Medium Density Residential to General Commercial, and the final reading of Ordinance No. 1647 (18) approving a Zone Change for the Property from Medium Density Residential Planned Development to Planned Commercial Development, the City Council may authorize the City Manager to make any necessary changes and execute a final version of this Agreement.

3. Successors and Assigns; Recording. This Agreement will be binding upon, and shall be assigned to, the successors and assigns of the Developer; provided, that such successor or assign is an eligible counterparty to this Agreement and the obligations created hereunder will run with the Property and the Project. If Developer sells, transfers, leases or assigns the Property or all or substantially all its interest in the Project, then this Agreement will, thereafter, be assigned to and shall be binding on the purchaser, transferee or assignee; provided, that such party is an eligible counterparty to this Agreement. A Notice of this Agreement, substantially similar to Exhibit C (Notice), shall be executed, in duplicate originals, by the Parties concurrently with the execution of this Agreement and the Developer will have it promptly recorded with the County of Santa Barbara Clerk-Recorder's Office. If the Developer fails to so record the Notice, then the City shall do so at the Developer's sole cost, including the costs for the staff-time, plus the City's burden rate.

4. Statement of Good Faith. The Parties agree the payment obligations established by this Agreement were negotiated in good faith in recognition of and with due consideration of the full and fair cash value of the Project, to the extent such value is determinable as of the date of this Agreement. Each Party was represented by counsel in negotiation and preparation of this Agreement and has entered into this Agreement after full and due consideration and with the advice of its counsel and its independent consultants. The Parties further acknowledge this Agreement is fair and mutually beneficial to them because it fixes and maintains mutually acceptable, reasonable and accurate payments in lieu of taxes for the Project that are appropriate and serve their respective interests. The City acknowledges this Agreement is beneficial to it because it will result in mutually

acceptable, steady, predictable, accurate and reasonable payments for City services for the Project.

5. Additional Documentation and Actions. Each Party will, from time to time hereafter, execute and deliver or cause to be executed and delivered, such additional instruments, certificates and documents, and take all such actions, as the other Party reasonably requests for the purpose of implementing or effectuating the provisions of this Agreement and, upon the exercises by a Party of any power, right, privilege or remedy pursuant to this Agreement that requires any consent, approval, registration, qualification or authorization of any third party, each Party will execute and deliver all applications, certifications, instruments and other documents and papers that the exercising Party may be so required to obtain.

6. Invalidity. If, for any reason, it is ever determined by any court of competent jurisdiction that any material provision of this Agreement is unlawful, invalid or unenforceable, then the Parties shall (i) undertake best efforts to amend and or reauthorize this Agreement so as to render all material provisions lawful, valid and enforceable, and (ii) if such efforts are unsuccessful, then undertake reasonable efforts, including without limitation, seeking all necessary approvals, to replicate the benefits and burdens of this Agreement in the form of an amended agreement.

7. Notices. All notices, consents, requests, or other communications provided for or permitted to be given hereunder by a Party must be in writing and will be deemed to have been properly given or served upon the personal delivery thereof, via courier delivery service or otherwise. Such notices shall be addressed or delivered to the Parties at their respective addresses shown below.

To Developer:

Community Health Centers of the Central Coast Attn: Linda Costa, CFO
2050 S. Blosser Rd.,
Santa Maria, CA 93458

To the City:

City Manager
City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436

Delivery of the Annual Payments to

City of Lompoc
Attn: Finance Division
100 Civic Center Plaza
Lompoc, CA 93436

Any such addresses for the giving of notices may be changed by either Party by giving written notice as provided above to the other Party. Notice given by counsel to a Party shall be effective as notice from such Party.

8. Good Faith. The City and the Developer shall act in good faith to carry out and implement this Agreement.

9. Covenants of Developer. During the term of this Agreement, the Developer will not voluntarily do any of the following:

- a. Seek to invalidate this Agreement except as expressly provided herein;
- b. Fail to pay the City all amounts due hereunder when due in accordance with the terms of this Agreement.

10. Covenants of the City of Lompoc. During the term of this Agreement, the City will not do any of the following:

- a. Seek to invalidate this Agreement; or
- b. Impose any lien or other encumbrance upon the Property or the improvements thereon, unless authorized by law.

11. Representations of City. The City represents and warrant to the Developer (i) it has secured all approvals necessary to duly authorize the execution, delivery and performance of this Agreement and its obligations hereunder, and (ii) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which the City is a party or by which the City is bound, and (iii) this Agreement is a legal, valid and binding obligation of the City and is enforceable in accordance with its terms.

12. Representations of Developer. The Developer represents and warrants to the City (i) it is duly organized and is authorized to conduct business in the State of California, and (ii) it is authorized and has the power under the laws of the State of California to enter into this Agreement and the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and (iii) the performance of its obligations hereunder will not violate, results in a breach of or constitute a default under any agreement or instrument to which Developer is a party or by which Developer is bound, and this Agreement is a legal, valid and binding

obligation of Developer enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

SIGNATURES MUST BE NOTARIZED

COMMUNITY HEALTH CENTERS OF
THE CENTRAL COAST, INC.:

By: _____

Its _____

By: _____

Its _____

CITY OF LOMPOC:

By: _____
Jim Throop, City Manager

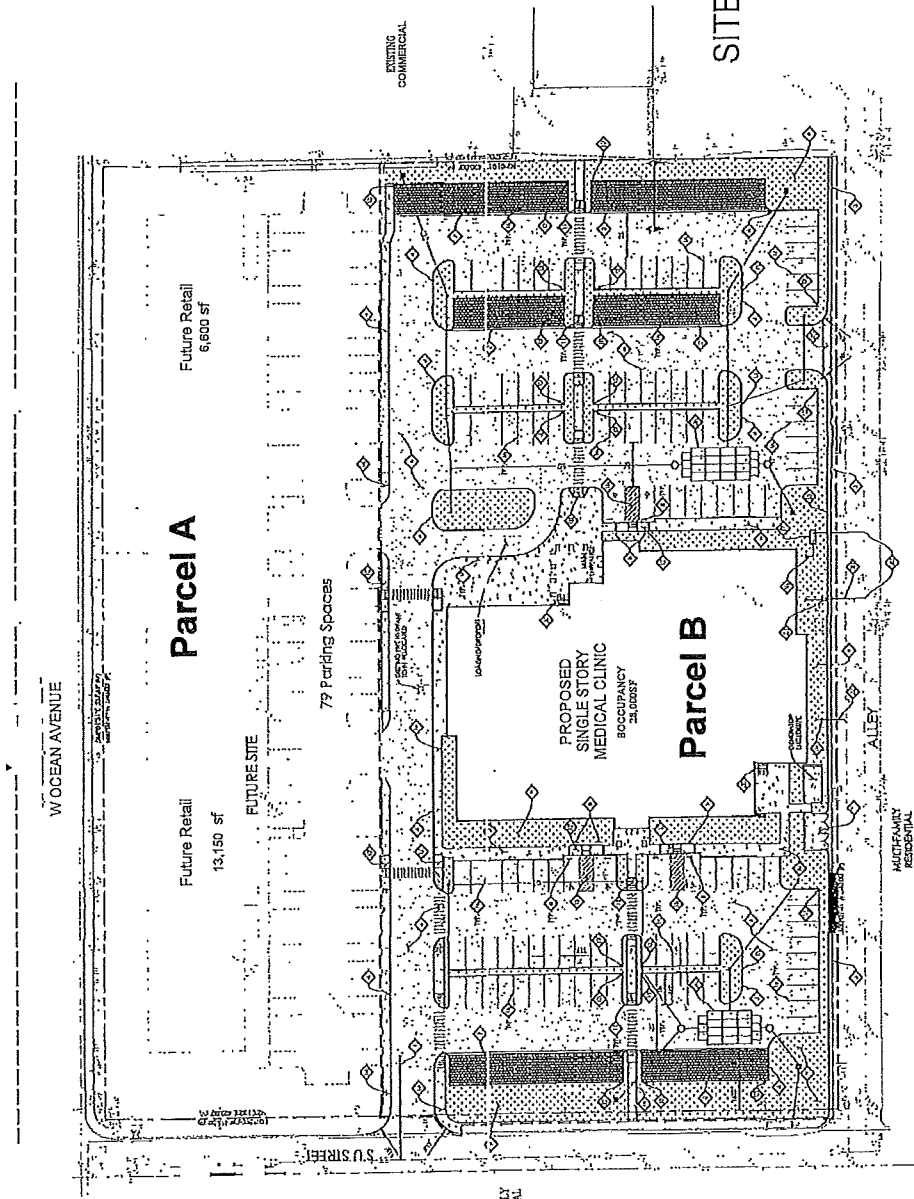
ATTEST:

