

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.A
Dept. City Attorney

Item Title: Waive Full Text Reading of All Ordinances on the Agenda.

Staff Contact: James P. Lough, City Attorney

Recommendation:

Waive the full text reading of all ordinances included in this agenda. Ordinances shall be introduced and adopted by title only.

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

None.

**MINUTES OF A MEETING OF
THE LEMON GROVE CITY COUNCIL**

June 5, 2018

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency.

Call to Order by Mayor Vasquez at 6:03 p.m.

City Councilmembers present: Mayor Racquel Vasquez, Mayor Pro Tem Jerry Jones, Councilmember Jennifer Mendoza, Councilmember David Arambula, and Councilmember Matt Mendoza. City Councilmembers absent: None.

City Staff present:

Lydia Romero, City Manager

Mike James, Assistant City Manager/Public Works Dir.

Sergeant Jacob Klepach, Lemon Grove Substation

David De Vries, Development Services Director

Miranda Evans, Management Analyst

Molly Brennan, Finance Manager

Arturo Ortuño, Assistant Planner

James Lough, City Attorney

Colin Stowell, Fire Chief

Al Burrell, Financial Consultant

Kay Vinson, Interim City Clerk

Alicia Hicks, Human Resources Mgr.

Mike Viglione, Assistant Planner

Pledge of Allegiance was led by Councilmember Arambula.

Presentations:

Lemon Grove History Minute #20 - Lemon Grove Home Grown 40 Year Business Recognition Series Honoring Monte Vista Village

Maria Shelter, Executive Director, shared Monte Vista Village opened in 1963 and was acquired in 1972 by Sidney Goodman, Goodman Group. The Village is on eight acres and consists of 17 single story buildings with 104 independent living apartments, 26 assisted living units and 21 skilled nursing beds opening to the garden. Long-term staff and residents host a meals-on-wheels fund raiser and a Military Family Christmas event.

Mayor Vasquez read a Proclamation declaring Monte Vista Village Day on June 5, 2018 in the City of Lemon Grove, and roses were presented by a Lemon Grove princess.

28th Annual Treganza History Essay Competition Awards

Helen Ofield, President Lemon Grove Historical Society, introduced the essay competition for third graders in Lemon Grove and thanked the sponsors. The essays were about the characteristics of local life in the 19th century and optional inclusion of Kumeyaay influence, along with illustrations. Lemon Grove School District Superintendent Dr. Kimberly Berman and teacher Mrs. Finney, Vista La Mesa Academy, were in attendance. The following awards were presented:

Honorable Mention, Hamza Mohamed

Honorable Mention, Vicky Almaguer (Mrs. Jordan, teacher)

3rd Prize, Justin Nguyen

2nd Prize, Aden Ponce

1st Prize, Adriana Ledezma

Public Comments:

Brenda Hammond, Lemon Grove, said the Concerts in the Park schedule is out, San Diego Fire Department comes to Lemon Grove Sprouts, Family Fitness Day on Saturday at Community Center was great, Community Garden was weeded to begin planting, City's first brewery is opening in former Fillipis pizza grotto building, there is no voter fraud this year; and she thanked everyone for what they do for the City.

John L. Wood, Lemon Grove, reported three semi-trucks have been parked on Federal but not ticketed; only three people were in audience for Traffic Advisory Committee meeting; area near Central has been cleaned out and is no longer a haven for transients; Water Quality Control Board prohibits motorized vehicles from being in the creek, but vehicles removed 4 dumpsters of trash from the creek.

Joe Yousif, KIM Investments, requested reconsideration of the April 3, 2018 denial of a CUP for a medical marijuana dispensary 3521 Main Street due to newly discovered evidence and facts.

Romiana Khoury, Crime Prevention Specialist, District Attorney's office, expressed desire to learn more about issues and needs in Lemon Grove and asked if there were questions for the District Attorney.

1. Consent Calendar

- A. Waive Full Text Reading of All Ordinances on the Agenda**
- B. City of Lemon Grove - Payment of Demands in the sum of 583,957.56**
- C. Approval of Meeting Minutes**
 - March 6, 2018 Regular Meeting**
 - May 15, 2018 Regular Meeting**
- D. General Municipal Election – November 6, 2018**
 - Adopt Resolution No. 2018–3580 Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2018, for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California relating to General Law Cities and Electing to Determine Tie Votes by Lot**
 - Adopt Resolution No. 2018–3581 Requesting the San Diego County Board of Supervisors Authorize the San Diego County Registrar Of Voters to Consolidate a General Municipal Election to be Held on November 6, 2018, with the Statewide General Election to be Held on the Date Pursuant To § 10403 of the Elections Code, and to Render Specified Services Related to a General Municipal Election in The City Of Lemon Grove**
 - Adopt Resolution No. 2018-3582 Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2018.**
- E. Adopt Resolution No. HA 2018-005 of the Housing Authority of the City of Lemon Grove approving the Beneficiary Statement to Allow Refinancing of an Underlying Loan to the Beneficiary of the 2001 Hillside Terrace Loan of \$300,000 without affecting the position of the Housing Authority.**
- F. Adopt Resolution No. 2018-3583 Approving a Contract Renewal with Vision Internet, Inc. for Hosting and Support Services for the City Of Lemon Grove Website for a Period of Five Years; the first year's annual fee of \$7,900 with a mandatory 5% increase each subsequent year and a redesign credit of \$8,000 will be issued to the City for use during 2018.**
- G. Approve the Fiscal Year 2018-19 City Calendar as presented, resulting in City Hall being closed from Monday, December 24, 2018 through Tuesday, January 1, 2019.**

- H. **Adopt Resolution No. 2018-3584** of the City Council Awarding a Contract for Street Lighting Maintenance and Repairs to Clark Telecom & Electric, Inc. in the sum of \$6,020.19 with \$3,000 contingency.
Adopt Resolution No. RL 2018-171 of the Lighting District Board Awarding a Contract for Street Lighting Maintenance and Repairs to Clark Telecom & Electric Inc. in the sum of \$11,249.43 with contingency of \$2,750.
- I. **Adopt Resolution No. 2018-3585** Authorizing a One-Year Extension of Existing Contract Between the City and Select Electric, Inc. For Traffic Signal Maintenance and Repair and Rejecting the Contract's Rate Increase for Fiscal Year 2018-19.

Action: A motion was made by Mayor Pro Tem Jones and seconded by Councilmember J. Mendoza to approve Consent Calendar Items 1 A, B, C, D, E, F, G, H and I, as detailed above. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza
Noes: None

2. **Public Hearing to Consider Planned Development Permit Modification PDP-170-01M1 and Tentative Map Revision TM0-000-0189 to Authorize the Construction of 18 Condominium Units at 3485 Olive Street with Shared Services**

Michael Viglione, Assistant Planner, presented the staff report, along with vicinity and location maps. He provided a letter from Heartland Fire & Rescue with additional conditions of approval.

Mayor Pro Tem Jones clarified there are two different LLCs in ownership, and the separation is a financing issue.

Councilmember M. Mendoza determined the 18 units are planned to be rented but could be sold and traffic impact analysis was done with previous approval.

Mayor Vasquez opened the public hearing at 6:50 p.m.

Russ Haley, Citymark, affirmed it is the same project of market-rate housing as approved in October.

Action: The public hearing was closed at 6:52 p.m. on a motion by Mayor Pro Tem Jones and second by Councilmember Arambula. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza
Noes: None

Action: It was moved by Mayor Pro Tem Jones and seconded by Councilmember J. Mendoza to adopt **Resolution No. 2018-3586**, as revised to include additional conditions of approval, conditionally Approving a Revised Tentative (Condominium) Map TM0-000-0189 and Planned Development Permit Modification PDP-170-01M1 Authorizing the Subdivision of One (1) Parcel into One (1) Lot Of 18 Condominium Units and a Common Area Lot At 3485 Olive Street, Lemon Grove, California, which modifies City Council Resolutions 2017-3542 and 2017-3543. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza
Noes: None

3. **Public Hearing to Consider Administrative Appeal No. AA1-800-0002 Regarding the Decision to Approve Minor Use Permit No. MUP-180-0001; a Request to Allow an**

Outpatient Drug and Alcohol Addiction Treatment and Counseling Service Center at 3434 Grove Street in the Village Commercial Zone of the Downtown Village Specific Plan

Arturo Ortuño, Assistant Planner, summarized the staff report.

Mayor Pro Tem Jones disclosed two phone conversations, one with John Enright and another with Steve Brown, regarding concerns of business owners.

Councilmember M. Mendoza asked about the recovery stage of clients, not used for residential care; compatibility with future downtown and vision; perspective of clinic with professional/attorney/medical offices, both professional offices and clinics are allowed; and number of parking spaces, 6 required but 21 provided.

Mayor Vasquez verified an analysis of the project with the failed Downtown Village Specific Plan (DVSP) did not occur, but the process is likely similar.

At 7:05 p.m., Mayor Vasquez opened the public hearing.

Applicant Sara Cummings, San Diego Homecare Supplies, deferred time to Sydel Charlier Howell. Ms. Charlier Howell referenced her letter of support for the appeal. She highlighted issues with blight and homelessness, and relayed some customers ask to have their supplies mailed because they are uncomfortable with coming downtown. She questioned if the clients are court ordered to treatment, what are the hours of operations, and where do clients go after treatment, noting it appears to be an intensive outpatient treatment facility. Ms. Charlier Howell indicated the proposed use does not comply with the vision of the downtown specific plan to be business and people friendly.

Bruce Ross, President Village Walk HOA, located across the street from the proposed treatment and counseling service, transmitted their community of 400 people (161 families) suffer from the problems with homelessness and are concerned about the proposed drug rehabilitation facility.

Christopher Miller, Lemon Grove, objected to the business being located across the street from his residence, saying he can see the homeless now, streets are poorly lit, parking lots are not patrolled; and he is afraid his son may pick up discarded needles.

Jim Butcher, AAA Imaging, distributed a letter in opposition to approval of the treatment center, stating it is a deterrent to bring new businesses to downtown.

John Enright, Berry's Athletic Supply, balked at the clinic abutting his business since the homeless nuisances are currently visible from his store.

Erik Wiese, commercial real estate broker representing Berry's Athletic Supply, passed out a map showing 20 places in Lemon Grove dealing with addiction, which contrasts with being a family friendly City.

Teresa Rosiak-Proffit, Lemon Grove, communicated two views: the service is needed and support is needed for downtown businesses. So she suggested locating the use outside of downtown and perhaps in available space at the Sheriff Department.

Kim Miller, Lemon Grove, expressed worry about her son finding needles on walks, agreed the clinic is a useful service, but argued it should not be located downtown. She commented there are no pictures of Lemon Grove on Facebook.

Action: A motion was made by Mayor Pro Tem Jones and seconded by Councilmember J. Mendoza to close the public hearing at 7:37 p.m. The motion passed by the following vote:

Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza

Noes: None

Councilmember J. Mendoza stressed the City Council did not approve medical marijuana, rather the voters approved it.

**Action: Mayor Pro Tem Jones moved and Councilmember M. Mendoza seconded to reopen the public hearing. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones
Noes: M. Mendoza**

Shane Harmon, Niznik, explained 80% of clients would be transported by van for group counseling to and from a sober living facility outside of Lemon Grove. Further, 20% of their patients that are further along in recovery, drive themselves to the clinic for outpatient services. In addition their clients services are paid by insurance or private pay at a cost of \$6,000-\$8,000 a month.

Mayor Vasquez reported the referenced side conversation was to determine if the City Council members could ask questions during the public hearing. Councilmember M. Mendoza confirmed the applicant representative is a specialized real estate broker and not an addiction recovery/health specialist. Mayor Pro Tem Jones mentioned the IOP/OP Program from 5:00-9:00 p.m. is not planned.

**Action: At 7:41 p.m. the public hearing was closed on a motion by Mayor Pro Tem Jones and second by Councilmember M. Mendoza. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza
Noes: None**

Mayor Pro Tem Jones established that in the 2005 DVSP and the recently failed DVSP, professional offices and clinics are allowed, recovering alcoholics are not criminals, there are concerns about homeless, the trigger for the minor use is due to the group therapy component, impact from McAllister Institute is different; and he inquired about the legal grounds for denial.

Councilmember J. Mendoza agreed the proposed center is different than the McAllister Institute, there is a need for the proposed services; however, the clinic is not compatible with the cited vision in the DVSP.

Councilmember M. Mendoza expressed compassion for people wanting to recover, but treatment centers are not in the vision of the DVSP.

Councilmember Arambula opined the clinic is the right use in the wrong place even though the proposed DVSP was shot down and the 2005 DVSP is effective.

Mayor Vasquez reiterated the proposed DVSP failed by a 3-2 vote although input was received from 143 residents and grant monies were utilized. She questioned whether or not denial of the use is legal.

City Attorney James Lough responded the Development Services Director approved the minor use permit; and because it is a close case, there is language that allows approval of the appeal denying the minor use. It is a Council decision.

