

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
MONDAY, APRIL 25, 2016, AT 2:00 PM
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED WITH RESOLUTIONS TO BE ADOPTED:

ITEM-S400: State Water Board Clean Water State Revolving Fund Financing Agreement for the Advanced Metering Infrastructure Project. (Citywide.)

ITEM DESCRIPTION:

Authorization to enter into a Clean Water State Revolving Fund Financing Agreement with the State Water Board to finance the Advanced Metering Infrastructure (AMI) Project in an amount not to exceed \$42,032,242. The AMI Project technology allows water meters to be read electronically rather than through direct visual inspection by field staff.

STAFF'S RECOMMENDATION:

Introduce the ordinance in Subitem A; and adopt the resolution in Subitem B:

Subitem-A: (O-2016-13)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the Final Release Form and sign the Certification of Project Completion; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the Advanced Metering Infrastructure Project;

Authorizing the expenditure of an amount not to exceed \$60,046,060 From Water Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or designee, to apply for, accept, appropriate and expend up to \$60,046,060 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-B: (R-2016-491)

Declaring that the City of San Diego (Agency) hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is 60,046,060;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The installation of the Citywide Advanced Metering Infrastructure (AMI) deployment is scheduled to be completed by December 31, 2017. Repayment of the loan commences one year from the project completion date. The Financing Agreement will be fully amortized over a 20-year repayment term. Interest will accrue on all disbursements as of the date of each disbursement.

The Clean Water State Revolving Fund (CWSRF) Financing Agreement will provide \$42,032,242 for the Advanced Metering Infrastructure Project. Based upon the estimated loan amount of \$42,032,242, the annual debt service is approximately \$2,472,400 to be paid through Water Utility Fund revenues and is currently anticipated to commence in FY 2019 and continue for the next 20 years.

Currently, CWSRF financing is based on a 20-year term and at an interest rate that is 1/2 the most recent general obligation bond rate, currently 1.6%. The actual debt service impact would depend on the timing of the CIP execution. By entering into the CWSRF Financing Agreement, the Water Utility Fund will commit to maintain the funds and revenues at sufficient levels to meet its obligation under the Financing Agreement. Also, CWSRF Financing Agreements are treated as "Parity Obligations" whereby repayment will be on the same lien as the Water System's senior bond obligations. The City also dedicates net revenues of the Water Utility Fund for repayment of CWSRF financing on the Advanced Metering Infrastructure Project, which is the same source of repayment for other outstanding parity and subordinate bond obligations, and outstanding State Water Board obligations of the Water System.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

Resolution R-304316 authorized the City to apply for loans and other financial assistance from the State Water Resources Control Board. Resolution R-307885 authorized an Agreement with Itron Incorporated, for the installation of the initial AMI system.

This item was heard at the Environment Committee meeting on April 14, 2016.

ACTION: Motion by Councilmember Sherman, second by Councilmember Cate, to recommend Council introduce the ordinance.

VOTE: 4-0; Alvarez-yea, Cate-yea, Sherman-yea, Gloria-yea.

Jones-Santos/Gomez

Primary Contact\Phone: Seth Gates\858-614-4030, MS 901
Secondary Contact\Phone: Carmel Wong\858-614-5755, MS 901
City Attorney Contact: Palmucci, Raymond C.

ITEM-S401: State Water Board Drinking Water State Revolving Fund Financing Agreements for various Water Fund Projects. (Pacific Beach, Midway - Pacific Highway, Mission Beach, Peninsula; Uptown, Greater North Park; Scripps Miramar Ranch; College Area, and Mid - City: Eastern Area; Non City Community Areas. Districts 2, 3, 5, 9, and Non-City.)

ITEM DESCRIPTION:

Authorization to enter into low interest Drinking Water State Revolving Fund Financing Agreements with the State Water Board to finance the following Projects: Pacific Beach Pipeline South, 69th and Mohawk Pump Station, University Avenue Pipeline Replacement, Morena Reservoir Outlet Tower Upgrade, Lower Otay Outlet Tower, and Miramar Clearwell Improvements. Pacific Beach Pipeline South, 69th and Mohawk Pump Station, University Avenue Pipeline Replacement were previously authorized for financing, however, the State Water Board has since required additional language in the ordinances.