Stacey Haddon, City Clerk

APPROVED AS TO FORM:

Joseph W. Pannone, City Attorney

Payment for City Services Agreement – Lompoc CHC
EXHIBIT A – Site Plan



Project Name	Community Health Center
Project Address	1300 W. Ocean Ave., Lompoc, CA 93450
Client	Community Health Centers
Scale	1" = 20'-0"
Sheet No.	11-035
Revision	1

10' SCALE
 LEGEND
 COMMERCIAL
 MULTIFAMILY RESIDENTIAL
 FUTURE SITE

- IMPROVEMENT NOTES**
- 0 FUTURE RETAIL 13,150 SF
 - 0 FUTURE RETAIL 6,600 SF
 - 0 FUTURE SITE
 - 0 PROPOSED SINGLE STORY MEDICAL CLINIC 24,000 SF
 - 0 79 PARKING SPACES

PROPOSED SINGLE STORY MEDICAL CLINIC 24,000 SF

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA BUILDING CODE AND ALL APPLICABLE LOCAL ORDINANCES.

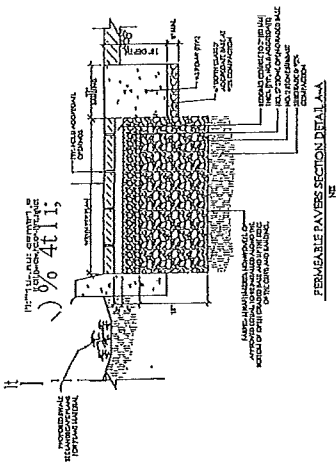
2. ALL UTILITIES SHALL BE DEEPER THAN THE EXISTING UTILITIES.

3. ALL UTILITIES SHALL BE DEEPER THAN THE EXISTING UTILITIES.

4. ALL UTILITIES SHALL BE DEEPER THAN THE EXISTING UTILITIES.

5. ALL UTILITIES SHALL BE DEEPER THAN THE EXISTING UTILITIES.

SITE IMPROVEMENT AND UTILITY PLAN



NEEVAN architecton®

imm design group

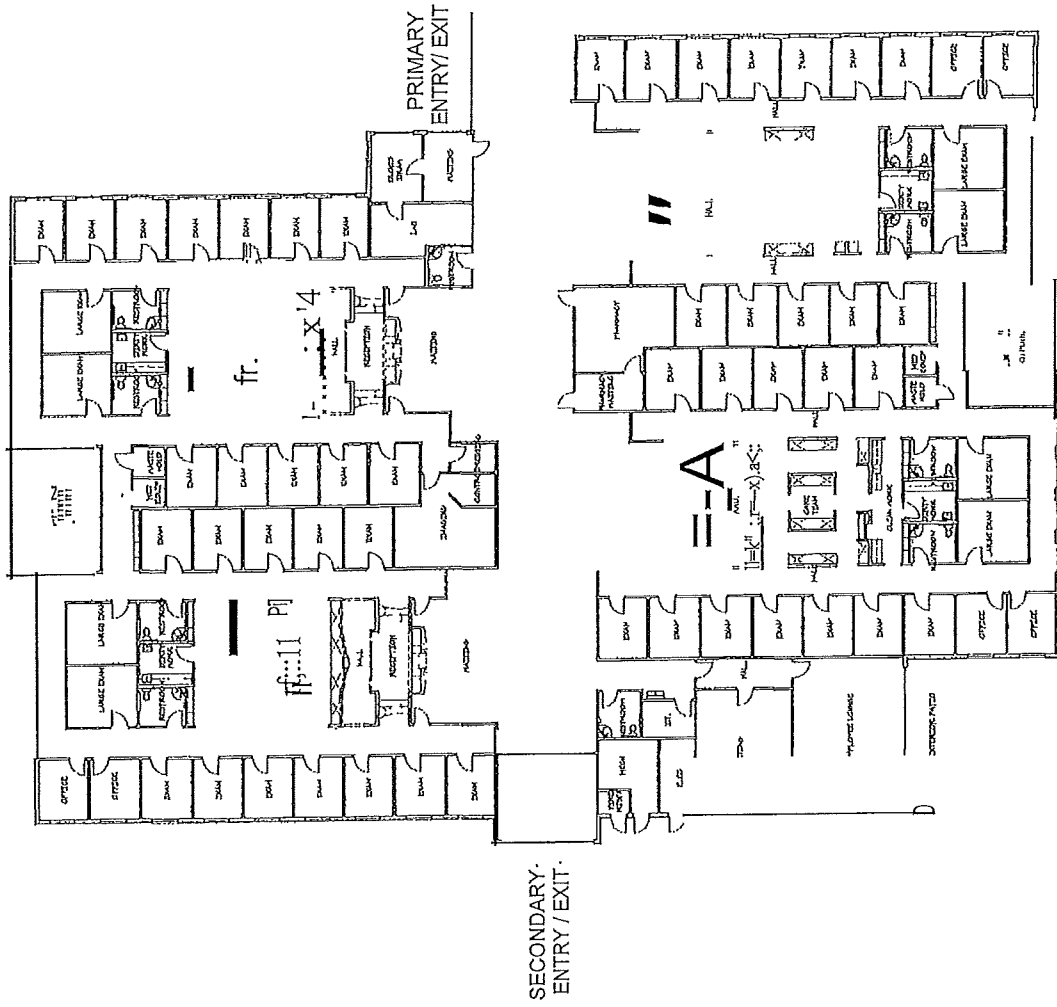
CG1

DATE: AUGUST 16, 2017
 0784-01-001

CHC Community Health Centers

COMMUNITY HEALTH CENTER
 1300 & 1200 W. OCEAN AVE., LOMPOC
 PARCEL #S: 091-110-034, 091-110-035

Payment for City Services Agreement – Lompoc CHC
EXHIBIT B – Floor Plan



FIRST FLOOR PLAN
 28,000 sq.ft.

COMMUNITY HEALTH CENTER
 1300 & 1200 W. OCEAN AVE., LOMPOC
 PARCEL #S: 091-110-034, 091-110-035



SCHEMATIC FLOOR PLANS
 SCALE: 3/16" = 1'-0" (24X36SHEET)

tbl
 C.H.C.
 b.j.

e
 DATE: AUGUST 16, 2007
 0784-01-C

Payment for City Services Agreement – Lompoc CHC
EXHIBIT C

<p>This document is recorded for the benefit of the City of Lompoc and is exempt from recording fees, pursuant to Government Code Sections 6103 and 27383</p> <p>RECORDING REQUESTED BY: City of Lompoc</p> <p>WHEN RECORDED MAIL TO: City of Lompoc City Clerk 100 Civic Center Plaza Lompoc, CA 93436</p>	<p>Space above reserved for use of County Recorder</p>
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NOTICE OF AGREEMENT

THIS NOTICE OF AGREEMENT, dated as of _____, 2018, is entered into by and between the CITY OF LOMPOC, a municipal corporation (City) and COMMUNITY HEALTH CENTERS OF CENTRAL COAST, INC. a California non-profit corporation (Developer).

1. The City and Developer entered into that certain Payment for City Services Agreement dated as of _____, 2018, (the "Agreement"), pursuant to which the Developer agreed to make annual payments to the City for City Services delivered by that certain real property described in Exhibit A and shown in Exhibit B (Property).

2. The City and Developer desire to execute this instrument to provide constructive notice of the existence of the Agreement and the City's and Developer's rights under the Agreement to all third parties.

3. The Agreement is incorporated into this instrument by reference.

4. This instrument may be executed in counterparts, each of which shall constitute an original and both of which shall constitute a single instrument.

Payment for City Services Agreement -- Lompoc CHC
EXHIBIT C

Executed at Lompoc, California, as of the date first written above.