**Action: It was moved by Councilmember J. Mendoza and seconded by Councilmember Arambula to adopt Resolution No. 2018-3587 Approving Administrative Appeal AA1-800-0002, Overturning the Development Services Director's Decision to Approve Minor Use Permit No. MUP-180-0001, a Request to Allow an Outpatient Drug And Alcohol Addiction Treatment and Counseling Service Center At 3434 Grove Street, Lemon Grove, California. The motion passed by the following vote:
Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza**

Noes: None

4. Draft Fiscal Year 2018-19 General Fund Operating Budget and Sanitation District FY 18-19 Operating and Capital Budget

City Manager Lydia Romero introduced Molly Brennan, Finance Manager. Manager Romero began the budget discussion for the General Fund and Sanitation District and asked the City Council/Board for input during the process. Al Burrell, Financial Consultant, reviewed the Workshop Agenda, Budget Process, and Budget Basics for both the General Fund and Sanitation District.

Ms. Brennan thanked the City Council for the opportunity to serve Lemon Grove. She revealed the General Fund 2017-18 fiscal year ending projection is \$10,342, deficit was avoided due to one-time revenue of \$132,000 in code enforcement citation fees from marijuana dispensaries. A pie chart for the 2018-19 FY General Fund revenue budget was displayed, similar to previous year. Manager Romero shared sales tax revenue is the largest revenue source for the City at 40%; and it has been consistent, but will erode due to on-line sales with revenue returned to the jurisdiction on a formula basis. The second largest source is property tax at 20%, and then at 19% is the property tax in lieu revenue, both steady but will not keep up with fixed expenses.

Ms. Brennan displayed the sources of General Fund revenue for FY 2017-18 as budgeted, as projected, and as budgeted for FY 2018-19, along with an itemization of significant revenue changes. Councilmember Arambula discussed funds from SB1 Road Tax funds, and Councilmember J. Mendoza stated that if Proposition 69 passes today, it will restrict use of the monies for roads; and it was noted the funds are not included in the General Fund.

The General Fund expenditures were covered by Ms. Brennan for FY 2017-18 as budgeted, as projected, and as budgeted for FY 2018-19 and by department. Public safety constitutes approximately 78.5 percent of the expenditures, and the remainder is Public Works at 10%, Administration at 7% and Development Services at 4%. Significant changes include Public Employees Retirement unfunded accrued liability increase of 31%, law enforcement 6% contract increase and 2% for animal control costs, 2% increase for fire staff, ¼ position increase for adding recreation services, Planning Commission compensation, election costs and General Plan update, and cut to other departments of 3-40%.

Al Burrell addressed the Cost Allocation between General Fund and Sanitation District. Councilmember J. Mendoza requested to see detailed allocation figures, i.e. allocation of specific salaries among funds. City Manager Romero replied Attachment B provides line item detail for revenue sources, expenditure details by department/division line items for both the General Fund and the Sanitation District operating, capital and pure water reserve budgets. Ms. Romero offered to resend the cost allocation study although it did not include indirect/administrative costs. If approved by the elected officials, another study could be contracted for to include indirect costs. Manager Romero cited State law does not require approval of a balanced Municipal budget before the end of the fiscal year, although it is good practice; so the budget can be approved in July if more time is required. City Attorney James Lough stressed the cost allocation or rate study is not part of the budget. Mayor Pro Tem Jones clarified the indirect costs such as purchasing, space, supplies, and percentage of administration were not included in the earlier study; and a complete study is estimated to take 90 hours.

Lydia Romero, City Manager outlined unfunded needs for fire, including an engine, generator, command vehicle, compressor and Jaws of Life extractor; public works consisting of community center roof repair and tree maintenance; and overall of code enforcement vehicle and cost of

living increase for miscellaneous employees. Mr. Burrell pointed out the City is in a structural deficit, irrespective of the economy. He indicated the reserves will be gone by FY 2021-2022. Councilmember Arambula commented the City is headed for bankruptcy in four years if additional revenue is not realized.

City Manager Romero posed options for increasing revenue, some needing voter approval and some without voter approval; and she requested feedback from the City Council. Councilmember Arambula transmitted the Metropolitan Transit System is considering a tax increase measure in the future, so he suggested taking action soon. Direction was received to return to the City Council for consideration of proposing a sales tax increase in November, a business license tax increase, and a utility users' tax at this time and to pursue all options not needing voter approval. Mayor Vasquez recommended including a CPI increase in all items except percentage fees. Ms. Romero said the planned cancellation of the July 3 City Council could be changed and the meeting reinstated.

Councilmember J. Mendoza urged pursuing all non-voter options for revenue increases such as getting more animals licensed. Molly Brennan replied to questions from Councilmember J. Mendoza about cost recovery, parking fines, and administrative citations. Mayor Pro Tem Jones reflected there was strong opposition previously to electronic billboards. Councilmember J. Mendoza complimented staff on a good job cutting expenses. Manager Romero did not cut the Council budget, and Councilmember J. Mendoza offered cutting the car allowance for Council, noted training is not included for the Planning Commissioners but they should still be informed about the League of California Cities training; and related to the election, the cost of the candidate statement is paid by the candidates. Ms. Romero remarked there are employee related costs for the Planning Commissioner in addition to the meeting compensation, the addition from $\frac{3}{4}$ time to full time for a Community Services employee costs approximately \$10,000, and there is potential for a SANDAG (San Diego Association of Governments) grant for the General Plan update.

Finance Manager, Molly Brennan, gave an overview of the Sanitation District healthy budget with revenue and expenses for operations, fund 15. Mike James, Assistant City Manager / Public Works Director recapped the Capital budget, fund 16. Ms. Brennan went over the Significant Changes for the District. Mayor Pro Tem Jones talked about the impact on the life of streets from cuts and possible reduction of the transfer for the Pure Water fund. Councilmember J. Mendoza observed there was no interest on one of the reserve funds; and due to the reserves, she did not support increasing sewer service charges. City Manager Romero requested the City Council email her with any discussion or questions about the budget for presentation on June 19.

5. Sewer Service Charge for Fiscal Year 2018-2019, Reducing Increase from 5.75% to 2.875% Increase

It was noted a vote against the ordinance would result in an increase of 5.75% instead of 2.875%. Board member J. Mendoza said she prefers no increase.

Action: On a motion by Vice Chair Jones and second by Board member Arambula, Ordinance No. SD 2018-29 was adopted Amending Ordinance No. 28 of the Lemon Grove Sanitation District Describing Methods For Calculating Sewer Use Charges

and reducing the previously approved increase of 5.75% to 2.875% for Fiscal Year 2018-2019. The motion passed by the following vote:

Ayes: Vasquez, Arambula, Jones, M. Mendoza

Noes: J. Mendoza

City Council Oral Comments & Reports on Meetings Attended at City Expense

Mayor Pro Tem Jones attended the following meetings:

- Metro Wastewater Finance Committee, in healthy shape
- Metro Ad Hoc Outreach team

Mayor Vasquez attended the following meetings and events:

- San Diego County Taxpayers Association 23rd Annual Golden awards
- San Diego Elevate fireside chat and event panelist on Women in Leadership
- Interview with Rock Church and conveyed City needs cleanup volunteers
- SANDAG Board of Directors, regional housing needs assessment numbers to be reconsidered from 106,000 approved housing units to 171,000 units per the State
- 2018 Memorial Day Ceremony at North Park church
- Mt. Soledad National Veterans Memorial Day Ceremony
- San Diego Regional Economic Development Commission Annual Dinner
- National Invitational Tournament of Champions regional speech finalists
- Heal Zone Family Fitness
- Election Day
- Announced Raven Vasquez is graduating from Mt. Helix High School, is working as a lifeguard this summer at Joan Kroc Center, and will be attending Cal State Northridge in the fall.

Councilmember J. Mendoza attended the following meetings and events:

- May 17 – Mexican American Business Professionals Lunch regarding alternatives to detention for juvenile offenders
- May 18 – SANDAG Transportation Committee, recommendations to Board: 1) Mid-Coast grade adjustment at Pepper Canyon; 2) \$40 million to City of San Diego for Transnet Debt Financing Program; 3) MTS and North County Transit District to receive FY 2019 allocations of Transportation Development Act funds
- May 24 - SANDAG Energy Working Group: Hub implementation and electric vehicle legislation; process for transportation network scenarios for San Diego Forward on the 2019-2050 Regional Plan and role in State and local climate action planning
- June 1 – SANDAG Transportation Committee including: 1) Regional call for projects and statewide competition for Cycle 4, California Active Transportation program; 2) Recommended design sequencing for State Route 11 Otay Mesa East Port of Entry; 3) Recommended Social Equity Analysis framework for Regional Plan; 4) AB805 Public Transit report; 5) Recommended 4th Cycle of Transnet Smart Growth Incentive and Active Transportation Grant programs with Lemon Grove ranked sixth on Smart Growth Capital Projects for connect Main Street Phases I and II in the sum of \$2.5 million with a City match of \$1,000; 6) Recommendations for the 9th Cycle of Transnet Environmental Mitigation and Land Management Grant programs; 7) Update on Advanced Technology Urban Area Transit Strategy included in the Regional Plan; and 8) Overview of Regional Climate Action Planning Framework.

City Manager and Department Director Reports (*Non-Action Items*)

City Manager Lydia Romero announced a Summer Kick Off free community BBQ with games and a DJ on Monday, June 11 from 3:00 – 5:00 p.m. at the Recreation Center. In addition the

schedule for concerts and movies in the parks will be provided to the City Council for sharing on social media.

Councilmember J. Mendoza disclosed an e-mail was inadvertently sent by MTS to three Lemon Grove City Councilmembers regarding Lemon Grove realignment, but it was not discussed.

Closed Session:

**Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of
G. C. Section 54956.9 (two cases)**

**Conference with Legal Counsel – Existing Litigation (G.C. § 54956.9 (1d))
Christopher Williams vs. David Arambula, City of Lemon Grove, et. al.
San Diego Superior Court - Case number 37-2018-00023369-CU-PO-CTL**

City Attorney James Lough announced the City Council will be adjourning to closed session at 10:30 p.m. for the purposes above. Councilmember Arambula excused himself from discussion of the existing litigation at 10:36 p.m.

Adjournment: The meeting was adjourned at 10:45 p.m. with no reportable action.

A. Kay Vinson, Interim City Clerk

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.D.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: Rejection of Claim

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

That the City Council rejects a claim submitted by Aran Wong of Coast Law Group LLC on behalf of Carol Pantazoplus.]

Item Summary:

[On May 1, 2018, the City of Lemon Grove received a timely submitted claim from Aran Wong of Coast Law Group LLC on behalf of the claimant Carol Pantazoplus. After reviewing and investigating the claim, staff recommends that it is rejected.]

Fiscal Impact:

[None.]

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

None.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.E.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: Rejection of Claim

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

That the City Council rejects a claim submitted by Thomas M. Tomlinson of Legler & Tomlinson on behalf of Robert Spencer. |

Item Summary:

On May 16, 2018, the City of Lemon Grove received a timely submitted claim from Thomas M. Tomlinson of Legler & Tomlinson on behalf of the claimant Robert Spencer. After reviewing and investigating the claim, staff recommends that it is rejected. |

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

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|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

None.

**LEMON GROVE SANITATION DISTRICT
AGENDA ITEM SUMMARY**

Item No. 1.F.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: **Approve the Engineer's Report Detailing Sewer Service Charges for Fiscal Year 2018-2019**

Staff Contact: Stephanie Boyce, Management Analyst

Recommendation:

Adopt a resolution (**Attachment A**) approving the engineer's report detailing sewer service charges for Fiscal Year 2018-19.

Item Summary:

On June 5, 2018 the Sanitation District Board adopted Ordinance No. 29, which established the annual sewer service charges for Fiscal Year 2018-2019 (FY 2018-19). The service charge established for FY 2018-19 is \$601.80 per Equivalent Dwelling Unit (EDU.)

On June 6, 2018, Psomas prepared an engineer's report and provided a detailed list of each parcel within the Sanitation District with the applicable service charge (tax roll). Staff confirmed, through an internal quality assurance check, that the report and tax roll are accurate. Copies of the engineer's report and tax roll are available for viewing at the District Engineer's office. A letter certifying that all assessments are in compliance with Article XIII C and D of the Constitution of the State of California and that the 6,836 parcels equaling \$6,594,527.80 are subject to the Fixed Special Assessment, must be filed with the San Diego County Auditor and Controller by August 10, 2018 in order to be included in the FY 2018-19 property tax statements.

Staff recommends that the Board of Directors adopt a resolution (**Attachment A**) approving the engineer's report and direct the District Clerk to file the required certification document with the San Diego County Auditor and Controller on or before August 10, 2018.