STAFF'S RECOMMENDATION:

Introduce the ordinances in Subitems A, C, E, G, I, K; and adopt the resolutions in Subitems B, D, F, H, J, and L:

Subitem-A: (O-2016-103)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the Final Release Form and to sign the Certification of Project Completion; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the Miramar Clearwell Improvements Project;

Authorizing the expenditure of an amount not to exceed \$114,000,000 from Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or designee, to apply for, accept, appropriate and expend up to \$114,000,000 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-B: (R-2016-490)

Declaring that the City of San Diego (Agency) hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$114,000,000;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

Subitem-C: (O-2015-116 Cor. Copy)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certification for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the Final Release Form and to sign the Certification of Project Completion; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the 69th Street and Mohawk Pump Station Project;

Authorizing the expenditure of an amount not to exceed \$18,800,000 from Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or his designee, to apply for, accept, appropriate and expend up to \$18,800,000 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-D: (R-2016-487)

Declaring that the Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$18,800,000;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

Subitem-E: (O-2015-117 Cor. Copy)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the final release form and to sign the Certification of Project Completion; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the Pacific Beach Pipeline South Project;

Authorizing the expenditure of an amount not to exceed \$38,597,469 from Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or his designee, to apply for, accept, appropriate and expend up to \$38,597,469 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-F: (R-2016-486)

Declaring that the Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$38,597,469;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

Subitem-G: (O-2016-104)

Introduction of an Ordinance amending and authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement and to take related actions; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the University Avenue Pipeline Replacement Project;

Authorizing the expenditure of an amount not to exceed \$26,000,000 from Water Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or designee, to apply for, accept, appropriate and expend up to \$26,000,000 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-H: (R-2016-485)

Declaring that the Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$26,000,000;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

Subitem-I: (O-2016-101)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the Final Release Form and to sign the Certification of Project Completion; and pledging and dedicating Net Water Revenues to payment of DWSRF financing for the Lower Otay Outlet Tower Project;

Declaring that the expenditure of an amount not to exceed \$5,505,386 from Fund No. 700010;

Authorizing the Chief Financial Officer, or designee, to apply for, accept, appropriate and expend up to \$5,505,386 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-J: (R-2016-488)

Declaring that the Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$5,505,386;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

Subitem-K: (O-2016-102)

Introduction of an Ordinance authorizing the Chief Financial Officer, or designee, to sign a Financing Agreement, Amendments, and Certifications for funding under the Drinking Water State Revolving Fund (DWSRF); authorizing the City Engineer to approve claims for reimbursement; authorizing the City Engineer, or designee, to execute a Budget and Expenditure Summary; to sign the Final Release Form and to sign the Certification of Project Completion; and pledging and dedicating water revenues to payment of DWSRF financing for Moreno Reservoir Outlet Tower Upgrade Project;

Authorizing the expenditure of an amount not to exceed \$22,200,000 from Fund No. 700010, for the purpose of providing funds for the Project;

Authorizing the Chief Financial Officer, or designee, to apply for, accept, appropriate and expend up to \$22,200,000 in DWSRF Funds for reimbursement to the Water Utility Fund for the Project, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-L: (R-2016-489)

Declaring that the Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds;

Declaring that the reasonably expected maximum principal amount of the Project Fund is \$22,200,000;

Adopting this Resolution no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project cost to be reimbursed with Project Funds;

Declaring that each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles;

Declaring that to the best of our knowledge, the Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligation have not been issued;

Adopting this Resolution as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs;

Declaring that all the recitals in this Resolution are true and correct and the Agency so finds, determines and represents.

STAFF SUPPORTING INFORMATION:**FISCAL CONSIDERATIONS:**

Repayment of the loan includes the interest only payment during construction, followed by a 20-year repayment term beginning no later than one year from project completion.

Assuming a 1.6% interest rate over a 20-year term for each State Water Board for Drinking Water State Revolving Fund (DWSRF) Financing Agreement (except University Avenue which assumes a rate of 2.085%), following is the estimated annual debt service for each Project:

Based on a financing amount of \$38,617,469 for the Pacific Beach Pipeline South Project, the annual debt service in FY18 is \$79,490 ramping up to \$2.3 million for 20 years after the estimated project completion in March 2020.

Based on a financing amount of \$18,800,000 for the 69th and Mohawk Pump Station Project, the annual debt service in FY18 is \$49,562 ramping up to \$1.1 million for 20 years after the estimated project completion in March 2019.

Based on a financing amount of \$26,000,000 for the University Avenue Pipeline Replacement Project, the annual debt service in FY17 is \$169,988 ramping up to \$1.6 million for 20 years after the estimated project completion in July 2018.

Based on a financing amount of \$22,200,000 for the Morena Reservoir Outlet Tower Upgrade Project, the annual debt service in FY18 is \$25,428 ramping up to \$1.3 million for 20 years after the estimated project completion in March 2019.