SIGNATURES MUST BE NOTARIZED

COMMUNITY HEALTH CENTERS OF
THE CENTRAL COAST, INC.:

By: _____

Its _____

By: _____

Its _____

CITY OF LOMPOC:

By: _____

Jim Throop, City Manager

ATTEST:

Stacey Haddon, City Clerk

APPROVED AS TO FORM:

Joseph W. Pannone, City Attorney

Payment for City Services Agreement – Lompoc CHC
EXHIBIT C

EXHIBIT "A"
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF
SANTA BARBARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Payment for City Services Agreement – Lompoc CHC
EXHIBIT C

EXHIBIT "B"

-Attach Map Here-

ORDINANCE NO. 1654(18)

**An Ordinance of the City of Lompoc
County of Santa Barbara, State of California,
Amending the Effective Date of Ordinance No. 1647(18)**

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 4 of Ordinance No. 1647(18) is hereby amended to read as follows:

SECTION 4. This ordinance shall take effect 30 days after that certain Payment of City Services Agreement (Attachment 1 to the October 16, 2018, staff report relating to the adoption of this Ordinance) has been signed by all parties. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this ordinance and shall cause this ordinance to be posted in the manner required by law.

SECTION 2. This ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this ordinance and shall cause this ordinance to be posted in the manner required by law.

The foregoing Ordinance was introduced on October 16, 2018, and duly adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on November 20, 2018, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc

CERTIFIED COPY

ORDINANCE NO. 1647(18)

An Ordinance of the City of Lompoc
County of Santa Barbara, State of California,
Amending the Zoning Map Designation
(Planning Division File No. ZC 17-02)

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY
ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines:

- A. The Planning Commission did, by Planning Commission Resolution No. 876 (18), following a public hearing in the time and manner prescribed by law, recommend rezoning of property described hereinafter.
- B. The City Council has held a public hearing in the time and manner prescribed by law and has duly heard and considered the Planning Commission's recommendation.
- C. The City Council finds the Zone Change is consistent with the land use designation of the General Plan Land Use Map of the City of Lompoc, with the adoption of the General Plan Amendment; the proposed Zone Change is required for the public necessity, convenience and general welfare and the subject area is afforded the services and facilities appropriate for the zone proposed.
- D. Pursuant to the California Environmental Quality Act (CEQA), environmental impacts were evaluated in a Mitigated Negative Declaration (MND) circulated for comments from January 12, 2018, through February 12, 2018 (SCH 2018011018) and reviewed by the Planning Commission on February 14, 2018. The Planning Commission independently reviewed and analyzed the MND and found that, given the mitigation measures, there is no substantial evidence the project will have a significant effect on the environment. The Planning Commission adopted and certified the MND and Mitigation Monitoring Program (MMRP) on February 14, 2018, included as Exhibit B to Planning Commission Resolution No. 877 (18).

SECTION 2. The subject area is the property generally illustrated on Exhibit A, attached hereto and incorporated herein by this reference, and more particularly described as Assessor Parcel Numbers 091-110-034 and 091-110-035.

SECTION 3. The subject property is hereby zoned in the manner stated below and the Zoning Map is amended accordingly:

From *Medium Density Residential Planned Development (R2PD)* to *Planned Commercial Development (PCD)*.

SECTION 4. This ordinance shall take effect 30 days after that certain PILOT Agreement (Attachment 2 to the August 21, 2018, Staff report relating to the adoption of this Ordinance) has been signed by all parties. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this ordinance and shall cause this ordinance to be posted in the manner required by law.

The foregoing Ordinance was introduced on June 5, 2018, and duly adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on August 21, 2018, by the following vote:

AYES: Council Member(s): Victor Vega, James Mosby, and Dirk Starbuck.

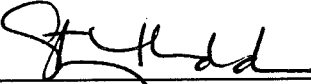
NOES: Council Member(s): Jenelle Osborne and Mayor Lingl.

ABSENT: Council Member(s): None




Bob Lingl, Mayor
City of Lompoc

ATTEST:



Stacey Haddon, City Clerk
City of Lompoc

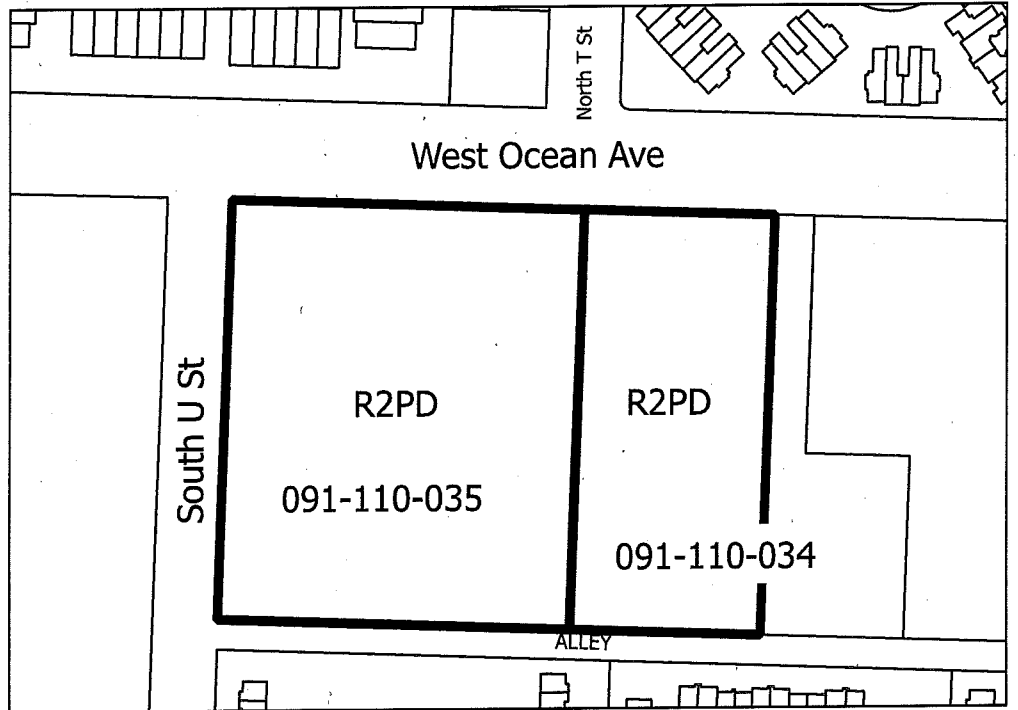
Attachment: Exhibit A – Zone Change Map ZC 17-02

I HEREBY CERTIFY THAT THE
foregoing instrument is a true and
correct copy of the original on file in
the Lompoc City Clerk's Department.
ATTEST: 

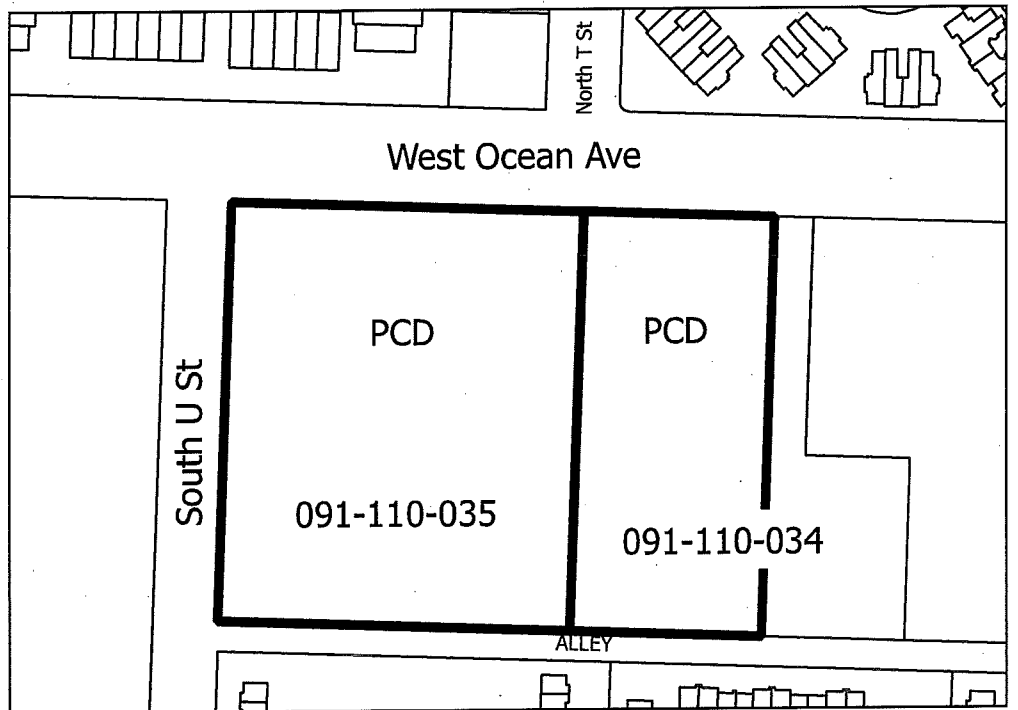
ZONE CHANGE

Exhibit A

EXISTING



PROPOSED



ZC 17-02

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

between

Community Health Centers of Central Coast, Inc.