Fiscal Impact:

The itemized roll list 6,836 parcels, 10,958.01 EDUs, and a total assessment of \$6,594,527.80

Environmental Review:

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|--|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

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|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2018-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANITATION DISTRICT APPROVING THE ENGINEER'S REPORT REGARDING THE SEWER SERVICE CHARGES FOR FISCAL YEAR 2018-2019

WHEREAS, pursuant to Section 5473 of the Health and Safety code, the Board has determined that the sewer service charges for Fiscal Year 2018-19 shall be collected on the tax roll in the same manner, and by the same persons, and at the same time as, together with and not separately from the general taxes and has caused to be prepared and filed with the District Clerk a written engineer's report containing a description of each parcel of property receiving service from the Sanitation District and the amount of charges for each parcel for the Fiscal Year 2017-18 computed in conformity with the charges prescribed by the applicable Resolution of the District; and

WHEREAS, on June 5, 2018 the Sanitation District Board adopted Ordinance No. 29, which established the annual sewer service charges for Fiscal Year 2018-2019; and

WHEREAS, the service charge established for Fiscal Year 2018-19 is \$601.80 per Equivalent Dwelling Unit; and:

WHEREAS, such report was prepared by Psomas and filed with the District Engineer. |

NOW, THEREFORE, BE IT RESOLVED that the Lemon Grove Sanitation District Board of Directors of the City of Lemon Grove, California hereby:

1. Approves, affirms and adopts the engineer's report, which contains every fee and charge set forth; and
2. Directs the Clerk of the Board to file an approved, affirmed, and adopted copy of the engineer's report and a statement endorsing the engineer's report with the County of San Diego Auditor and Controller on or before August 10, 2018. |

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**LEMON GROVE ROADWAY LIGHTING DISTRICT
AGENDA ITEM SUMMARY**

Item No. 1.G.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: **Approve the Engineer's Report Detailing Zone L Assessments for Fiscal Year 2018-2019**

Staff Contact: Stephanie Boyce, Management Analyst

Recommendation:

Adopt a resolution (**Attachment A**) approving the engineer's report detailing Zone L Assessments for Fiscal Year 2018-19.

Item Summary:

Zone L is composed of various mid-block areas throughout the City. The voters in each area identified as Zone L held an election in June 1997 to impose a \$12.00 annual assessment for single family homes and an annual assessment of \$12.00 per each \$100,000 valuation for non-residential zoned parcels in the area. The purpose of the assessment is to pay for operations, maintenance, and energy costs of mid-block street lights in each zone. Since the current assessment was created in 1997, no assessment increases have been imposed.

On June 6, 2018, the engineer's report was completed by Psomas. Psomas provided the Lighting District with a detailed list of each zone within the Lighting District and the applicable service charge (tax roll). The engineer's report consists of the assessment roll for the District after a \$12.00 per benefit unit assessment has been applied to each parcel in Zone L. Staff confirmed through an internal quality assurance check that the report is accurate. Copies of the engineer's report and tax roll are available for review at the District Engineer's office. The report must be certified and the tax roll filed with the County of San Diego by August 10, 2018 to be included in the FY 2018-19 property tax statements.

Staff recommends that the Board of Directors adopt a resolution (**Attachment A**) approving the engineer's report and directs the District Clerk to file the required certification document with the San Diego County Auditor and Controller on or before August 10, 2018.

Fiscal Impact:

The itemized roll lists 5,258 parcels, 7,419.03 benefit units, and a total assessment of \$89,028.36

Environmental Review:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Resolution

Attachment A

RESOLUTION NO. 2018-_____

**RESOLUTION OF THE LEMON GROVE ROADWAY LIGHTING DISTRICT APPROVING THE
ENGINEER'S REPORT REGARDING THE ZONE L CHARGES FOR FISCAL
YEAR 2018-2019**

WHEREAS, on June 17, 1997 the Board of Directors of the Lemon Grove Roadway Lighting District adopted Resolution No. 102 reciting the facts of an election held in the District on June 3, 1997, declaring the results of said election and levying the annual assessment; and

WHEREAS, the engineer's report for the Lemon Grove Roadway Lighting District on file with the Clerk of the Board gives a full and detailed description of the improvements, the boundaries of the Assessment District and the two zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.

NOW, THEREFORE, BE IT RESOLVED that the Lemon Grove Roadway Lighting District Board of Directors of the City of Lemon Grove, California hereby:

1. Approves, affirms and adopts the engineer's report, which contains every fee and charge set forth; and
2. Directs the Clerk of the Board to file an approved, affirmed, and adopted copy of the engineer's report and a statement endorsing the engineer's report with the County of San Diego Auditor and Controller on or before August 10, 2018.

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LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 1.H.
Mtg. Date June 19, 2018
Dept. Public Works

Item Title: **Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019.]

Item Summary:

The Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 was created in September 1997, pursuant to the provisions of the Landscaping and Lighting Act of 1972. The District includes 46 properties.

The engineer's report was presented and approved by the City Council on September 2, 1997. In order to pay for maintenance of the landscaped areas, the assessment may be adjusted annually by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), within a maximum cap of \$335 per parcel.

Staff recommends a 3 percent increase in the assessment for Fiscal Year 2018-2019. The staff report (**Attachment A**) details the reasons supporting the increase and the proposed budget for the Wildflower Landscape Maintenance Assessment District.]

Fiscal Impact:

The FY 2018-2019 budget anticipates a beginning fund balance and **revenues of \$14,058 and expenditures/transfers totaling \$14,058.**]

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.H.

Mtg. Date June 19, 2018

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Discussion:

On September 2, 1997, the City Council created the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 (District), pursuant to the provisions of the Landscaping and Lighting Act of 1972. At that meeting, an engineer's report detailed the need for an assessment in order to pay for the maintenance of the landscaped areas. The District includes 46 properties located along both sides of Gold Lake Road, Blue Lake Court, Long Lake Court, and Green Lake Court.

Each year, the City Council may increase the annual assessment by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), with a maximum cap of \$335 per parcel. As reported in January 2018 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.8% during the prior 12 months.

During the establishment of the Fiscal Year 2018-2019 (FY 2018-19), city staff continues to monitor the reserve balance goal of \$11,550 that was established in FY 2014-15. The reserve goal equals one-year of anticipated expenditures plus 40 percent of operational expenditures. Staff continues to rely on the services of two contractors to maintain the District's landscaping and trees. The two contractors are West Coast Arborists (WCA) and Aztec Landscaping Services, Incorporated (Aztec).

Looking forward, the proposed budget realized an increase in salaries, benefits, contract services, and Helix Water costs. In order to meet these cost increases as well as continue to set aside funds to fund the established reserve goal of \$11,550, staff recommends a 3 percent increase in the assessment from \$212.22 to \$218.58 during FY 2018-19, which equals the greater of 3 percent or 2.8 percent which is the annual increase in CPI.

Attachment A

The following District budget was prepared to reflect staff's recommendation.

FY 2018-19 Budget Descriptions	Balance
<i>Beginning Fund Balance</i>	\$4,119
<i>Revenue</i>	
Annual Assessment Revenue	\$9,939
Total Resources	\$14,058
<i>Expenditure</i>	
Salaries – Regular	(\$5,000)
Benefits	(\$1,220)
Contract Services (Landscaping)	(\$3,600)
SDG&E	(\$100)
Helix Water	(\$1,500)
Total Expenditures	(\$11,420)
<i>Transfers</i>	
Transfer to City for Admin & Operations	(\$100)
Transfer/Allocation for Reserves	(\$2,538)
Total Transfers	(\$2,638)
Ending Fund Balance	\$0

At the end of FY 2018-19, staff anticipates \$2,856 will be available to add to the District's reserve goal of \$11,550. Staff will continue to monitor the fiscal stability of the District each year, paying close attention to the expenditures made and the need to adjust the annual assessment in order to safeguard the District's fiscal health to afford operational costs and reserve goals.

Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-19 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2018.

Attachment B

RESOLUTION NO. 2018 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS WITH THE LEMON GROVE WILDFLOWER LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 97-1 FOR FISCAL YEAR 2018-2019

WHEREAS, on September 2, 1997, the City Council adopted Resolution No. 1805, declaring the results of a property owner protest proceeding held in the Lemon Grove Wildflower Landscaping Maintenance Assessment District 97-1 (District); and

WHEREAS, the engineer's report for the District, approved by Resolution No. 1804, on file with the City Clerk, gives a full and detailed description of the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the City Council desires to increase the assessment against parcels of land within the District for the fiscal year commencing on July 1, 2018 and ending June 30, 2019, to pay the expenses of operating, maintaining and servicing landscaping and appurtenant facilities located within public places in the District; and

WHEREAS, the City Council has determined that a 3 percent increase in the annual assessment will be needed for Fiscal Year 2018-2019.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Sets the assessment rate for Fiscal Year 2018-2019 in the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 at \$218.58 per parcel; and
2. Directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2018.

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**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.1
Mtg. Date June 19, 2018
Dept. Development Services

Item Title: **Renewal of Stormwater Professional Services Agreement for Plan Review and Construction Inspections with D-MAX Engineering, Inc.**

Staff Contact: David De Vries, Development Services Director

Recommendation:

Adopt a Resolution (**Attachment A**) approving an agreement to renew professional services with D-MAX Engineering, Inc. for Stormwater Plan Review and Construction Inspection Services.

Item Summary:

The Regional Water Quality Control Board (RWQCB) requires the City to review and approve technical stormwater reports related to development and redevelopment projects and conduct stormwater compliance inspections of construction sites as described in the Jurisdictional Runoff Management Plan (JRMP). The City has been in contract with D-MAX Engineering, Inc. (D-MAX) in previous years to meet the requirements of the State's Mandated Stormwater Permit. The City's current contract for the above mentioned services with D-MAX will expire on June 30, 2018. City staff recommends continuing the contract with D-MAX to assist the City in meeting these Permit requirements. The proposed agreement is for a not to exceed amount of \$50,000 to review technical reports and conduct construction inspections through June 30, 2019. The cost to review technical stormwater documents and conduct stormwater compliance inspections will be recovered through each project's developer deposit account with no direct costs to the City. Staff recommends that the City Council adopt a Resolution approving this agreement for professional services.

Fiscal Impact:

The total contract amount for as-needed services is not to exceed Fifty Thousand Dollars (\$50,000) and is recovered through each project's developer deposit account with no direct cost to the City.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Resolution-Exhibit 1 D-MAX Proposal

RESOLUTION NO. 2018-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH D-MAX ENGINEERING, INC. FOR STORMWATER PLAN REVIEW AND CONSTRUCTION INSPECTION SERVICES

WHEREAS, the Regional Water Quality Control Board (RWQCB) adopted Order No. R9-2013-0001 (Permit) replacing the previously issued stormwater permit Order No. R9-2007-0001; and

WHEREAS, the Permit went into effect on June 27, 2013; and

WHEREAS, the Permit required the City to develop a Jurisdictional Runoff Management Program (JRMP) no later than June 27, 2015, which the City completed; and

WHEREAS, the Permit also required the City to adopt a Lemon Grove Best Management Practices (BMP) Design Manual for development and redevelopment projects by February 2016, which the City adopted on February 2, 2016; and

WHEREAS, the City is required to review and approve technical stormwater reports for development and redevelopment projects consistent with the specifications in the Lemon Grove BMP Design Manual and to conduct stormwater compliance inspections; and

WHEREAS, the City has contracted with D-MAX Engineering, Inc. (D-MAX) to review technical stormwater reports and conduct stormwater compliance inspections through June 30, 2018; and

WHEREAS, the City's existing contract for plan review and stormwater construction compliance inspections with D-MAX will expire on June 30, 2018; and

WHEREAS, the City has requested a stormwater services agreement to continue contracting with D-MAX to meet the Permit requirements through June 30, 2019; and

WHEREAS, the cost to review technical stormwater documents and conduct stormwater construction compliance inspections will be recovered through each project's developer deposit account; and

WHEREAS, the cost to provide said services by D-MAX will be on an as-needed bases not to exceed \$50,000; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California, hereby:

1. Approves an Agreement with D-MAX (Exhibit 1) for as-needed stormwater services for the review of technical stormwater reports related to development and redevelopment projects and stormwater compliance inspections; and
2. Authorizes the City Manager or designee to execute said agreement.

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Attachment A – Exhibit 1

AGREEMENT FOR AS-NEEDED STORMWATER QUALITY SERVICES

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the “CITY”), and D-Max Engineering, Inc., a water and environmental sciences firm (the “CONSULTANT”).

RECITALS

WHEREAS, the CITY desires to employ a CONSULTANT to provide stormwater construction inspection support and technical review of stormwater documents related to development and redevelopment projects on an as-needed basis for the CITY.

WHEREAS, the CITY has determined that the CONSULTANT is qualified by experience and has the ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services set forth in Exhibit A.

The CONSULTANT can expect to perform stormwater construction inspection support and technical review of stormwater documents related to development and redevelopment projects on an as-needed basis. This will involve the technical review of various stormwater documents and involve site visits and field inspections.