Based on a financing amount of \$5,505,386 for the Lower Otay Outlet Tower Project, the annual debt service in FY18 is \$27,572 ramping up to \$322,748 for 20 years after the estimated project completion in July 2018.

Based on a financing amount of \$114,000,000 for the Miramar Clearwell Improvements Project, the annual debt service in FY18 is \$296,091 ramping up to \$6.7 million for 20 years after the estimated project completion in March 2020.

Currently, DWSRF financing is based on a 20-year term and at an interest rate of 1.6%. The actual debt service impact would depend on the timing of the Capital Improvement Project execution. By entering into the DWSRF Financing Agreements, the City will commit to maintain the funds and revenues at sufficient levels to meet its obligation under the financing agreements. Also, DWSRF Financing Agreements are treated as "Parity Obligations" whereby repayment will be on the same lien as the Water System's senior bond obligations. The City also dedicates net revenues of the Water Utility Fund for repayment of DWSRF financing on the aforementioned projects, which is the same source of repayment for other outstanding parity and subordinate bond obligations, and outstanding DWSRF obligations of the Water System.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

Ordinance No. 20207 for the University Avenue Pipeline Replacement Financing Agreement passed in October 2012.

Additionally, the following ordinances were previously passed by City Council for the DWSRF loan applications for the same projects currently seeking authorization with this action:

Ordinance No. 20387 for the University Avenue Pipeline Replacement Project passed in July 2014; Ordinance No. 20548 for the Pacific Beach Pipeline South project passed in August 2015; and Ordinance No. 20546 for the 69th and Mohawk Pump Station Project passed in August 2015. However, due to the merger of the California Department of Public Health with the State Water Resources Control Board, new ordinances are needed for these Financing Agreements to reflect the State Water Board's current language requirements.

This item was heard at the Environment Committee meeting on the on April 14, 2016.

ACTION: Motion by Councilmember Sherman, second by Councilmember Cate, to recommend Council introduce the ordinance.

VOTE: 4-0; Alvarez-yea, Cate-yea, Sherman-yea, Gloria-yea.

Jones-Santos/LoMedico

Primary Contact\Phone: Seth Gates\858-614-4030, MS 901
Secondary Contact\Phone: Carmel Wong\858-614-5755, MS 901
City Attorney Contact: Palmucci, Raymond C.

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARINGS:

ITEM-S402: FY 2017 Business Improvement District Budgets – Annual Appropriation Process. (Centre City [Downtown, Gaslamp, East Village, Little Italy] College, North Park [North Park, El Cajon Boulevard Gateway], La Jolla, Mid-City [Adams Avenue, El Cajon Boulevard Central, City Heights], Mission Beach, Ocean Beach, Old San Diego [Old Town], Pacific Beach, San Ysidro, Southeastern San Diego [Diamond], Uptown [Hillcrest, Mission Hills] Community Plan Areas. Districts 1, 2, 3, 4, 8, and 9.)

ITEM DESCRIPTION:

Pursuant to the annually required process, Council will appoint the BID Advisory Boards, approve the FY2017 BID Budget Reports and declare intent to levy and collect Assessments for FY2017 and provide notice for the required Public Hearing. At the second Council meeting Council shall conduct the Public Hearing, and may: authorize the levy and collection of assessments for FY2017; authorize the CFO to appropriate, expend and transfer BID funds.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem A: (R-2016-534)

Adoption of a Resolution appointing the Fiscal Year 2017 Advisory Boards for Specified Parking and Business Improvement Areas;

Appointing each of the following organizations as the advisory board for the District identified next to the name of each organization below for Fiscal Year 2017, commencing on July 1, 2016, and continuing through and including June 30, 2017:

Association Business Improvement

District

Adams Avenue Business Association, Inc.

Adams Avenue

City Heights Business Association

City Heights

College Area Economic Development Corporation

College Area

Diamond Business Association, dba Southeastern Diamond Business District	Diamond
Downtown San Diego Partnership, Inc.	Downtown
East Village Association, Inc.	East Village
El Cajon Boulevard Business Improvement Association	El Cajon
El Cajon Boulevard Business Improvement Association	El Cajon Boulevard
Gaslamp Quarter Association, Inc.	Gaslamp Quarter
Hillcrest Business Improvement Association, Inc.	Hillcrest
La Jolla Village Merchants Association	La Jolla
Little Italy Association	Little Italy
Mission Hills Business Improvement District	Mission Hills
North Park Organization of Businesses, Inc.	North Park
Ocean Beach Merchant's Association, Inc.	Ocean Beach
Old Town San Diego Chamber of Commerce	Old Town
The Pacific Beach Community Development Corporation dba Discover Pacific Beach	Pacific Beach
San Ysidro Improvement Corporation	San Ysidro