And

The City of Lompoc

Dated _____, 2018

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES FOR REAL PROPERTY (this "Agreement") is made and entered into as of _____, 2018, by and between COMMUNITY HEALTH CENTERS OF CENTRAL COAST, INC, a California non-profit corporation (Developer), and the CITY OF LOMPOC, a municipal corporation (City). (Developer and the City are collectively referred to in this Agreement as the Parties and are individually referred to as a Party.)

WHEREAS, the Developer is a 501(c)(3) non-profit network of community health centers serving the residents of California's Central Coast and as such is typically eligible to be exempt from paying applicable property taxes;

WHEREAS, the Developer, upon being issued all applicable land use entitlements from the City, will obtain ownership of the real property located at 1220 and 1300 West Ocean Avenue, Lompoc, CA, (Assessor Parcel Numbers: 091-110-034 and 091-110-035) (Property), as shown on the plan attached as Exhibit A, (and plans to build a 28,000 square-foot health care clinic with associated site improvements (Project) as shown on the plan attached as Exhibit B on the Property.

WHEREAS, it is the intention of the Parties the Developer make annual payments to the City for the term of this Agreement in lieu of payment of real property taxes on the Property with the Project completed that would have otherwise been received by the City and placed into the City's General Fund, but for the Developer's exemption from payment of real property taxes (Exemption);

WHEREAS, because both the Developer and the City believe it is in their mutual best interests to enter into this Agreement establishing and stabilizing the payments that will be made in lieu of the Exemption for the term of this Agreement to compensate the City for General Fund revenue losses resulting from the Exemption;

WHEREAS, the payments made hereunder in lieu of the Exemption over the life of this Agreement are expected at inception to approximate the real property tax payments payable to the City that would otherwise be required based upon the full and fair cash valuation of the Property with the Project completed.

WHEREAS, in consideration of the recitations set forth above, the City has been authorized by its City Council to enter into this Agreement with the Developer; and

WHEREAS, the Parties have reached this Agreement after good faith negotiations.

NOW THEREFORE, in exchange for the mutual commitments set forth herein and other good and valuable consideration, the parties agree as follows:

1. PILOT Term. The term of this Agreement continue for each fiscal year, or portion thereof, the Developer, or any of its successors-in-interest take benefit from the Exemption or a similar exemption..

2. Payment in Lieu of Property Taxes.

(a) During the PILOT Term, the Developer agrees to pay to the City and the City agrees to accept from Developer, annual payments in lieu of real property taxes that would otherwise be payable to the City from real property taxes that would have been attributable to the Property with the completed Project but for the Exemption (the Payments in Lieu of Taxes). Annual Payments in Lieu of Taxes shall be made in advance of the beginning of the City's fiscal year (July 1 to June 30) for which the payment applies. Each Payment in Lieu of Taxes to be paid by the Developer to the City hereunder will be payable to the City on June 1 of each respective year for the following fiscal year during the Term of this Agreement. The Developer shall pay the City the Payments in Lieu of Taxes by June 30 (the Due Date). In addition, if the Developer fails to make the payment by the applicable Due Date, then a penalty of ten percent of the amount due plus interest at the annual rate of seven percent shall accrue daily on the amount due (excluding any penalties) until the payment (plus penalties and interest) has been paid in full.

(b) In the event this Agreement becomes effective prior to the completion of the Project and the determination of the value of the real property with the Project, the initial Payment in Lieu of Taxes shall be payable within 30 days after the acceptance of the value of the Property without the Project by the City and the Due Date of the Payment in Lieu of Taxes shall be 30 days following that determination and notice of same from the City to the Developer.

(c) In the initial year of this Agreement, the Payment in Lieu of Taxes amount shall be pro-rated based on the remaining term of the first year of this Agreement compared with the beginning of the following City fiscal year. Unless this Agreement becomes effective after June 1, the initial pro-rated Payment in Lieu of Tax payment will be due within 30 days after this Agreement's effective date and the Payment in Lieu of Taxes for the first full fiscal year of this Agreement would be payable on June 1 of that fiscal year and the Due Date would be June 30 of that fiscal year. If the Agreement becomes effective after June 1, but prior to June 30 of the same fiscal year, then the Payment in Lieu of Taxes amount would then be payable upon execution of this Agreement and the Due Date would be 30 days following the execution of this Agreement. In the event the Agreement becomes effective after June 1, in addition to the pro-rata Payment in Lieu of Taxes for the initial partial year, the first full fiscal year's Payment in Lieu of Taxes would also be payable at the execution of this Agreement and the Due Date would be 30 days following the execution of this Agreement.

(d) The City does not have services available to duplicate all aspects of the taxation process performed by the County of Santa Barbara initially or during the term of this Agreement. While the intention is to have the Payment in Lieu of Taxes agree with the amount of tax that would otherwise be payable to the City, the following are agreed to be the basis in determining the Payment in Lieu of Taxes amount so the amount approximates, during the entire term of this Agreement, the amount of real property taxes that would otherwise be payable to the City:

- i. The value of the Property (including the Project when completed) used in determining the Payment in Lieu of Taxes shall be based on the assessment by a certified appraiser acceptable to the City rather than by the County

Assessor's Office. The determination will be the basis of the Payment in Lieu of Taxes during the Term of this Agreement, unless otherwise provided for in this Agreement.

- ii. The Property is in the County Property Tax Rate Area (TRA) 1034. The City's allocation of real property taxes in TRA 1034 is 16.728% of Proposition 13's 1% real property tax rate or 0.0016728 of the assessed value of the Property. The Payment in Lieu of Taxes shall be based on the 16.728% allocation the City would otherwise be afforded were the Property assessed real property taxes.
- iii. The 16.728% (0.0016728 of the Property value) allocation shall be based initially on the Property's full value as determined at the time the Project is completed.
- iv. Proposition 13 provides for an annual escalation, up to 2% annually, of the assessed value of the Property used in calculating the following year's real property tax amount. In lieu of using the provisions afforded in Proposition 13, this Agreement shall apply the 2% annually in determining the following year's Payment in Lieu of Taxes.
- v. In the event of a general reduction in property values in the community or in the event of future improvements made to the Property, the City and Developer may agree, in writing, to reassess the value of the Property in determining the following year's Payment in Lieu of Taxes amount. Any reassessment shall be in the same manner as the initial assessment made at the completion of the Project.
- vi. In the event the TRA for the Property changes or the City's allocation of real property taxes collected in TRA 1034 changes, or other aspects related to the determination of the real property tax the Developer would have otherwise paid for the Property change, the Parties agree to discuss the changes. Any changes considered, due to changes in the real property tax assessment process would be effected as an amendment to this Agreement.

(e) With the approval by the City Council of Resolution No. 6515 (18) approving a General Plan Amendment for the Property from Medium Density Residential to General Commercial, and the final reading of Ordinance No. 1647 (18) approving a Zone Change for the Property from Medium Density Residential Planned Development to Planned Commercial Development, the City Council may authorize the City Manager to make any necessary changes and execute a final version of this Agreement.

3. Tax Status; Separate Tax Account. The City agrees, during the term of this Agreement, this Agreement will exclusively govern the payments of all real personal property taxes the Developer would have been obligated to make but for the Exemption; provided, however, that this Agreement is not intended to affect, and will not preclude, other assessments of general applicability by the City for services provided by the City to the Project, including, but not limited to, water, electric, solid waste and wastewater services. The City agrees the City will not assess any real property taxes to the Developer regarding the Project or the Property other than the Payments In lieu of Taxes described in this Agreement. If the Developer at any time is required to pay real property taxes, then the Payment In Lieu of Taxes shall be reduced by the amount of those real property taxes received by the City.