Each task will be provided to the CONSULTANT. Depending on the magnitude of an individual item, a detailed scope of work and cost proposal may be prepared, or it may simply be agreed that the work will be performed on a time and material basis. Prior to the beginning of any work, a task order may be requested that discusses the scope and fee (in the case of time and material work the fee will be a “not-to-exceed” amount.) A task order will not be valid until signed by both the CONSULTANT and the City.

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on CITY personnel for such services, except as authorized in advance by the CITY. The CONSULTANT shall participate in meetings if required by a task order to keep staff advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement per project. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.** David De Vries, Development Services Director, is hereby designated as the Project Manager for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Manager to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Arsalan Dadkhah, Ph. D., PE is hereby designated as the Project Manager for the CONSULTANT.

Attachment A – Exhibit 1

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and reimbursable expenses, if any. The total cost for all work described within Exhibit A shall not exceed FIFTY THOUSAND DOLLARS (\$50,000) without prior written authorization from the CITY for twelve months of service. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit A as determined by the CITY.

On an annual basis, the CONSULTANT may request an increase in the schedule of fees of no more than the increase in the Consumer Price Index for the previous one year period.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This Agreement will last through June 30, 2019 from the executed date of the Agreement or until all work has been completed by the CONSULTANT and accepted by the CITY, whichever occurs first.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this Agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's work product for the CITY's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venture with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

Attachment A – Exhibit 1

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or subcontractors, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL.** Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's officers, agents, or employees are in any manner officers, agents, or employees of the CITY. It is understood that the CONSULTANT, its officers, agents, and employees are as to the CITY wholly independent consultants and that the CONSULTANT's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONSULTANT, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

11. **STANDARD OF CARE.** The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT's trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it within the preceding five (5) years, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT's professional performance or the furnishing of materials or services relating thereto.

The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the CITY for any increased costs that result

Attachment A – Exhibit 1

from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

12. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT shall indemnify, defend, and hold harmless the CITY, and its elected officials, officers, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONSULTANT expressly agree that any payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

Attachment A – Exhibit 1

15. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its elected officials, officers, agents, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorneys' fees and defense costs presented, brought or recovered against the CITY or its elected officials, officers, agents, and employees for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

16. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONSULTANT's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its elected officials, officers, agents, and employees so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the CITY and its elected officials, officers, agents, and employees as additional insureds.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event,

Attachment A – Exhibit 1

the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorneys' fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorneys' fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorneys' fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

18. MEDIATION/ARBITRATION. If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principals, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA"). The costs of mediation shall be borne equally by the parties.

19. TERMINATION. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon thirty (30) days written notice to the CONSULTANT. During said 30-day period the CONSULTANT shall perform all services in accordance with this Agreement. The CONSULTANT may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the CITY of its obligations under this Agreement including but not limited to payment of invoices. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the CITY's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

In the event of termination, all finished or unfinished Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, less any damages caused the CITY by the CONSULTANT's breach, if any. Thereafter, ownership of said written materials shall vest in the CITY all rights set forth in Section 6.

20. NOTICES. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or sent by facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days within California or ten (10) days if the address is outside the State of California after the date of

Attachment A – Exhibit 1

deposit in a post office or mailbox regularly maintained by the United States Postal Service, (iv) if given by facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To the CITY:

David De Vries,
Development Services Director
CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945

To the CONSULTANT:

Arsalan Dadkhah, Ph. D., PE
D-Max Engineering, Inc.
7220 Trade Street Suite 119
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

21. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONSULTANT shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed Agreement.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONSULTANT.

22. MISCELLANEOUS PROVISIONS.

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

Attachment A – Exhibit 1

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

Attachment A – Exhibit 1

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

D-MAX ENGINEERING, INC.

Lydia Romero, City Manager

Arsalan Dadkhah, President

Date

Date

APPROVED AS TO FORM:

James Lough, City Attorney

Date

D-MAX Engineering, Inc.

Consultants in Water & Environmental Sciences



June 11, 2018

Mr. David De Vries
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Subject: Storm Water Services for Construction and Development

Dear Mr. De Vries:

Per your request, D-MAX Engineering, Inc. (D-MAX) is pleased to submit this proposal to provide storm water services for construction and development for the City of Lemon Grove (City). All work will be completed in accordance with the City's Jurisdictional Runoff Management Program (JRMP); San Diego Regional Water Quality Control Board (Regional Board) Order No R9-2013-0001, as amended by Order Nos. R9-2015-0001 and R9-2015-0100; and the City's grading, storm water, and post-construction BMP ordinances.

Scope of Services

Task 1. Technical Review of Storm Water Plans and Reports

We will review the following submittals and provide written comments to the City based on our review:

- Erosion control plan sheets
- Post-construction best management practice (BMP) plans, usually referred to as Storm Water Quality Management Plans (SWQMP), including the review of hydromodification reports
 - Review of the SWQMP will also include review of grading plan sheets, where applicable, to verify that BMPs proposed in the SWQMP are also shown on the plans

When necessary, we are also available to discuss comments with project proponents in meetings, on the phone, or over email. In some cases, this direct communication helps resolve deficiencies more quickly, allowing projects to comply with requirements and gain approval for storm water submittals sooner.

Deliverables for each reviewed project will include the following:

- A completed erosion control plan review checklist, using the standard form from the JRMP, for each erosion control plan reviewed
- A review letter summarizing comments for each submitted SWQMP.
- A final electronic copy of the SWQMP and associated plan sheets (to be provided by the project applicant). The project's submitted storm water requirements applicability checklist will be required to be included with the SWQMP as an appendix.

Attachment A – Exhibit 1

David De Vries
City of Lemon Grove
June 11, 2018
Page 2



- A draft storm water facilities maintenance agreement (to be provided by the project applicant and recorded at the completion of the project)

We will also maintain an overall list of reviews completed by D-MAX and can provide that list to the City when necessary for reporting or other purposes.

Task 2. Construction Phase Inspections

During the construction phase, we will provide the following services:

- Attend pre-construction meeting to describe storm water requirements.
 - We will review the requirements as presented on the erosion control plan and in the SWQMP, focusing on key actions necessary to maintain compliance. The importance of erosion control BMPs, which have been the subject of multiple recent enforcement actions by the Regional Board, will also be stressed. The goal of the storm water discussion during the pre-construction meeting is to establish clear expectations for the contractor as a proactive step to minimize future risk of noncompliance.
- Conduct regular, routine inspections based on the site prioritization assigned via the process included in the JRMP.
 - During the wet season, high priority sites are inspected twice per month, medium priority sites are inspected monthly, and low priority sites are inspected as needed.
 - During site inspections, we will walk the site with the responsible person and discuss the condition of the sites and potential corrective actions during the inspection where possible. We expect that the first inspection at each project inspection will generally be longer than subsequent inspections. During all inspections after the first inspection, our inspector will document the extent to which deficiencies noted during the preceding inspections have been resolved.
 - We will document inspection results and required corrective actions on a City of Lemon Grove construction inspection form. The form will clearly identify instances of non-compliance and our recommendations for resolving the non-compliance. We will include photos, marked up schematics, or other figures as necessary to illustrate places where correction needs to be made. Inspection documentation will be delivered through email and, if necessary, by fax.
- Conduct as-needed follow-up or pre- and post-rain event inspections.
 - Additional follow-up inspections may be necessary to verify corrections required during routine inspections have been made. Often follow-up inspections are completed prior to rain to verify corrections have been made before a storm and/or after a storm to verify that BMPs performed adequately. In some cases, emailed photos demonstrating that required corrections have been made may be accepted in lieu of an onsite follow-up inspection.

Attachment A – Exhibit 1

David De Vries
City of Lemon Grove
June 11, 2018
Page 3



- Collected runoff samples as needed
 - Runoff samples will be collected as needed to assess BMP effectiveness. Samples are collected from storm runoff and are typically analyzed for turbidity and pH. Additional analyses can also be completed when necessary.
- Enforcement documentation assistance
 - If enforcement action beyond providing written correction notices based on inspections becomes necessary, we will provide the City with a written description of violation(s) noted and necessary supporting documentation to support preparation of other enforcement actions, such as notices of violation, administrative citations, and stop work orders.
 - We understand that City staff will notify the Regional Board in the event that escalated enforcement action is taken.
- Post-construction BMP installation verification
 - Following completion of all the post-construction BMPs at a site, we will perform an inspection to verify that these post-construction BMPs have been constructed or installed as proposed in the SWQMP. These inspections will check for common problems like bioretention area drains not being located high enough to provide the design amount of surface ponding.
- Final SWQMP and storm water-related plan sheets, including documentation of field changes to proposed post-construction BMPs, if applicable
 - If any field changes to post-construction BMPs are proposed, we will work with City staff to require submittal of an amendment to the SWQMP and revised plan sheets to document the change. All proposed changes are subject to the same review process described in Task 1 and should not be approved to be constructed until approved through that process. Where approved, the project proponent will also be required to submit revised electronic copies of the updated plan sheets and SWQMP for the City's files.
 - If no field changes occur, the electronic files submitted in Task 1 will be saved to document the post-construction BMPs implemented.
- Verify storm water facilities maintenance agreement has been recorded prior to project finalization.
 - We will work with the City to ensure the project's maintenance agreement is recorded with the County. We will verify that the maintenance agreement accurately described the post-construction BMPs as built, and then our understanding is that City staff will work with the project proponent to record the agreement with the County Recorder.

Deliverables for each inspected project will include the following:

- Attendance at pre-construction meetings
- A completed inspection form and associated photos for each inspection
- A memo summarizing results of storm water runoff sampling for each sampling event

Attachment A – Exhibit 1

David De Vries
City of Lemon Grove
June 11, 2018
Page 4



- Final, updated SWQMP and associated plan sheets in electronic copy, if amended or revised based on construction changes (electronic copies to be provided by project applicant)
- A spreadsheet listing all the post-construction BMPs for which installation was verified during the fiscal year. This will be provided at the end of the fiscal year as part of the annual reporting process.

We will also maintain an overall list of dates inspections have been completed for reference by City staff. Sites will be added to the inspection list based on notification of pre-construction meetings provided to D-MAX by City staff.

Cost Estimate

We will complete the tasks described above on a time and materials basis in accordance with the attached fee schedule, not to exceed \$50,000. We expect that the per inspection cost, including reporting and recordkeeping, will range from about \$250 to \$600 per inspection, with the amount depending on the extent of deficiencies noted at the sites, whether we are inspecting one site or multiple sites during a single trip to the City, and the amount of follow-up correspondence necessary following each inspection. Plan review cost will vary depending on the size and complexity of the project.

All invoices for work under this project will clearly break out costs separately for each project reviewed or inspected.

Should you have any questions regarding the above comments, please call me at (858) 586-6600, extension 22.

Sincerely,
D-MAX Engineering, Inc.

A handwritten signature in cursive script that reads 'Arsalan Dadkhah'.

Arsalan Dadkhah, Ph.D., P.E.
Principal

Attachment A – Exhibit 1



SCHEDULE OF FEES

City of Lemon Grove Construction and Development Storm Water Services

January 1, 2018

LABOR

<u>Classification</u>	<u>Hourly Rate</u>
Word Processor/Admin	65
Drafter	75
Technician	75
Senior Technician	85
Staff Scientist/Engineer I	95
Staff Scientist/Engineer II	105
Assistant Project Scientist/Engineer	125
Project Scientist/Engineer	140
Senior Scientist/Engineer	155
Principal Scientist/Engineer	180

Field and hourly services will be charged portal to portal from our office, with a two-hour minimum.

Appearance as expert witnesses at court trials, mediation, arbitration hearings and depositions will be charged at \$200/hour. Time spent preparing for such appearances will be charged at the above standard hourly rates.

OTHER CHARGES

Subcontracted services, such as sub consultants, outside testing, drilling, and surveyors, will be charged at cost plus 15%. Other project-specific costs, such as rentals, expendable or special supplies, special project insurance, permits and licenses, shipping, subsistence, tolls and parking, outside copying/printing, etc., will be charged at cost plus 15%. Mileage will be charged at the current IRS rate. Meals, lodging, and travel expenses, when pre-approved by the City, will be charged at cost or at standard per diem rates, as applicable.

Client will be responsible for any applicable taxes in addition to the fees due for Services.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.J
Mtg. Date June 19, 2018
Dept. Development Services

Commented [JD1]:

Item Title: Renewal of Professional Services Agreement Stormwater Program Support Services with D-MAX Engineering, Inc.

Staff Contact: David De Vries, Development Services Director

Recommendation:

Adopt a Resolution (**Attachment A**) approving an agreement to renew professional services with D-MAX Engineering, Inc. to assist with the implementation of the City's Stormwater Program.]