Subitem B: (R-2016-535)

Adoption of a Resolution approving the Fiscal Year 2017 Budget Reports for specified Parking and Business Improvement Areas;

The Fiscal Year 2017 Budget Report for each District, including a description of the specific District, the boundaries of the District and any benefit zones within the District, the proposed assessments to be levied upon businesses within the District, and the improvements and activities to be undertaken within the District during Fiscal Year 2017, is hereby approved, as on file and available for review at the Office of the City Clerk with reference to the following document numbers:

<u>Business Improvement District</u>	<u>Document No.</u>
Adams Avenue	RR-_____
City Heights	RR-_____
College Area	RR-_____
Diamond	RR-_____
Downtown	RR-_____
East Village	RR-_____
El Cajon	RR-_____
El Cajon Boulevard	RR-_____
Gaslamp Quarter	RR-_____
Hillcrest	RR-_____
La Jolla	RR-_____
Little Italy	RR-_____
Mission Hills	RR-_____
North Park	RR-_____
Ocean Beach	RR-_____

Old Town RR-_____

Pacific Beach RR-_____

San Ysidro RR-_____

Subitem C: (R-2016-536)

Adoption of a Resolution declaring the Council’s intention to levy and collect Annual Assessments from business located in Specified Parking and Business Improvement Areas for Fiscal Year 2017 and fixing the time and place for a Public Hearing on the levy of such assessments;

Declaring the Council’s intention to continue to levy and collect assessments from business located within each of the following Districts during the time period commencing on July 1, 2016, and continuing through and including June 30, 2017, (Fiscal Year 2017);

Adams Avenue Business Improvement District: generally from the 2400 to the 4248 block of Adams Avenue; and all adjacent side-streets from the 4600 to the 4799 block of those side-streets.

City Heights Business Improvement District: generally from the 3300 to the 4799 block of University Avenue; and all adjacent side-streets from the 3800 to the 4099 block of those side-streets.

College Area Business Improvement District: generally from the 5400 to the 7400 block of El Cajon Boulevard; all adjacent streets from the 5400 to the 7400 block of El Cajon Boulevard; and certain other streets in the vicinity of San Diego State University.

Diamond Business Improvement District: generally that area within the diamond formed by the following four points: the 1900 block of Euclid Avenue to the north; the 1000 block of Euclid Avenue South to the south; the 6900 block of Imperial Avenue to the east; and the 3900 block of Market Street to the west.

Downtown Improvement Area: generally that area within the following boundaries: Ash Street to the north; E Street to the south; Tenth Avenue to the east; and First Avenue to the west.

East Village Business Improvement District: generally that area within the following boundaries: Interstate 5 to the north and to the east; Newton Avenue to the south; and Seventh Avenue to the west.

El Cajon Business Improvement District: generally from the 3300 to the 5399 block of El Cajon Boulevard; all adjacent side-streets from 33rd Street to 47th Street between the 4200 to the 4399 block of those side-streets; and all adjacent side-streets from Euclid Avenue to Dayton Street between the 4300 and the 4499 block of those side-streets.

El Cajon Boulevard Business Improvement District: generally from the 1800 to the 3299 block of El Cajon Boulevard; and all adjacent side-streets from the 4200 to the 4399 block of those side-streets.

Gaslamp Quarter Business Improvement District: generally that area within the following boundaries: Broadway to the north; the San Diego and Arizona East Railway right-of-way to the south; Sixth Avenue to the east; and Fourth Avenue to the west.

Hillcrest Business Improvement District: generally that area within the following boundaries: Montecito Street to the north; Upas Street to the south; Park Boulevard to the east; and Front Street to the west.

La Jolla Business Improvement District: generally from 200 to 1445 Prospect Street; Ivanhoe Avenue, Herschel Avenue, Girard Avenue, and Fay Avenue between Torrey Pines Road and Pearl Street; and from the 1100 block of Torrey Pines Road to the 400 block of Pearl Street toward La Jolla Boulevard, including 7345 to 7607 La Jolla Boulevard.

Little Italy Business Improvement District: generally that area within the following boundaries: Laurel Street to the north; "A" Street to the south; Interstate 5 and Front Street to the east; and North Harbor Drive to the west.

Mission Hills Business Improvement District: generally from 818 to 1112 Fort Stockton Drive, including all adjacent side-streets from Stephens Street to Albatross Street; 228 to 1794 Washington Street; the 300 to the 1025 block of University Avenue; 328 to 1753 West Lewis Street; and 3033 to 3753 India Street.