4. Successors and Assigns; Recording. This Agreement will be binding upon, and

shall be assigned to, the successors and assigns of the Developer; provided, that such successor or assign is an eligible counterparty to this Agreement and the obligations created hereunder will run with the Property and the Project. If Developer sells, transfers, leases or assigns the Property or all or substantially all its interest in the Project, then this Agreement will, thereafter, be assigned to and shall be binding on the purchaser, transferee or assignee; provided, that such party is an eligible counterparty to this Agreement. A Notice of this Agreement will be recorded with the County of Santa Barbara Clerk-Recorder's Office forthwith upon execution.

5. Statement of Good Faith. The Parties agree the payment obligations established by this Agreement were negotiated in good faith in recognition of and with due consideration of the full and fair cash value of the Project, to the extent such value is determinable as of the date of this Agreement. Each Party was represented by counsel in negotiation and preparation of this Agreement and has entered into this Agreement after full and due consideration and with the advice of its counsel and its independent consultants. The Parties further acknowledge this Agreement is fair and mutually beneficial to them because it fixes and maintains mutually acceptable, reasonable and accurate payments in lieu of taxes for the Project that are appropriate and serve their respective interests. The City acknowledges this Agreement is beneficial to it because it will result in mutually acceptable, steady, predictable, accurate and reasonable payments in lieu of taxes for the Project.

6. Additional Documentation and Actions. Each Party will, from time to time hereafter, execute and deliver or cause to be executed and delivered, such additional instruments, certificates and documents, and take all such actions, as the other Party reasonably requests for the purpose of implementing or effectuating the provisions of this Agreement and, upon the exercise by a Party of any power, right, privilege or remedy pursuant to this Agreement that requires any consent, approval, registration, qualification or authorization of any third party, each Party will execute and deliver all applications, certifications, instruments and other documents and papers that the exercising Party may be so required to obtain.

7. Invalidity. If, for any reason, it is ever determined by the California Tax Board or by any other court of competent jurisdiction that any material provision of this Agreement is unlawful, invalid or unenforceable, then the Parties shall (i) undertake best efforts to amend and or reauthorize this Agreement so as to render all material provisions lawful, valid and enforceable, and (ii) if such efforts are unsuccessful, undertake reasonable efforts, including without limitation, seeking all necessary approvals, to replicate the benefits and burdens of this Agreement in the form of an amended agreement.

8. Notices. All notices, consents, requests, or other communications provided for or permitted to be given hereunder by a Party must be in writing and will be deemed to have been properly given or served upon the personal delivery thereof, via courier delivery service or otherwise. Such notices shall be addressed or delivered to the Parties at their respective addresses shown below.

To Developer:
Community Health Centers of the Central Coast
Attn: Linda Costa, CFO
2050 S. Blosser Rd.,
Santa Maria, CA 93458

To the City:

City Manager
City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436

With a copy to: City Counsel

Delivery of the Payment In Lieu of Taxes to the City:

City of Lompoc
Attn: Finance Division
100 Civic Center Plaza
Lompoc, CA 93436

Any such addresses for the giving of notices may be changed by either Party by giving written notice as provided above to the other Party. Notice given by counsel to a Party shall be effective as notice from such Party.

9. Good Faith. The City and the Developer shall act in good faith to carry out and implement this Agreement.

10. Covenants of Developer. During the term of this Agreement, the Developer will not voluntarily do any of the following:

- a. Seek to invalidate this Agreement except as expressly provided herein;
- b. Fail to pay the City all amounts due hereunder when due in accordance with the terms of this Agreement.

11. Covenants of the City of Lompoc. During the term of this Agreement, the City will not do any of the following:

- a. Seek to invalidate this Agreement;
- b. Seek to collect from the Developer any property tax upon the Property or the improvements thereon in addition to the amounts established herein;
- c. Impose any lien or other encumbrance upon the Property or the improvements thereon except as is expressly authorized by law; or
- d. Take any affirmative action in support of the bifurcation of the taxation of real and personal property.

12. Representations of City. The City represents and warrants to the Developer (i) it has secured all approvals necessary to duly authorize the execution, delivery and performance of this Agreement and its obligations hereunder, and (ii) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which the City is a party or by which the City is bound, and (iii) this Agreement

is a legal, valid and binding obligation of the City and is enforceable in accordance with its terms.

13. Representations of Developer. The Developer represents and warrants to the City (i) it is duly organized and is authorized to conduct business in the State of California, and (ii) it is authorized and has the power under the laws of the State of California to enter into this Agreement and the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and (iii) the performance of its obligations hereunder will not violate, results in a breach of or constitute a default under any agreement or instrument to which Developer is a party or by which Developer is bound, and this Agreement is a legal, valid and binding obligation of Developer enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

ALL SIGNATURES MUST BE NOTARIZED

DEVELOPER:

Date

By: _____
Its _____

Date

By: _____
Its _____

CITY OF LOMPOC,
a municipal corporation

Date

By: _____
Bob Lingl, Mayor

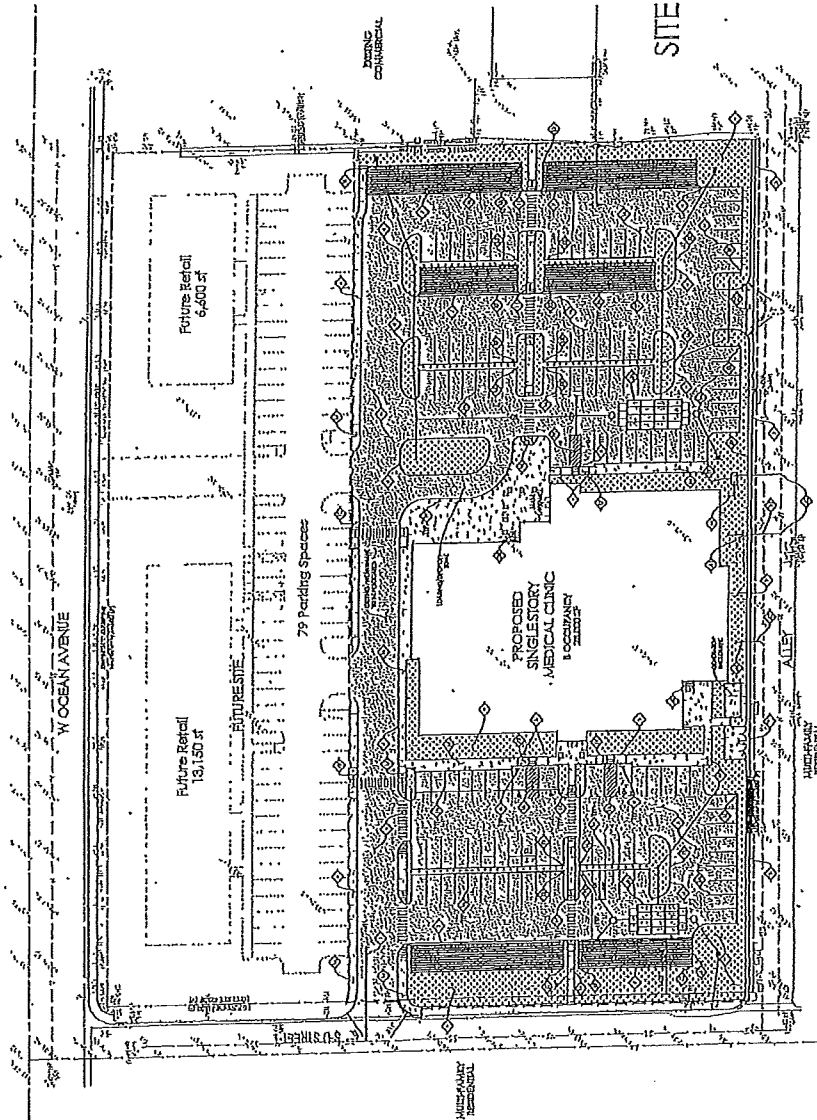
ATTEST:

APPROVED AS TO FORM:

Stacey Haddon, City Clerk

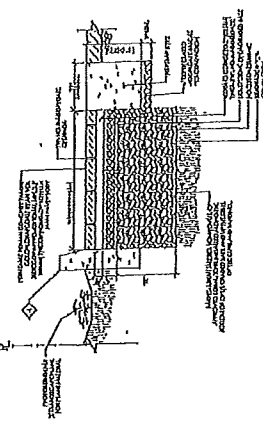
Joseph W. Pannone, City Attorney

Exhibit A



- IMPROVEMENT NOTE**
- 1. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 2. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 3. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 4. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 5. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 6. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 7. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 8. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 9. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 10. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 11. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 12. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 13. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 14. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 15. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 16. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 17. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 18. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 19. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
 - 20. ALL IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY OF LOS ANGELES SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.