Item Summary:

[The Regional Water Quality Control Board (RWQCB) through its Stormwater Municipal Permit requires the City to complete a number of tasks described in the Jurisdictional Runoff Management Plan (JRMP) during Fiscal Year 2018-19. These tasks include outfall monitoring, industrial, commercial and municipal field inspections, and structural best management practices maintenance verification and inspections. In addition to the JRMP, the City is required to implement its section of the San Diego Bay Watershed Water Quality Improvement Plan. The City has contracted with D-MAX Engineering, Inc. (D-MAX) in previous years to assist the City in meeting the requirements of the State's Mandated Stormwater Permit. The City's current contracts for the above mentioned services expires on June 30, 2018. City staff recommends continuing the contract with D-MAX to assist City staff with meeting these permit requirements. The proposed agreement is for a not to exceed amount of \$55,000 through June 30, 2019. Funds were allocated next fiscal year within Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and the General Fund, to support the D-MAX agreement. City staff recommends that the City Council adopt a Resolution approving this agreement for professional services.]

Fiscal Impact:

[The total contract amount for this professional services agreement is not to exceed Fifty-Five Thousand Dollars (\$55,000.00) and is supported through Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and the General Fund.]

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Resolution-Exhibit 1 D-MAX Proposal

Attachment A

RESOLUTION NO. 2018-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA
APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH D-MAX
ENGINEERING, INC. FOR STORMWATER SUPPORT SERVICES**

WHEREAS, the Regional Water Quality Control Board (RWQCB) adopted Order No. R9-2013-0001 (Permit) replacing the previously issued stormwater permit Order No. R9-2007-0001; and

WHEREAS, the Permit went into effect on June 27, 2013; and

WHEREAS, the Permit required the City to develop a Jurisdictional Runoff Management Program (JRMP) no later than June 27, 2015, which the City completed; and

WHEREAS, the City is required to conduct outfall monitoring, industrial, commercial and municipal inspections, and structural best management practices verification and inspections within Fiscal Year 2018-19; and

WHEREAS, the City is also required to implement the San Diego Bay Watershed Water Quality Improvement Plan; and

WHEREAS, the City has contracted with D-MAX Engineering, Inc. (D-MAX) to provide the aforementioned support through June 30, 2018; and

WHEREAS, the City's existing contracts with D-MAX for the above mentioned support expires on June 30, 2018; and

WHEREAS, the City has requested a stormwater services agreement to continue contracting with D-MAX to meet the Permit requirements through June 30, 2019; and

WHEREAS, funds have been allocated within Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and General Fund, to support the expense to provide said services by D-MAX with a not to exceed amount of \$55,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California, hereby:

1. Approves an Agreement with D-MAX (Exhibit 1) for professional services for stormwater support services; and
2. Authorizes the City Manager or designee to execute said agreement.

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Attachment A – Exhibit 1

AGREEMENT FOR PROFESSIONAL STORMWATER SUPPORT SERVICES

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the “CITY”), and D-Max Engineering, Inc., a water and environmental sciences firm (the “CONSULTANT”).

RECITALS

WHEREAS, the CITY desires to employ a CONSULTANT to provide professional stormwater services support that includes outfall monitoring, industrial, commercial, municipal inspections, structural best management practices maintenance verification and inspections, and water quality improvement plan support for the CITY.

WHEREAS, the CITY has determined that the CONSULTANT is qualified by experience and has the ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services set forth in Exhibit A.

The CONSULTANT can expect to perform outfall monitoring, industrial, commercial, municipal inspections, structural best management practices maintenance verification and inspections, and water quality improvement plan support. This will involve the technical review of various stormwater documents and involve site visits and field inspections.

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on CITY personnel for such services, except as authorized in advance by the CITY. The CONSULTANT shall participate in meetings if required by a task order to keep staff advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement per project. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.** David De Vries, Development Services Director, is hereby designated as the Project Manager for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Manager to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Arsalan Dadkhah, Ph. D., PE is hereby designated as the Project Manager for the CONSULTANT.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and reimbursable expenses, if any. The total cost for all work described within Exhibit A shall not exceed FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00) without prior written authorization from the CITY for twelve months of service. Monthly invoices will be processed for payment and remitted within

Attachment A – Exhibit 1

thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit A as determined by the CITY.

On an annual basis, the CONSULTANT may request an increase in the schedule of fees of no more than the increase in the Consumer Price Index for the previous one year period.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This Agreement will last through June 30, 2019 from the executed date of the Agreement or until all work has been completed by the CONSULTANT and accepted by the CITY, whichever occurs first.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this Agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's work product for the CITY's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venture with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as

Attachment A – Exhibit 1

many employees, or subcontractors, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL.** Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's officers, agents, or employees are in any manner officers, agents, or employees of the CITY. It is understood that the CONSULTANT, its officers, agents, and employees are as to the CITY wholly independent consultants and that the CONSULTANT's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONSULTANT, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

11. **STANDARD OF CARE.** The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT's trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it within the preceding five (5) years, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT's professional performance or the furnishing of materials or services relating thereto.

The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this subparagraph will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

12. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex,

Attachment A – Exhibit 1

sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT shall indemnify, defend, and hold harmless the CITY, and its elected officials, officers, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONSULTANT expressly agree that any payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

15. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its elected officials, officers, agents, and employees

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from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorneys' fees and defense costs presented, brought or recovered against the CITY or its elected officials, officers, agents, and employees for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

16. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONSULTANT's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its elected officials, officers, agents, and employees so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the CITY and its elected officials, officers, agents, and employees as additional insureds.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorneys' fees incurred in the prosecution or defense of the action or suit shall not be

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considered in determining the amount of the judgment or award. Attorneys' fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorneys' fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

18. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principals, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA"). The costs of mediation shall be borne equally by the parties.

19. **TERMINATION.** This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon thirty (30) days written notice to the CONSULTANT. During said 30-day period the CONSULTANT shall perform all services in accordance with this Agreement. The CONSULTANT may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the CITY of its obligations under this Agreement including but not limited to payment of invoices. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the CITY's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

In the event of termination, all finished or unfinished Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, less any damages caused the CITY by the CONSULTANT's breach, if any. Thereafter, ownership of said written materials shall vest in the CITY all rights set forth in Section 6.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or sent by facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days within California or ten (10) days if the address is outside the State of California after the date of deposit in a post office or mailbox regularly maintained by the United States Postal Service, (iv) if given by facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

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To the CITY:

David De Vries,
Development Services Director
CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945

To the CONSULTANT:

Arsalan Dadkhah, Ph. D., PE
D-Max Engineering, Inc.
7220 Trade Street Suite 119
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONSULTANT shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed Agreement.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONSULTANT.

22. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

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D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

D-MAX ENGINEERING, INC.

Lydia Romero, City Manager

Arsalan Dadkhah, President

Date

Date

APPROVED AS TO FORM:

James Lough, City Attorney

Date

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D-MAX Engineering, Inc.
Consultants in Water & Environmental Sciences



June 11, 2018

Mr. David De Vries
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

**Re: Proposal for 2018-2019 Storm Water Program Support
City of Lemon Grove, California**

Dear Mr. De Vries,

D-MAX Engineering, Inc. is pleased to submit this proposal to assist the City of Lemon Grove (City) storm water program with tasks required by San Diego Regional Water Quality Control Board Order No. R9-2013-0001 as amended by Order No. R9-2015-0001 and Order No. R9-2015-0100 (Municipal Permit) for the 2018-2019 fiscal year.

Scope of Services

The scopes of services for the major groups of tasks to be completed are described below.

A. MS4 Outfall Monitoring

I. Dry Weather Major MS4 Outfall Monitoring and Reporting Program

The Municipal Permit requires the City to perform Dry Weather Major MS4 Outfall Discharge Monitoring each monitoring year (October 1 through September 30). The City is required to visit at least 80 percent of its major MS4 outfalls twice per monitoring year. The work will include field screening at the City's four major outfalls twice, for a total of eight field screening site visits. Field work will be completed by September 30, 2018.

This will complete the required monitoring for the period between October 1, 2018 and September 30, 2019.

The field work will include flow measurement, observations, and trash assessment at each site. Data will be recorded such that relevant parameters can be reported in the regional standard format.

The summary report associated with this monitoring will include a list of monitoring sites, results in tabular form, and results of follow-up investigations. A spreadsheet of relevant data in the regional standard format will be provided along with the report.

II. Non-Storm Water Persistent Flow Sampling

In accordance with Section D.2.b. of the Municipal Permit, the City is required to perform non-storm water persistent flow MS4 outfall discharge monitoring. If, during dry weather MS4 outfall monitoring, sites are found to have persistent flow, the City will determine which persistent non-storm water discharges contain pollutant concentrations in excess of the respective non-storm water action levels (NAL) at a minimum of five of these sites per watershed within its jurisdiction. Or, if a jurisdiction has less than five persistent outfalls, all of the persistent outfalls will be sampled.

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Based on the results of the City's 2017-2018 Dry Weather MS4 Outfall Monitoring Program, one of the City's major outfalls is considered to be persistently flowing: Site 69.

As required by the Municipal Permit, we will visit the persistently flowing outfall to collect samples twice between July 1, 2018 and September 30, 2018. We anticipate completing the two rounds of sampling in one day.

Field tests will be completed for pH, temperature, conductivity, turbidity, and dissolved oxygen using calibrated field meters. Grab samples will be collected and submitted to a certified laboratory for the constituents identified in Appendix 2D of the Storm Drain Outfall Monitoring Plan of the San Diego Bay WMA WQIP. All sampling and analyses will be conducted in accordance with 40 Code of Federal Regulations (CFR) Part 136.

As directed by the San Diego Bay WMA Storm Drain Outfall Monitoring Plan, a field duplicate and a field blank will be submitted to the laboratory with each batch of samples collected. Since there will be only one batch of samples submitted to the laboratory, one duplicate and one field blank will also be submitted.

In addition, as required by the San Diego Bay WMA WQIP, we will also collect one sample for total hardness from the receiving water upstream of the point where any flow from the outfall converges with the receiving water where possible.

The monitoring summary report to completed under Task 1 will summarize the results of the analyses, and will include a comparison of results to the applicable NALs as provided in the Municipal Permit. We will also discuss potential sources of NAL exceedances and recommendations for further investigation or potential steps towards eliminating persistent flows. We will also make recommendations about the relative priority of further investigations at other sites based on the collected data and known or suspected sources of flow as well as recommendations about MS4 cleaning or maintenance based on trash assessments and MS4 outfall structural condition assessments.

III. Follow-Up and Upstream Investigations

Follow-up visits and upstream source investigations may be required in some cases. Investigations will be in accordance with the County of San Diego Follow Up Investigation Procedures and will focus mainly on identifying sources of flow, particularly in cases where observations (color, clarity, odor, floatables, etc.) indicate a high possibility of an illegal discharge occurring. After investigations have been completed, results will be summarized and included in the program's monitoring report. Any illegal discharges identified will be immediately reported to the City at the time they are discovered.

B. Industrial, Commercial, and Municipal Inspections

I. Industrial, Commercial, and Municipal Field Inspections

The City has 334 inventoried industrial and commercial businesses and 13 inventoried municipal facilities, for a total of 347 facilities. We will inspect all 74 high priority facilities plus approximately 20 more industrial facilities that are potentially subject to the Industrial General Permit, which will also meet the minimum Permit requirement of inspecting 20% of inventoried industrial, commercial, and municipal facilities per year. Our approach to these inspections is described below.

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Inspection Notification and Initial Coordination

We will work with the City to prepare and send out a notification letter to businesses that have been selected for inspections, using the letter prepared last year as a template. We will prepare mailing labels for the City to use to send out these letters.

Optional task: we can also directly send out the letters on behalf of the City if the City provides us with City logo envelopes for the mailing.

Sending out notification letters alerts businesses to the upcoming inspections, notifies them that a City contractor will be completing the inspections, and helps identify businesses that may have gone out of businesses.

For municipal facilities, we will contact the facility manager to set up an appointment where necessary.

Initial Inspection Coordination

In the past we have had extensive communication with City staff about how to interpret and answer the questions on the City's inspection form. We have documented that direction from the City and are familiar with the City's preferences, so we do not need to have additional meetings or discussions with City staff to understand inspection procedures. If the City has any educational materials to be passed out during inspections, we will pick those up from City Hall before beginning inspections.

Facility Inspections

We will contact the businesses and municipal facilities identified as needing scheduled appointments to set up times to inspect them. We will organize the rest of the sites on the inspection list by address so that our inspectors can visit nearby facilities at the same time, which makes the process more efficient.

The site inspection procedure involves a thorough examination of the facility and all outdoor activities that have the potential to generate urban runoff pollution. We will record information on the City's inspection form. The site inspection includes the following steps.