North Park Business Improvement District: generally from 2750 to 3299 University Avenue, including all adjacent side-streets between the 3800 and the 3999 block of those side-streets; 2750 to 3299 Lincoln Avenue; and 2850 to 3299 North Park Way.

Ocean Beach Business Improvement District: generally from the 4800 to the 5099 block of Newport Avenue; portions of the 4700 to the 5099 block of Narragansett Avenue, Niagara Avenue, and Santa Monica Avenue; and portions of Sunset Cliffs Boulevard, Cable Street, Bacon Street, and Abbot Street between 1769 and 1976 of those streets.

Old Town Business Improvement District: generally that area within the following boundaries: Interstate 5 to the north; Pacific Highway to the south; Washington Boulevard to the east; and Rosecrans Street to the west.

Pacific Beach Business Improvement District: generally that area within the following boundaries: Garnet Avenue and Balboa Avenue to the north; the 700 to the 1099 block of Turquoise Street to the northwest; Grand Avenue to the south, including Ingraham Street and all adjacent side-streets from the 3400 block to Grand Avenue; Interstate 5 to the east; and the 4100 to 5199 block of Mission Boulevard and all adjacent side-streets to the west.

San Ysidro Business Improvement District: generally that area within the following boundaries: the 930 block of West San Ysidro Boulevard to the northwest; the U.S.-Mexico border to the southeast; East Beyer Boulevard to the east; and Willow Road to the southwest.

There are no substantial changes proposed to be made to the improvements or activities authorized within any District, the boundaries of any District or any benefit zone within any District, the classification of businesses within any District, or the method or basis of levying any assessment within any District;

The full and detailed Fiscal Year 2017 annual report from the respective advisory board for each District, including a description of the specified District, a full and detailed description of the improvements and activities to be provided by the District in Fiscal Year 2017, the boundaries of the District and any benefit zones within the District, and the proposed assessments to be levied upon the businesses within the District for Fiscal Year 2017, is on file and available for review at the Office of the City Clerk with reference to following document numbers:

<u>Business Improvement District</u>	<u>Document No.</u>
Adams Avenue	RR-_____
City Heights	RR-_____
College Area	RR-_____
Diamond	RR-_____
Downtown	RR-_____
East Village	RR-_____
El Cajon	RR-_____
El Cajon Boulevard	RR-_____

Gaslamp Quarter	RR-_____
Hillcrest	RR-_____
La Jolla	RR-_____
Little Italy	RR-_____
Mission Hills	RR-_____
North Park	RR-_____
Ocean Beach	RR-_____
Old Town	RR-_____
Pacific Beach	RR-_____
San Ysidro	RR-_____

On May 17, 2016, at 2:00 p.m. Pacific Time, or as soon thereafter as the matter may be heard, the Council will conduct a public hearing (Public Hearing) in the Council Chambers of the City Administration Building, located at 202 "C" Street, 12th Floor, San Diego, California, as required by California Streets and Highways Code Section 36534(a)(6), and receive public testimony and evidence regarding the levy of the proposed assessment in each 1989 Act District for Fiscal Year 2017;

At the Public Hearing, written or oral protests may be made regarding the proposed Fiscal Year 2017 Assessments within each 1989 Act District. The form and manner of such protests shall comply with California Streets and Highways Code Sections 36524 and 36525;

Directing the City Clerk to give notice of the Public Hearing by causing publication of this Resolution once in a newspaper of general circulation in the City of San Diego not less than seven days before the Public Hearing, in accordance with California Streets and Highways Code Section 36534(b).

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The City does not retain any of the assessments and undertakes the associated administration with existing budgeted staff. All of the assessments are remitted to the BID funds and therefore, there is no net fiscal impact to the General Fund. Please see the included City Attorney memo from April 2014, regarding risks associated with the levy of assessments and Prop 26.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

This item was heard at the ED&IR Committee on April 7, 2016, and forwarded on to the full Council with a recommendation to approve. On May 19, 2015, Council approved the FY 2016 Budget Reports and levy of assessments for these BIDs: Adams Avenue, City Heights, College Area, Diamond, Downtown, East Village, El Cajon Boulevard Central, El Cajon Boulevard Gateway, Gaslamp, Hillcrest, La Jolla, Little Italy, Mission Hills, North Park, Ocean Beach, Old Town, Pacific Beach, and San Ysidro (Resolution R-309750).

Caldwell/Graham/es

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City Attorney Contact: Williams, Delmar G.