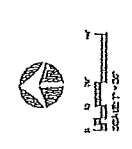
SITE IMPROVEMENT AND UTILITY PLAN



NO.	DESCRIPTION	DATE	BY	CHKD.
1	ISSUED FOR PERMITS	08/16/17	MM	MM
2	REVISED PER PERMITS	08/16/17	MM	MM
3	REVISED PER PERMITS	08/16/17	MM	MM
4	REVISED PER PERMITS	08/16/17	MM	MM
5	REVISED PER PERMITS	08/16/17	MM	MM
6	REVISED PER PERMITS	08/16/17	MM	MM
7	REVISED PER PERMITS	08/16/17	MM	MM
8	REVISED PER PERMITS	08/16/17	MM	MM
9	REVISED PER PERMITS	08/16/17	MM	MM
10	REVISED PER PERMITS	08/16/17	MM	MM

LEGEND

- 1. ASPHALT PAVEMENT
- 2. CONCRETE PAVEMENT
- 3. GRAVEL PAVEMENT
- 4. SAND PAVEMENT
- 5. SUBGRADE



MM DESIGN GROUP

MEYER ARCHITECTURE

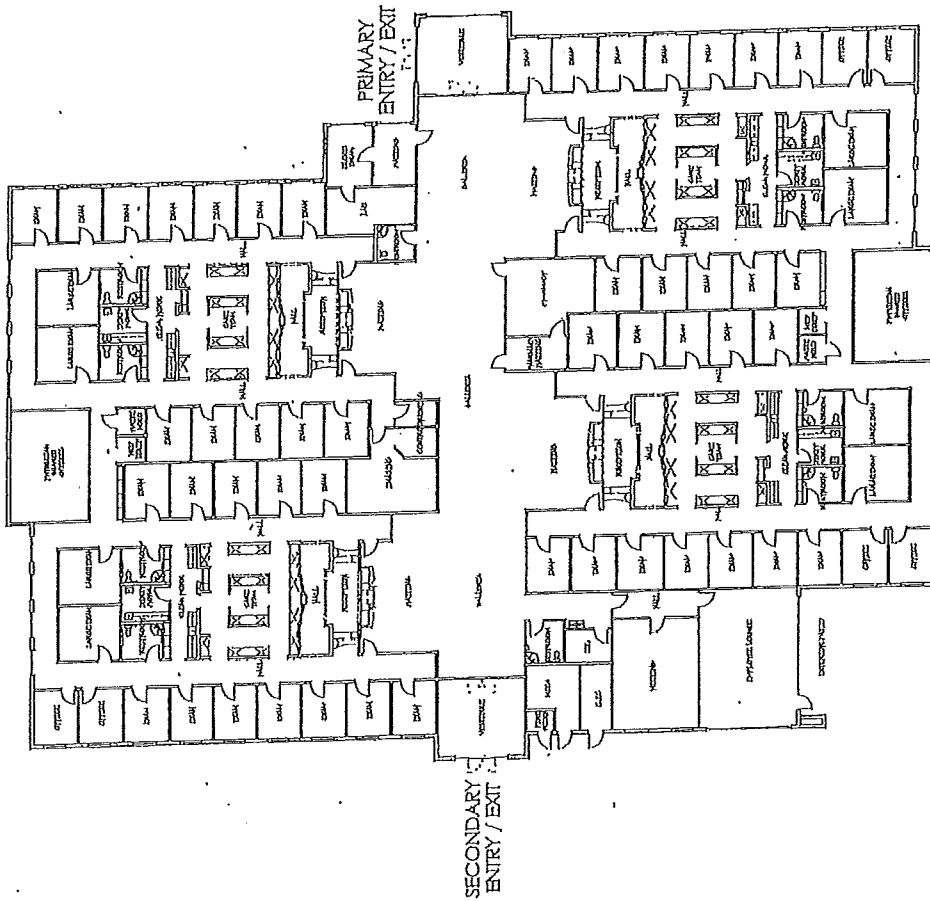
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DATE: AUGUST 16, 2017
075401-00017

COMMUNITY HEALTH CENTER
1300 & 1200 W. OCEAN AVE., LOMPOC
PARCE #15-097-110-094, 097-110-095

CHC
Community Health Centers

Exhibit B



SCHMATIC FLOOR PLANS
 SCALE: 3/16" = 1'-0" (AS SHOWN)

FIRST FLOOR PLAN
 28,000 sqft.

COMMUNITY HEALTH CENTER
 1300 & 1200 W. OCEAN AVE., LOMPOC
 PARCEL #S: 097-110-084, 097-110-085

CHC
 Community Health Centers

NEEVAN
 ARCHITECTURE



A.4
 DATE: AUGUST 16, 2009
 07840-PC



City Council Agenda Item

City Council Meeting Date: October 16, 2018

TO: Jim Throop, City Manager

FROM: Brian Halvorson, Planning Manager
b_halvorson@ci.lompoc.ca.us

SUBJECT: Introduction of Ordinance No. 1655(18) Defining Household Pets

Recommendation:

Staff recommends the City Council:

- 1) Hold a public hearing;
- 2) Introduce Ordinance No. 1655(18) (Attachment 1) for first reading by title only with further reading waived, amending Lompoc Municipal Code (LMC) section 17.008.020 defining household pets; and
- 3) Provide direction to staff on the circulation of an initial study/negative declaration;
or
- 4) Provide other direction.

Background:

On August 12, 2015, the Planning Commission held a duly noticed public hearing and considered a recommendation to the City Council to amend the LMC to revise the definition of "household pets" and include a new section for animal raising and keeping to allow the non-commercial keeping of small animals (such as chickens, birds, ducks and rabbits, but not turkeys or peacocks) that are not currently considered household pets and therefore not permitted within the City of Lompoc (City) limits. The revised definition that was considered in 2015 would allow small animals in the Rural Agricultural (RA) and Single Family Residential zones with specific criteria. If there is a legally established single-family residence, then the proposed amendment would also allow the keeping of small animals in other zones as well.

On September 15, 2015, the Planning Commission made that recommendation to the City Council, but on a 2-3 vote, the amendment failed.

At its July 18, 2018, meeting, a motion was made by the City Council to bring back a discussion related to chickens and a draft ordinance for City Council consideration.

Staff is currently working on a comprehensive update to the Zoning Code (LMC Title 17) and has conducted three public hearings thus far. If changes are made to Title 17 related to chickens, then those changes should also be incorporated into the comprehensive update before final adoption of the new Zoning Code.

Discussion:

Since the City Council has specifically requested a discussion on chickens, the emphasis of this report is on chickens (although the proposed ordinance would allow birds, ducks and rabbits as well). Most of the issues surrounding past discussions allowing chickens in the City limits have focused on cleanliness, the number of animals, location of enclosures/coops and potential negative impacts on adjacent properties.