- i. **Meet With Responsible Party:** Our inspectors will visit sites during normal business hours and wear company-issued photo identification. Upon meeting the responsible party, our inspector will introduce the storm water program, the purpose of the inspection, and distribute relevant educational materials. The introduction to the program will include a brief overview of the federal and state water quality laws, local requirements, impacts of urban runoff, the concept of Best Management Practices (BMPs), and a description of the local water bodies and pollutants of concern. At this time the inspector will also verify and update facility contact information and evaluate whether the assigned SIC code reflects the principal activity of the facility. Recommended inventory updates will be documented if the site visit finds that the listed business has moved out or is not conducting activities that would require it to be on the City's inventory.
 - *We understand that maintaining good relations with local businesses is important for the City of Lemon Grove and that, while interacting with businesses, we will be perceived by the public as City agents. Our inspectors are trained to interact with businesses with utmost professionalism, respect, and courtesy.*
- ii. **BMP and Potential Pollutant Assessment:** Our inspector will conduct a thorough walk-through of the facility accompanied by the facility manager/responsible party, to inspect all areas exposed to storm water. The inspector will evaluate existing BMP

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effectiveness and evaluate the site to assess whether illegal discharges or illicit connections are present.

➤ *Since the City is subject to bacteria and metals TMDLs for Chollas Creek, our inspections will pay extra attention to potential sources of these pollutants and corresponding BMPs. We will work with responsible parties to identify simple and cost-effective BMPs to address sources of these pollutants whenever possible. Our inspectors are experienced in identifying sources of metals and bacteria at industrial and commercial businesses and municipal facilities.*

➤ *We understand the City has committed to reducing the percentage of uncovered grease bins in its portion of the Chollas Creek watershed in the San Diego Bay WQIP. We will track this information during inspection and include it in the final inspection summary spreadsheet so that the City can track progress toward the WQIP numeric goal.*

If specific BMPs are not implemented or are found to be ineffective, corrections will be recommended and recorded in the appropriate section of the inspection form.

Photographs will be taken to document BMP deficiencies. If an illegal discharge or illicit connection is observed or significant corrective action is needed right away, the City will be notified promptly.

➤ *We will work with businesses to make corrections during the inspection whenever possible. This approach is responsive to the Regional Board's stated desire to resolve problems quickly, and it also reduces the amount of follow-up and enforcement work that City staff will need to do.*

iii. **Industrial Permit Subjectivity Assessment:** Based on the SIC code assigned based on part "i" above, we will identify whether the business may be subject to the State Industrial General Permit. We will check records at the business and/or on the State's SMARTS website to determine whether businesses have already obtained coverage under the Permit. Businesses that may be subject but cannot demonstrate that they have filed for coverage will be identified as potential non-filers. This will allow the City to report them to the Regional Board, as required by the Municipal Permit.

iv. **Inspection Summary and Conclusion:** At the completion of the walk-through, the inspector will summarize and clearly communicate all required corrective actions to the responsible party and discuss potential options for resolving the deficiencies noted. The inspector will also assign a storm water knowledge score and an overall BMP implementation score.

➤ *We take a collaborative approach with businesses to achieve compliance rather than simply tabulate BMP deficiencies. Our inspectors make every effort to identify practical and cost effective solutions and to leave a positive impression on business personnel.*

Documentation

- i. Using our experience with the City's conventions and preferences, the inspection form will be completed for each site visit and reviewed for quality control in our office. We will provide hard copies and scanned copies (pdf format) of inspection forms and electronic copies of inspection photos to the City.
- ii. We will provide copies of completed inspection forms to businesses that have corrective actions that require follow-up.

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- iii. We will prepare a summary spreadsheet of inspection results to the City. The spreadsheet will be based on the initial inspection list. It will also include the following:
 - a. Updated address information, where applicable
 - b. Updated SIC codes and priorities where appropriate based on inspection results
 - i. This includes identifying when a business was no longer at the stated address or when the business was found to conduct activities that do not require it to be on the industrial/commercial inventory (e.g., nail salons or dry cleaners). In these cases the priorities will be changed to "not inventoried" and they will be considered to have been removed from the inventory.
 - c. Updated "potential pollutant sources" information for the pollutants listed on the City's inspection form.
 - i. *Together with the information in parts "a" and "b" above, this will provide an updated inventory as of the end of the inspection program. This will help the City in preparing its inventory for the next fiscal year and with annual reporting.*
 - d. Inspection date
 - e. Whether the business needs a follow-up inspection. If yes, notes about the reason a follow-up is required will also be included.
 - f. Whether the business was identified as a potential Industrial General Permit non-filer.
 - i. *This will give the City data it needs to report potential non-filers to the Regional Board.*
 - g. Grease bin storage status: covered, uncovered, or N/A (no grease bin).
 - i. *This will give the City data to report on grease bin coverage for the San Diego Bay WQIP.*

II. Inspection Follow-Up and Enforcement Support

Based on our experience, some businesses will have deficiencies that need to be corrected. Where possible, we will work with businesses to resolve these issues at the time of the inspection as part of Task I. Where resolution during an inspection is not possible, we will follow-up with businesses. Generally this will involve emails or phone calls to businesses to remind them that they need to send in proof of correction, typically emailed photos along with brief text descriptions. We will also complete follow-up site inspections where necessary to document corrections or support City enforcement efforts, and we will prepare case histories and other documentation as requested by the City to support enforcement actions.

III. Industrial and Commercial Inventory Update

Based on the results of the inspections completed under Task I and business license information provided by the City, we will update the City's industrial and commercial business inventory. The end product of this process will be the 2018-2019 industrial and commercial inventory.

IV. Prepare Inspection Numbers for Annual Reporting

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Based on the inspections completed under Task I, we will prepare information to be input to the City's JRMP Annual Report form. This includes identifying numbers of inventoried facilities, inspection, discharges, violations, enforcement actions, and similar data for each class of inspected facilities: industrial, commercial, and municipal. We will prepare this information in the same format as shown on the JRMP Annual Report form so that City staff can easily insert the numbers when preparing the 2017-2018 report.

C. Structural BMP Maintenance Verification and Inspections

I. Structural BMP Inventory Update

D-MAX will work with the City to obtain contact information for sites being added to the inventory. We will also re-prioritize the inventoried projects using the flow chart in the City's recently updated JRMP and add in approximate size/area for each project, as required by the Permit. We expect the approximate project size will be estimated based on viewing the project areas in Google Maps or by project reports provided by the City. We also expect that the City will provide us with paper or electronic copies of plan sheets and/or Water Quality Technical Reports for all inventoried projects that D-MAX did not review and therefore does not already have copies of the documents.

II. Structural BMP Maintenance Verification

We will update the 2018-2019 maintenance verification letters and create new letters for any other projects added to the inventory (Task I), using contact information provided by the City as part of the inventory update in Task I. We will mail out the letters and respond to questions from recipients of the letters as needed. Where letters are returned as undeliverable or the person to which the letter is mailed indicates they are no longer the party responsible, we will work with the City to identify the new contact person. City assistance may be needed to determine current parcel owners if other avenues to identify contacts are not successful. We will process returned forms and enter them into the City's inventory spreadsheet to document that maintenance was verified. If projects do not return forms, we will send them one follow-up mailing to remind them to return the form.

III. Structural BMP Inspections

We will inspect all high priority sites before October 1, 2018. We expect this will be about five sites. We will also inspect sites that do not return maintenance verification forms (Task II). We expect that will be approximately four more inspections, for a total of nine inspections. At each inspection, we will document results on an inspection form and record the overall inspection result (compliant or not) in the City's inventory spreadsheet. Where deficiencies are noted, we will follow up with the responsible person to obtain proof of correction. In cases where a responsible party cannot be contacted, we will request assistance from the City in identifying the appropriate person to contact regarding the required corrections. Where responsible parties are not responsive, we will request enforcement assistance from the City. If deficiencies that require corrections beyond standard maintenance actions, such as correcting grading or outlet structures within a BMP, are noted, we will work with the City to prepare case files based on past plan sheets and other submittals on an as-needed basis as part of the as-needed component of service group D below.

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D. As-needed Storm Water Compliance Tasks

We will also support the City in other as-needed storm water compliance tasks, such as the following, to the extent budget allows and as directed by the City's project manager:

- Represent the City at JRMP Municipal Co-permittee Meetings. Review municipal permit associated documents, provide meeting and associated document summaries, coordinate with City staff and provide City recommendations to the group.
- Provide TMDL program support. Review and comment on reports, represent the City at meetings, provide summaries of meetings and reviewed documents, coordinate with City staff and provide City recommendations to the group.
- BMP Design Manual Updates
- WQIP (SD Bay Watershed) Updates

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Cost Estimate

Our proposed costs to complete the scope of services described in our proposal are as follows:

Service	Cost
A. MS4 Outfall Monitoring	
I. Dry Weather MS4 Outfall Monitoring and Reporting	\$5,000
II. Non-Storm Water Persistent Flow Sampling	\$5,000
III. Follow-Up and Upstream Investigations	\$2,500
B. Industrial, Commercial, and Municipal Inspections	
I. Industrial, Commercial, and Municipal Field Inspections	\$16,580
II. Inspection Follow-Up and Enforcement Support	\$3,600
III. Industrial and Commercial Inventory Update	\$1,500
IV. Prepare Inspection Numbers for Annual Reporting	\$800
C. Structural BMP Maintenance Verification and Inspections	
I. Structural BMP Inventory Update	\$2,000
II. Structural BMP Maintenance Verification	\$3,000
III. Structural BMP Inspections	\$3,500
D. As-needed Storm Water Compliance Tasks	\$11,520
Overall Total	\$55,000

All services will be provided on a time and materials services in accordance with our attached fee schedule, not to exceed the overall cost total.

Please feel free to contact us if you have any questions or would like to discuss this proposal in more detail. We look forward to working with you on this project.

Sincerely,
D-Max Engineering, Inc.

A handwritten signature in black ink that reads 'Arsalan Dadkhah'.

Arsalan Dadkhah, Ph.D., P.E.
Principal

Attachment A – Exhibit 1



SCHEDULE OF FEES

January 1, 2017

LABOR

<u>Classification</u>	<u>Hourly Rate</u>
Word Processor/Admin	60
Drafter	70
Technician	70
Senior Technician	80
Staff Scientist/Engineer I	90
Staff Scientist/Engineer II	100
Assistant Project Scientist/Engineer	115
Project Scientist/Engineer	130
Senior Scientist/Engineer	150
Principal Scientist/Engineer	170

Field and hourly services will be charged portal to portal from our office, with a two-hour minimum.

Appearance as expert witnesses at court trials, mediation, arbitration hearings and depositions will be charged at \$200/hour. Time spent preparing for such appearances will be charged at the above standard hourly rates.

OTHER CHARGES

Subcontracted services, such as sub consultants, outside testing, drilling, and surveyors, will be charged at cost plus 15%. Other project-specific costs, such as rentals, expendable or special supplies, special project insurance, permits and licenses, shipping, subsistence, tolls and parking, outside copying/printing, etc., will be charged at cost plus 15%. Mileage will be charged at the current IRS rate. Meals, lodging, and travel expenses, when pre-approved by the City, will be charged at cost or at standard per diem rates, as applicable.

Client will be responsible for any applicable taxes in addition to the fees due for Services.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 2
Mtg. Date June 19, 2018
Dept. Development Services Department

Item Title: **NewSchool of Architecture Main Street Promenade Tactical Urbanism Presentation and Signage Request**

Staff Contact: David De Vries, Development Services Director

Recommendation:

1) Consider Urban Design Club's request for Tactical Urbanism and public outreach in the Main Street Promenade.

Item Summary:

NewSchool of Architecture's Urban Design Club is requesting permission to place temporary signs in the Main Street Promenade to gather data and solicit ideas for potential Tactical Urbanism opportunities in the promenade. The Urban Design Club is a faculty advised student organization interested in "city building" and spatial design. Representatives of the Urban Design Club are in attendance to present their proposal and answer questions.

Fiscal Impact:

No fiscal impact.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorically Exempt | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|--|---|
| <input type="checkbox"/> None | <input type="checkbox"/> Notice to Stakeholders | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input checked="" type="checkbox"/> Notice to Lemon Grove Clergy Association | |

Attachments:

- A. Urban Design Club Request For Permission to Place Signs

Attachment A

REQUEST FOR PERMISSION TO PLACE SIGNS

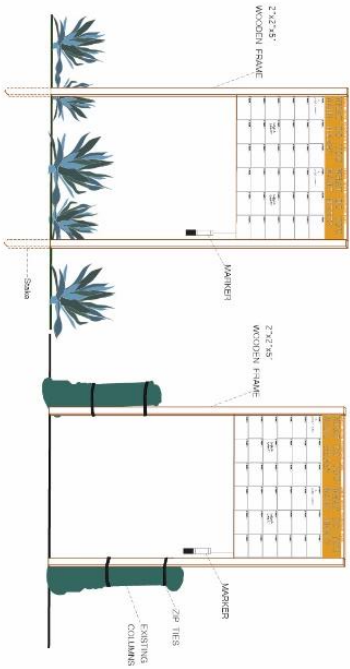
THE PROJECT METHODS OF ATTACHMENT

The City of Lemon Grove is coordinating with us to explore the opportunity to temporarily redesign the Promenade Park located behind the Trolley stop at the intersection of Lemon Grove Ave and Broadway. We believe that the City of Lemon Grove deserves beautiful and functional public space. We believe by increasing connections to downtown Lemon Grove, and programming the park according to the needs of the community, we can elevate a currently underused, but valuable resource for the community.

WHO WE ARE



Urban Design Club is a newly established club from the NewSchool of Architecture and Design, formed by Jose Barron and Francesca Redetzke. We are interested "city building", specifically, in designing spaces which create more active and cohesive communities. We believe that good design considers the entire community, creating spaces for everyone. Our advisors are Mike Stepler, Frank Wolden, Howard Blackson, and Hannah Hobbs.



WHAT DO YOU WANT HERE?

DATE	TIME	NAME	AGE	SEX	RACE	ETHNICITY	ADDRESS	PHONE	EMAIL
10/11/11	10:30	JOHN	50	M	W		12345	555-1234	johnd@abc.com
10/12/11	11:00	MARY	45	F	W		67890	555-5678	mary@def.com
10/13/11	12:00	JOHN	60	M	W		11111	555-9999	john@ghi.com
10/14/11	13:00	MARY	35	F	W		22222	555-8888	mary@jkl.com
10/15/11	14:00	JOHN	55	M	W		33333	555-7777	john@mno.com
10/16/11	15:00	MARY	40	F	W		44444	555-6666	mary@pqr.com
10/17/11	16:00	JOHN	65	M	W		55555	555-5555	john@rst.com
10/18/11	17:00	MARY	30	F	W		66666	555-4444	mary@uvw.com
10/19/11	18:00	JOHN	58	M	W		77777	555-3333	john@xyz.com
10/20/11	19:00	MARY	42	F	W		88888	555-2222	mary@bcd.com

PRECEDENT

RAD Lab used the same method of inquiry for what is now Quarryard, a successful urban park on an empty lot in East Village.

TACTICAL URBANISM

Low-cost temporary changes to the built environment, intended to improve local neighbourhoods and city gathering places.



WHERE



Our goal is to give the community a way to communicate what they want to occur in the park. By placing posters in specific places, we can gain insight to which spaces are most utilized in their current state.

NEXT STEPS

- 1.) Formulate a tactical urbanism temporary amenity plan
- 2.) Obtain approval from City Council and Staff
- 3.) Coordinate funding
- 4.) Plan a kickoff event
- 6.) Return to Council to present findings and recommendations
- 5.) Implementation of design

After 90 days, we will evaluate with City Council and staff the issues and concerns associated with the plan and formulate a permanent improvement plan for consideration.

**LEMON GROVE CITY COUNCIL, ROADWAY LIGHTING DISTRICT BOARD,
SANITATION DISTRICT BOARD, AND SUCCESSOR AGENCY |
AGENDA ITEM SUMMARY**

Item No. 4
Mtg. Date June 19, 2018
Dept. City Manager's Office

Item Title: **Fiscal Year 2018-2019 Consolidated Operating and Capital Budget**

Staff Contact: Lydia Romero, City Manager, Molly Brennan, Finance Manager, and Al Burrell,
Finance Consultant

Recommendation:

- 1) Adopt a resolution (**Attachment C**) approving the Fiscal Year 2018-19 City of Lemon Grove Budget;
- 2) Adopt a resolution (**Attachment D**) approving the Salary Plan & Classification Summary;
- 3) Adopt a resolution (**Attachment E**) approving the FY 2018-19 Appropriations Limit;
- 4) Adopt a resolution (**Attachment F**) approving the Fiscal Year 2018-19 Lemon Grove Roadway Lighting District Budget;
- 5) Adopt a resolution (**Attachment G**) approving the Fiscal Year 2018-19 Lemon Grove Sanitation District Budget.

Item Summary:

Staff presents the final Fiscal Year 2018-19 (FY 2018-19) Consolidated Budget (**Attachment B**) for the City of Lemon Grove, the Lemon Grove Roadway Lighting District, and the Lemon Grove Sanitation District. The staff report addresses five resolutions related to the adoption of the FY 2018-19 consolidated budget.

Fiscal Impact:

The consolidated budget reflects an expenditure plan of \$28.1 million in Fiscal Year 2018-19.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- | | |
|--|--|
| A. Staff Report | E. Resolution – Appropriations Limit |
| B. Fiscal Year 2018-19 Consolidated Operating and Capital Budget | F. Resolution – Roadway Lighting District Budget |
| C. Resolution – City Budget | G. Resolution – Sanitation District Budget |
| D. Resolution – Salary Plan & Classification Summary | |

Attachment A

LEMON GROVE CITY COUNCIL, ROADWAY LIGHTING DISTRICT BOARD,
SANITATION DISTRICT BOARD, & THE SUCCESSOR AGENCY |
STAFF REPORT

Item No. 4

Mtg. Date June 19, 2018

Item Title: **Fiscal Year 2017-2018 Consolidated Operating and Capital Budget**

Staff Contact: Lydia Romero, City Manager, Molly Brennan, Finance Manager, and Al Burrell,
Finance Consultant

Discussion:

On June 5, 2018, staff presented a draft of the Fiscal Year 2018-19 (FY 2018-19) budgets for the General Fund, as well as the Sanitation District for feedback. Based on feedback received, staff presents the FY 2018-19 consolidated budget for approval by the City Council, the Roadway Lighting District Board, the Sanitation District Board, and the Successor Agency. This staff report provides a summary of each of the five resolutions presented for consideration.

The Draft Budget presented to the City Council on June 5, highlighted the following items:

- 1) A 2% cost of living increase for all Fire Safety employees (as specified in proposed contract extension)
- 2) A 6% increase in the Sheriff Department service contract
- 3) An increase for the Animal Services contract
- 4) A 31% increase for the City's PERS Unfunded Accrued Liability
- 5) The General Fund's structural deficit, in which the City's revenue sources are growing much slower than the City's contractual obligations
- 6) The recommendation to tap into General Fund reserves while Council and staff pursue additional revenue sources

Budget Resolutions

Staff presents a resolution (**Attachment C**) approving the budget for 23 funds operated by the City, as well as resolutions (**Attachments F and G**) approving the budgets of the Roadway Lighting Districts and the Sanitation District. The FY 2017-18 consolidated budget (**Attachment B**) includes anticipated revenues and projected expenditures for all of these funds. The budget document follows a pattern similar to previous budget documents.

Salary Plan & Classification Summary

Staff presents a resolution (**Attachment D**) approving a Salary Plan & Classification Summary for FY 2018-19. The Salary Plan & Classification Summary reflects the proposed positions and pay schedules for FY 2018-19.

Appropriations Limit

As part of considering the budget, State Constitution Article XIII-B (Propositions 4 and 111) requires the City Council to establish an Appropriations Limit. The limit is adjusted each year by multiplying the previous year's limit by a factor based on either the change in the California Per Capita Personal Income (CPCPI) or the Non-Residential Construction Valuation by the population change of the City. Staff presents a resolution (**Attachment E**) for City Council approval that

Attachment A

establishes the FY 2018-19 Appropriations Limit at \$49,616,332. The proposed FY 2018-19 Budget is well within that limit.

Roadway Lighting District Budget

The Lemon Grove Roadway Lighting District manages two funds for two separate activities. Fund 11, the General Benefit Fund, provides funding for street light benefits throughout the community. Fund 12, the Local Benefit Assessment Fund, provides for enhanced lighting benefits at the mid-block. Staff recommends that the Lemon Grove Roadway Lighting District Board adopt the resolution (**Attachment F**), approving the District's budget for FY 2018-19.

Sanitation District Budget

The Lemon Grove Sanitation District manages three funds—an Operations Fund (15), two Capital Funds (16 & 19), and one Reserve Fund (17). In FY 2018-19, the District anticipates generating \$6.7 million in total revenue, and \$6.6 million in operating costs. In addition, the District anticipates spending \$1.3 million on capital improvement projects. Staff recommends that the Lemon Grove Sanitation District Board adopt the resolution (**Attachment G**), approving the District's budget for FY 2018-19.

Successor Agency Budget

The Successor Agency budget reflects the following expenditures related to the Lemon Grove Successor Agency:

- ✓ Bond Debt Service – the budget reflects bond debt service payments for the 2007, 2010, and 2014 bonds, totaling \$1,752,091

The Successor Agency's budget approval is part of the resolution approving the City's Budget (**Attachment C**).

Conclusion:

Staff recommends that the City Council adopt five resolutions:

- 1) Resolution (**Attachment C**) approving the Fiscal Year 2018-19 City of Lemon Grove Budget,
- 2) Resolution (**Attachment D**) approving the Salary Plan & Classification Summary,
- 3) Resolution (**Attachment E**) approving the Fiscal Year 2018-19 Appropriations Limit, and

Staff also recommends that the Roadway Lighting District Board adopt a resolution (**Attachment F**) approving its Fiscal Year 2018-19 budget. Finally, staff recommends that the Sanitation District Board adopt a resolution (**Attachment G**) approving its Fiscal Year 2018-19 budgets.

Attachment B

EXHIBIT 1

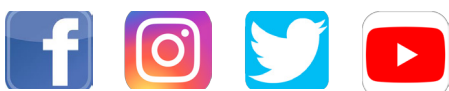
FISCAL YEAR 2018-19 CONSOLIDATED OPERATING & CAPITAL BUDGET (INCLUDING THE SALARY PLAN & CLASSIFICATION SUMMARY)



CITY OF LEMON GROVE

Draft Consolidated Operating Budget

stay connected
www.lemongrove.ca.gov



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FY 2018-19

June 19, 2018

Honorable Mayor and Members of the City Council:

On behalf of City staff I am pleased to present the Fiscal Year 2018-19 Budget for the City of Lemon Grove for your review and approval. The proposed FY 2018-19 budget totals \$28,130,168 with \$13,795,322 of that amount designated as the General Fund.

On April 24, 2018 the City Council of Lemon Grove set its strategic priorities for Fiscal Year 2018-19.

- Community Life
- Public Streets and Sidewalks
- Public Safety and Homelessness
- Business and Economic Development

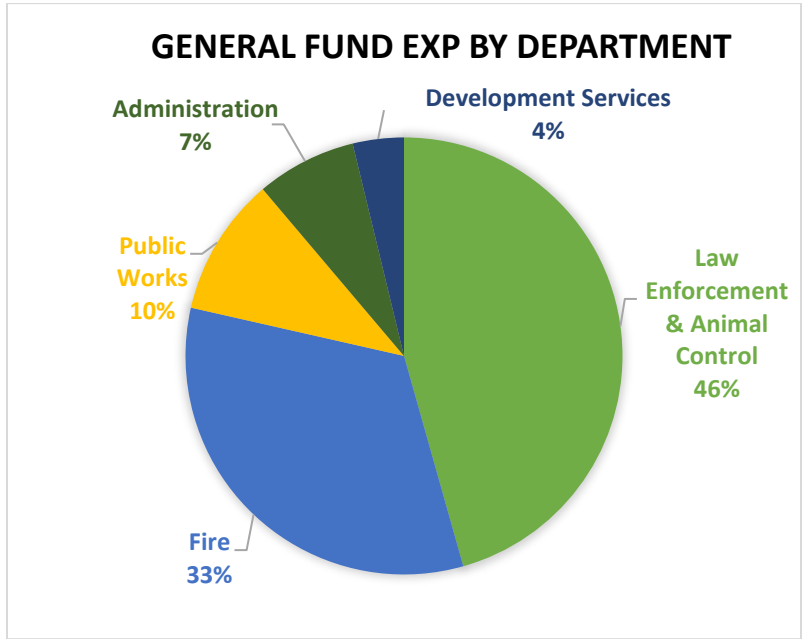
These priorities reflect the continued commitment to improve the physical and built environment in Lemon Grove. To the extent possible, all aspects of the proposed budget for FY 2018-19 are designed to address these priorities. At this point in time the City of Lemon Grove will accommodate the priorities by drawing down General Fund reserves – a practice that leads to organizational instability if it continues.

FINANCIAL OVERVIEW

General Fund

This is the second year in which cost-of-living increases for general employees are not included in the FY 2018-19 Budget. Only merit based increases have been included for those eligible to receive them. The proposed General Fund expenditure budgets by department are shown below.