In the City of Lompoc, chickens are currently prohibited under the definitions section of the Zoning Ordinance as noted below:

***Household Pets** shall mean animals, birds, or fowl ordinarily permitted in a dwelling and kept only for the company or pleasure provided to the occupants. Household pets include birds kept in an enclosed aviary which shall be no closer than 30 feet from any residence other than that of the owner of the aviary. Pigeons banded with the American Racing Pigeon Union official band shall be the only birds allowed to be loose. The number of birds in an aviary shall not exceed 50 for each full 6,000 square feet of premises of the owner. Such an aviary shall not be allowed use in the R-2 and R-3 Districts except in conjunction with a single-family dwelling. **Household pets shall not include** horses, cows, goats, sheep, or other equine, bovine, ovine, or ruminant animals, pigs, predatory wild animals, **chickens**, ducks, geese, turkeys, game birds, and **fowl which normally constitute an agricultural use** (except pigeons, which shall be deemed household pets). The keeping of household pets or other animals is lawful only in those districts where the use is listed as a permitted use or when any household pets are kept as an accessory use to a lawfully maintained resident in another district. The keeping of any animal not herein described as a household pet shall not be deemed an accessory residential use. The keeping of any animal not expressly allowed by this Code is a Group B nonconforming use. Notwithstanding any provision herein to the contrary, miniature Asian pot-bellied pigs shall be deemed to be household pets and allowed in residential district, provided that no more than two shall be kept and they shall not be used for commercial breeding purposes. [Emphasis added.]*

As shown above, the definition of *Household Pets* would need to be amended to allow chickens in Residential zoning districts. The current definition is cumbersome and difficult to read and a new definition for “Animal Raising and Keeping” as well as a revised definition for *Household Pets* are recommended as follows:

Animal Raising and Keeping shall mean the non-commercial tending of small animals that are not household pets (such as chickens, birds, ducks and rabbits, but not including turkeys or peacocks).

Household Pets shall mean domestic animals and birds, ~~or fowl~~ ordinarily permitted inside a dwelling and kept only for the company or pleasure provided to the occupants. ~~Household pets include birds kept in an enclosed aviary which shall be no closer than 30 feet from any residence other than that of the owner of the aviary. Pigeons banded with the American Racing Pigeon Union official band shall be the only birds allowed to be loose. The number of birds in an aviary shall not exceed 50 for each full 6,000 square feet of premises of the owner. Such an aviary shall not be allowed use in the R-2 and R-3 Districts except in conjunction with a single-family dwelling. Household pets shall not include horses, cows, goats, sheep, or other equine, bovine, ovine, or ruminant animals, pigs, predatory wild animals, chickens, ducks, geese, turkeys, game birds, and fowl which normally constitute an agricultural use (except pigeons, which shall be deemed household pets). The keeping of household pets or other animals is lawful only in those districts where the use is listed as a permitted use or when any household pets are kept as an accessory use to a lawfully maintained resident in another district. The keeping of any animal not herein described as a household pet shall not be deemed an accessory residential use. The keeping of any animal not expressly allowed by this Code is a Group B nonconforming use. Notwithstanding any provision herein to the contrary, miniature Asian pot-bellied pigs shall be deemed to be household pets and allowed in residential districts, provided that no more than two shall be kept and they shall not be used for commercial breeding purposes.~~

A new section will added at 17.012.080 to address the keeping of miniature Asian pot-bellied pigs, which was previously included in the definition of household pets, as follows:

Section 17.012.080. Miniature Asian pot-bellied pigs.

Notwithstanding any other provision of this Title, miniature Asian pot-bellied pigs shall be deemed to be household pets and allowed in residential districts; provided, that (i) no more than two shall be kept at any one time and (ii) they shall not be used for commercial breeding purposes,

Finally, Section 17.020.030 will be amended by adding a subdivision G as follows:

G. Animal Raising and Keeping, when not done for sale to others and only done for the personal use of the resident(s) of the single-family dwelling in a clean and sanitary enclosure that meets the following requirements:

1. At least forty feet from any door or window of each adjoining residence;
2. At least ten feet from the rear property line, unless an alley abuts the rear of the property then no rear setback required;

3. At least ten feet from each side property line (excludes front yard);
4. On the rear half of the parcel;
5. The cumulative number of small animals kept on any property pursuant to this definition shall be a maximum of six (6);
6. Roosters are prohibited;
7. Does not create an offensive noise or odor for adjacent property owners; and
8. Provided, that birds, not including chickens or ducks, are permitted to be kept in an enclosed aviary, which shall be no closer than 30 feet from any residence other than that of the owner of the aviary. The number of birds in an aviary shall not exceed 6 for each full 6,000 square feet of premises of the owner.

No changes to the *Residential Agricultural (R-A)* zoning district is proposed as part of this amendment which requires a minimum lot size of 20,000 square feet and allows for commercial raising of certain animals on parcels of land not less than five (5) acres (*Section 17.016.020 Uses Permitted*).

In the R-A District, there is also an expanded allowance for the *“Keeping of household pets and fish. Noncommercial keeping of poultry, fowl or rabbits, in an enclosure not located within 50 feet of a residence other than that of the owner of said animals. Keeping of a noncommercial kennel.”*

Staff Field Visit

On August 9, 2018, Planning Division staff visited a local County farm (Dare 2 Dream Farms) in order to better understand potential issues with chickens and any insight staff could obtain before the City Council considers adoption of an Ordinance. During that visit, staff observed a “free range” setting for chickens at the particular farm. During a tour of the farm, business owner Megan Raff summarized to staff some of the issues she recommended to be considered in a City ordinance. Those recommendations are shown in an email correspondence shown as Attachment 2. In her comments, Ms. Raff explains some of the major issue areas for raising chickens based on her business experience on a chicken farm. The City Council should consider her comments before adopting a new ordinance.

Code Enforcement

If chickens are allowed (along with birds, ducks and rabbits), then it should be noted the number of Code Enforcement cases will increase and the City currently only has one Code Enforcement Officer. Concerns have been expressed there will be an increased number of cases regarding the maintenance of properties where the chickens are not kept in a clean and sanitary manner. There is also the increased likelihood of adjacent properties having problems with rodents and other wildlife coming into residential neighborhoods in search of food and water.

Although complaint driven, it is common for neighbors to file complaints whenever noise, odor or general nuisances occur in close proximity to other residences. Under the City's current contract, staff can still call Santa Barbara County Animal Services to assist with animal complaints, but it would be the City's responsibility to enforce the proposed Ordinance. LMC Title 6 (Animals) would aid in complaints relating to roosters crowing, rabies and picking up trespassing animals.

Disease is no more likely to be a threat to public health than from dogs and cats if the proper sanitation and cleaning practices are followed. On the other hand, there could be a larger risk of Salmonella infections when chickens are introduced onto a property. The Santa Barbara County Health Department would continue to assist the City if any cases of Salmonella infections occur. As with any case of Salmonella, County Health would respond to a complaint and treat all cases as quickly as possible, while collecting information to determine the source, and then take action to prevent the spread of the infection.

LMC section 17.140 (Property Nuisances) addresses a variety of issues that may arise relating to general maintenance of properties where animals are kept. Staff believes most residents will properly care for their animals but problems arise when the animals are not properly cared for and it then becomes a code enforcement problem.

Staff recommends the number of chickens be limited to six, which would help reduce complaints while preserving the typical residential neighborhood environment. In addition, staff recommends if the Ordinance is approved, then an update to the City Council on the status of the Ordinance (such as the number of complaints received) be presented to the Council one year after adoption.

Environmental Review:

A draft Initial Environmental Study has been prepared for the proposed Text Amendment, but has not been circulated for public review. The Initial Study has not identified any significant environmental impacts that would occur as a result of approval and implementation of the Text Amendment to LMC section 17.008.020 to amend the definition of Household pets. Therefore, if the City Council introduces the Ordinance, then staff then circulate the Initial Study/Negative Declaration for a 30-day public comment period pursuant to the provisions of the California Environmental Quality Act. If comments are received on the draft study, then those comments would be addressed and presented at the City Council meeting when the Ordinance is returned for adoption and before certifying the environmental document and filing a Notice of Determination.

Fiscal Impact:

In order to prepare this item and the subsequent staff report and associated draft ordinance for City Council to review, the Planning Division devoted staff time to work on the text amendment.

Since this item was previously considered by the City Council, the amount of staff time needed to complete this project was less than a typical zoning text amendment. The staff time resource used was a General Fund expenditure as part of the Division's regular work program. If this text amendment had been a request other than by the City Council, then the existing fee structure would have required reimbursement to the General Fund for all hourly costs plus any direct costs related to the request.

Conclusion:

Introduction of Ordinance No. 1655(18) would amend LMC section 17.008.020 (Definitions and Standards) to revise the definition of household pets to allow the non-commercial keeping of small animals (such as chickens, birds, ducks and rabbits) in the RA and R-1 zone. Following direction from the City Council, staff will circulate the initial study/negative declaration for public review and bring the ordinance back for a second reading and certification of the environmental study.

Respectfully submitted,

Brian Halvorson, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

Attachments: 1) Ordinance No. 1655(18)
2) Comments from Megan Raff (Dare 2 Dream Farms)

ORDINANCE NO. 1655(18)

An Ordinance of the Council of the City of Lompoc, County of Santa Barbara, State of California, Amending Lompoc Municipal Code Section 17.008.020 Definitions and Standards

THE CITY COUNCIL OF THE CITY OF LOMPOC DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The following definition shall be added to Lompoc Municipal Code (LMC) section 17.008.020 (Definitions and Standards) as follows:

Animal Raising and Keeping shall mean the non-commercial tending of small animals that are not household pets (such as chickens, birds, ducks and rabbits, but not including turkeys or peacocks).

SECTION 2. The paragraph beginning with "Household pets" in LMC section 17.008.020 (Definitions and Standards), is hereby amended in its entirety to read as follows:

Household Pets shall mean domestic animals and birds ordinarily permitted inside a dwelling and kept only for the company or pleasure provided to the occupants.

SECTION 3. Section 17.012.080 is added to the LMC to read as follows:

Section 17.012.080. Miniature Asian pot-bellied pigs.

Notwithstanding any other provision of this Title, miniature Asian pot-bellied pigs shall be deemed to be household pets and allowed in residential districts; provided, that (i) no more than two shall be kept at any one time and (ii) they shall not be used for commercial breeding purposes,

SECTION 4. Section 17.020.030 is amended by adding a subdivision G., thereto, to read as follows:

G. Animal Raising and Keeping, when not done for sale to others and only done for the personal use of the resident(s) of the single-family dwelling in a clean and sanitary enclosure that meets the following requirements:

1. At least forty feet from any door or window of each adjoining residence;
2. At least ten feet from the rear property line, unless an alley abuts the rear of the property, then no rear setback required;
3. At least ten feet from each side property line (excludes front yard);
4. On the rear half of the parcel;
5. The cumulative number of small animals on any property shall be a maximum of six (6);
6. Roosters are prohibited;
7. Does not create an offensive noise or odor for adjacent property owners; and
8. Provided, that birds, not including chickens or ducks, are permitted to be kept in an enclosed aviary, which shall be no closer than 30 feet from any residence other

than that of the owner of the aviary. The number of birds in an aviary shall not exceed 6 for each full 6,000 square feet of premises of the owner.

SECTION 5. This Ordinance shall be effective thirty (30) days after its adoption.

This Ordinance was introduced on October 16, 2018, and duly adopted by the City Council of the City of Lompoc at its duly noticed regular meeting on _____, 2018, by the following electronic vote:

PASSED AND ADOPTED this ____ day of _____ 2018, by the following electronic vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

Attest:

Stacey Haddon, City Clerk
City of Lompoc

From: Megan Raff <mraff@dare2dreamfarms.com>
Sent: Tuesday, August 07, 2018 4:17 PM
To: Halvorson, Brian <b_halvorson@ci.lompoc.ca.us>
Subject: RE: Staff report on Backyard Chickens

Hi Brian,

Thanks for taking the time to visit and discuss the specifics around backyard chickens with me today. As promised, this email will contain extra information on coops, ordinance info from other cities, additional resources on chickens, and a few afterthoughts I had regarding a holistic approach to the ordinance. I apologize if this is a lot of information, but I'd rather provide you with more info and allow you to find enough, then leave you searching for more.

One reflection I had after you left is [this article](#) I reviewed earlier this year from UC Davis, a leading expert of poultry and other livestock in urban farming that suggests that its up to our city ordinances to address human health concerns. It is absolutely within the rights and responsibility of the city to include items in the ordinance that address vaccination, manure management, cleanliness, ventilation, and food/water requirements. Salmonella is the most common risk to humans, though not usually causing symptoms much more harmful than stomach cramps and diarrhea. Animals kept in unclean or stressful living conditions will shed the virus more than those kept in healthy living conditions. Given this thought, a comprehensive approach to the ordinance would address common factors including sex, quantity, location, noise, smell and housing to eliminate neighborly confrontations, but also health management issues mentioned above to help encourage residents to keep chickens safely to eliminate human and animal health concerns.

- Sex of the birds: Hens only, no roosters is the most obvious ordinance to impose for noise abatement.
- Quantity of birds: An ordinance allowing 6-10 birds would be reasonable in my estimations, considering the regulations imposed in other cities similar to ours. (Link to other city ordinances provided at the end of this email). As we discussed, two excellent egg laying chickens can give a dozen eggs a week (each lays approx one egg per day). Other breeds that are the most friendly, or the most quiet, or easy to raise for 4-H showing will lay fewer eggs (possibly 4-5 egg each per week) so two chickens of those breeds might lay 1/2 - 3/4 dozen per week. Additionally, the chickens will lay seasonally with heavy productivity in the spring and summer, and light to no productivity in fall and winter. After 2-3 years, their productivity will drop and chicken keepers will look to replenish their egg production by adding new younger layers into their flock, while keeping the older birds for companionship. Average consumption for households of 2-4 people is one dozen of eggs per week. Given Lompoc probably has a larger average of people per household, I would guess many of these homes will go through 1.5 to 3 dozen eggs per week. Given the fluctuation in productivity, the need to add newer birds to old birds to continue production, and fluctuation in consumption for eggs, having a limit of 6-10 birds would be sufficient for most households. Not everyone would keep that many. Extra eggs are often offered as gifts to neighbors, family, or friends.
- Noise: Chickens at their very loudest (when they're laying eggs) are at a level of 60-70 decibels, this compared to dogs which are at a level of about 90 decibels. However, you can always include that keeping of chickens is not to exceed the existing noise ordinance as some ordinances do if they feel the need to address this issue.

- sand
- recycled shredded paper
-
- Containment for bedding (pine shavings are popular for mice beds too) and chicken food will be important to help keep rodents away, but this won't do the trick by itself. The most foolproof is the metal containers we discussed, but tight sheds or other heavy plastic containers can be used until they need repair or replacement.
- Waste removal - currently this will be in the trash bin, with the option of composting the waste or using it to fertilize the yard. You might recommend an enclosed composting bin for reduction of flies and smell in residential areas if the waste will be composted.
- Vaccination - requiring vaccination for Marek's would probably be the most important as well as the most accessible for chicken keepers. But this is administered in over (before the baby chicks hatch from the egg), and usually before the chicken keepers ever set eyes on their chickens. Chickens don't come with vaccination records, so it will be a moot point when it comes to code violation. It will just encourage residents to purchase chickens from sources that vaccinate all birds, or sources that offer vaccination.
- Cleanliness and waste removal are separate but alike. Besides waste removal, it's important to clean feeders, waterers, and the coop on a regular basis to prevent disease from viruses, bacteria, and parasites, as well as eliminating debris around the coop to keep rodents away.
- Ventilation: Providing windows, ventilation holes, vented soffits, or just plain vents in the chicken coop that is closed up at night will provide temperature regulation for the coop, oxygen for chickens to breath, and a way for CO2 to exit.
- Biosecurity is also an important issue that doesn't crop up a lot, but creating a secure environment for chickens that controls the movement of disease to and from the flock is important. You could simply put in the ordinance verbiage that requires residents to have some form of biosecurity plan that could include items like disinfecting any shoes or supplies that come into the coop, implementing some form of pest control (rodent and fly), quarantining new birds, etc. There are lots of ways to do this. Here's a brief overview we wrote for our customers: [5 Mandatory Biosecurity Rules to Implement](#). [Cultivate LA](#) did a nice assessment of agriculture across Los Angeles, so you can get a feel for which cities have ordinances for chickens and follow them back to their city ordinance. You might also be interested in [BackyardChickens.com](#) which allows public references for easy to find zoning ordinances on their forum. This is the easiest way to browse other ordinances, but obviously, it's open to flaws as it's referenced from individual forum members trying to help other members out but it will give you an idea. Some ordinances allow as few as three chickens, others allow thirty.

You are also free to browse the [free articles on our website](#) for additional ideas and information on feed, water, housing, health, and more.

Let me know if you have any questions!

Thanks again and look forward to working more with you on this project.

Megan Raff
 Co-Owner & Founder
 Dare 2 Dream Farms
 805-735-3233
www.dare2dreamfarms.com
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 Office Hours: Mon-Fri 8am-3pm
 Farm visits by appointment, only.