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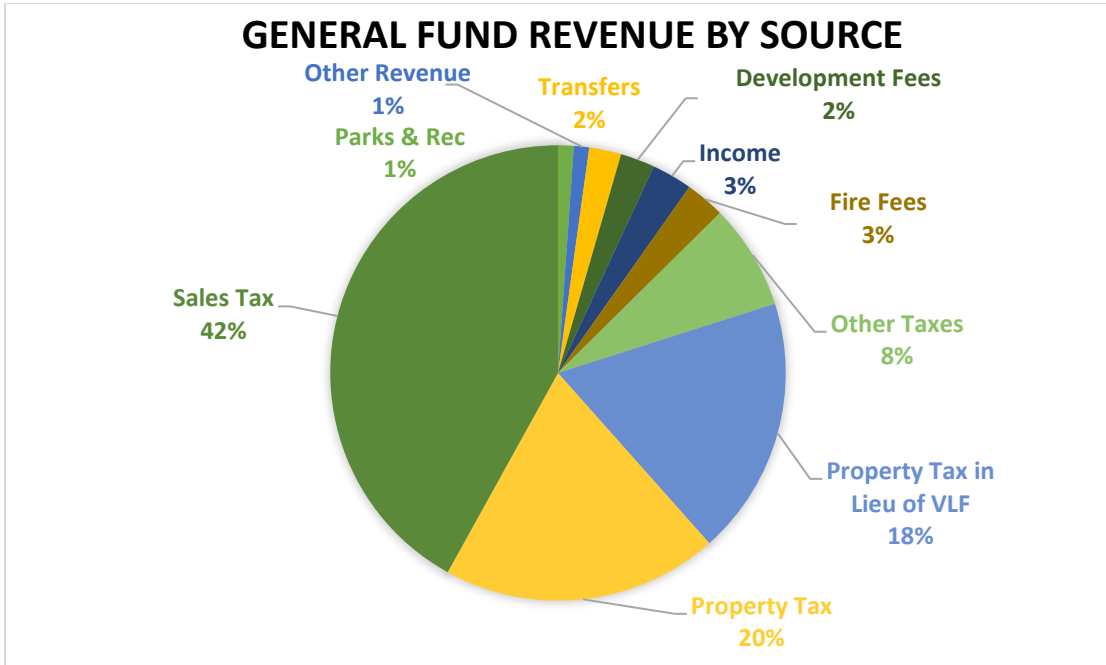


In addition, staff was directed to review each department’s discretionary expenditures that would not impact basic services of the City if they were to be eliminated. This review is reflected in an overall 1% reduction in General Fund expenditures. These reductions included deferred fleet replacement, reduced tree maintenance, and deferred equipment replacement, among other unfunded needs.

Revenue

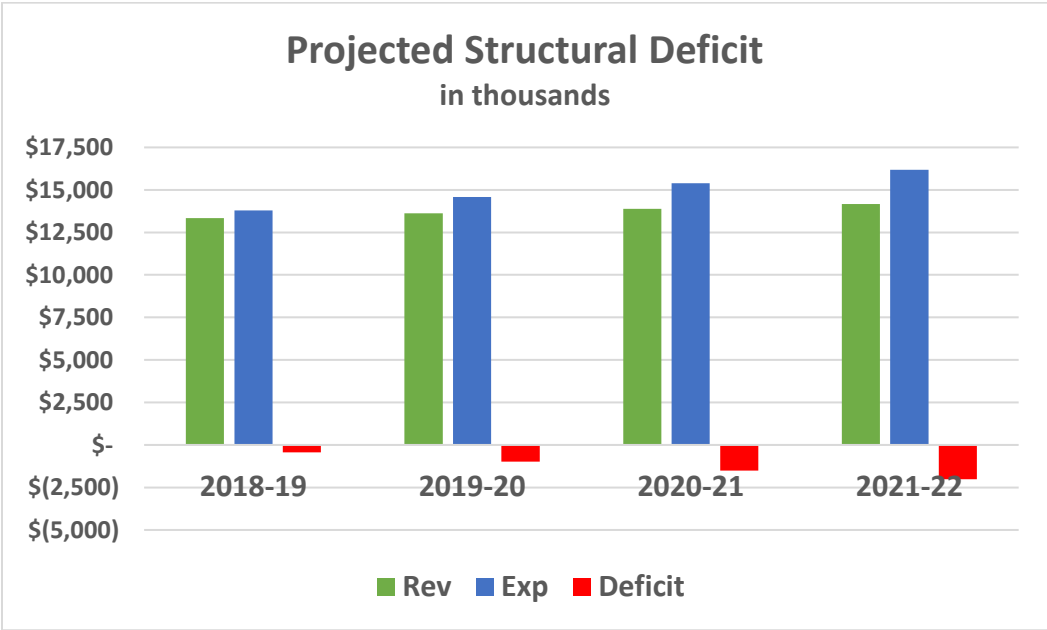
Most of the adjustments contained in this proposed budget are designed to address available General Fund revenues. The pie chart below breaks down the main sources of revenue to the General Fund, with the majority coming from Sales Tax and Property Tax.

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General Fund revenues have decreased between FY 2017-18 revenue and this proposal for FY 2018-19 by 2.4%. This results in a decrease of \$316,377, resulting in the need to “borrow” from the City’s reserve fund. Continuing the practice of tapping into reserve cash is a path to economic instability. If not addressed, the City will be forced to either once again draw down on reserves or further reduce services. The slow growth of current revenue matched with the City’s fast growing contractual obligations puts the City in a structural deficit cycle. A structural deficit means that year after year the City’s deficit will grow if no action is taken, as illustrated in the graph on the following page. There must be some economic stimulus to bring about an annual revenue stream that is equal to or greater than expenditures. At the current pace, the City is expected to deplete all General Fund reserves within the next five years if no action is taken to generate additional revenue.

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Special Revenue Funds

Special revenue funds are detailed in the fund listing section of the budget. They include gas tax, street construction reserve, park land dedication, supplemental law enforcement, grants, transportation development act, lighting district, transnet, sidewalk reserve, integrated waste reduction, wildflower assessment district, serious traffic offender program, storm water program, regional transportation congestion improvement program, public education governmental access, capital reserve, main street promenade, and community facilities district. These are all restricted in what programs and activities they can fund and are not available for General Fund use. They do, however, contribute to the General Fund through charges for services supplied by General Fund departments and divisions.

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Separate Entity Budgets

Sanitation District

Although included in the consolidated budget, the four sanitation related funds make-up a separate entity, the Lemon Grove Sanitation District. The City of Lemon Grove Councilmembers also serve as the governing board of the Sanitation District. The Sanitation District runs as an enterprise fund, so called because it operates in its own bubble in which the revenue for the service provided should equal the cost of providing the service. In this case, the enterprise is the conveyance and treatment of wastewater within the City of Lemon Grove.

For the FY 2018-19 Sanitation Budget, operations remain similar to prior years, with continued increases in the cost of wastewater treatment and approximately \$1.3 million in capital projects to replace portions of the 67 miles of sewer lines the District maintains. In addition, the Sanitation District is growing the available savings for the upcoming capital costs to construct the Pure Water recycling system in coordination with the City of San Diego and other neighboring communities. On June 5, 2018 Council passed a FY 2018-19 sanitation rate increase of 2.875% to fund the expenditure increases mentioned above.

Successor Agency

On February 1, 2012, the City of Lemon Grove assumed the role of the Successor Agency to the former Redevelopment Agency, taking responsibility for winding down the Redevelopment Agency's operations and liquidating its assets. The California Supreme Court's decision on RDAs also requires the payment of enforceable obligations and the remittance of unencumbered balances to the County Auditor-Controller for distribution to all other taxing agencies.

All financial activity related to the Successor Agency is reflected in the Fund 60/64 budget. The City is responsible for paying annual debt service on the Former Redevelopment Agency's bonds. In FY 2018-19, the debt service payments will total approximately \$1.75 million. The State of California's Department of Finance through the County of San Diego, distributes bi-annual reimbursement to the City to cover the Successor Agency debt service.

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Conclusion

The City Council continues to face some very difficult decisions. Often the hard part of governing comes when constituents express concerns for any cuts in service levels that directly impact them – very often wanting even more while the City does not have the resources to accommodate existing services, let alone added services. It is a fact of life that constituents will often be single issue oriented when viewing a budget that must necessarily address a wide variety of municipal needs.

Staff will be evaluating what future budget adjustments might be needed as part of FY 2018-19 budget implementation. Further reductions in services will be assessed with particular emphasis on discretionary funding.

We continue to make progress toward financial and economic sustainability and stability. We are faced with the reality that service levels of the past cannot be maintained and we operate with the fact that services, while adjusting to the change in the amount of resources available, need to be the best we can possibly provide.

In closing, I would like to express my appreciation to the City Council for providing the leadership and direction in preparation of this budget. My personnel thanks goes to the Executive team and all city staff that took the City's fiscal stress to heart and worked to propose a bare bones operations budget. Special recognition and sincere appreciation goes out to Al Burrell and Molly Brennan, both of whom did an unbelievable job in pulling the budget together.

Respectfully submitted,

Lydia Romero

City Manager

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FUND LISTING

The City manages its revenue and expenditures through various funds. Between the City, Roadway Lighting District, and Sanitation District, the FY 2018-19 consolidated budget is comprised of 29 funds. Each fund identified in this budget is described below.

GOVERNMENTAL FUNDS

01- General Fund

The primary day-to-day operating fund for the City, which reflects all financial activity that is not required to be accounted for in another fund. Public safety, government administration, community services, street maintenance, environmental programs, and park maintenance are funded through the General Fund.

03- Street Construction Capital Fund

This fund was initially established to combine funds for larger street projects. With the use of the City's accounting program, it is possible to designate various funding sources over several years to accomplish this same purpose. However, the fund is used to clearly demonstrate "Maintenance of Effort" by the City in contributing funds for street projects in order to receive State transportation funding.

06- General Fund Reserve

The General Reserve Fund serves as the City's "savings account." This fund was created for several purposes: for use in times of emergency, one-time capital/equipment purchases, setting aside funds for replacing equipment, required grant matches, and to ensure funds are available for financial obligations (such as liability coverage and accumulated leave time).

18- Sidewalk Reserve Fund

This fund was initially established to pool funds for larger sidewalk projects.

32- Capital Fund

Initially this fund was established to track the purchase of a fire engine. In FY 2012-13, the City received one-time "SAFE" program monies. These funds were accounted for in a separate fund-the Safety Capital Reserve Fund, which helped offset the cost of purchasing a new fire apparatus. The City Council has now approved this fund to be used to set aside funds for future capital improvement projects throughout the City.

ENTERPRISE FUNDS

The Lemon Grove Sanitation District manages four Sanitation related enterprise funds.

15- Sanitation: Operating

The District relies on Fund 15 to collect revenue generated by Sanitation District rate payers and to pay the operational costs to operate the system.

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16- Sanitation: Capital

The capital is used to set aside funds for equipment replacement, sewer rehabilitation projects, and rate stabilization.

17- Sanitation: Pure Water

The Pure Water Fund is used to save funds for the upcoming capital costs to construct the Pure Water recycling system in coordination with the City of San Diego and other neighboring communities.

19- Sanitation: Capacity

When there is a new tap-in to the sanitation system, the fee paid for the connection is maintained separately in this fund. This revenue may be used on projects that increase the capacity of the sewer system.

SPECIAL REVENUE FUNDS

02- Gas Tax Fund

Revenues for this fund come from the State of California Gasoline Tax. Fund proceeds may be used to research, plan, construct, improve, maintain, and operate local streets.

05- Parkland Dedication Ordinance Fund

The City Municipal Code requires that subdivision development set-aside park land that will eventually be developed as part of the municipal park system. The Code also allows the payment of a fee in-lieu of dedicating actual land. Proceeds in the fund may be used by the City for the purchase of park land, the development of new parks or the major rehabilitation of existing parks.

07- Supplemental Law Enforcement Fund

This fund, also known as the COPS fund, is supported by State grant proceeds. This fund is used to augment the staffing level of Sheriff Deputies. At one time, the grant amount paid for one deputy; today it pays for approximately half of one deputy position.

08- Grant Fund

This fund provides for management of grants currently being administered by the City. It functions as an "in-and-out" fund to ensure grant proceeds and expenditures are not mingled with the General Fund or other fund proceeds.

09- Community Development Block Grant Fund

This fund manages grant proceeds from the Community Development Block Grant program. Funds are expended and then reimbursed by the County of San Diego.

10- Transit Development Act Fund

Transit proceeds are allocated from the San Diego Metropolitan Transit Service (MTS) for maintenance of landscaping along the trolley corridor and maintenance of trolley stations and bus shelters throughout the City.

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14- TransNet Fund

This fund manages proceeds from the TransNet allocation and street related projects eligible for TransNet funding. This fund is specifically used to finance significant right-of-way improvements (streets and sidewalks), storm drain, and traffic related projects.

21- Integrated Waste Reduction Fund

The City relies on this fund to manage its recycling and household hazardous waste disposal program as part of compliance with Assembly Bill 939 Integrated Waste Management Act of 1989. This program is supported by AB 939 funds which are collected for the aforementioned programs. The City relies on this fund for contractual services to provide household hazardous waste events, promote a higher level of recycling within the City, and prepare annual program reports as required by AB939.

23- Serious Traffic Offender Program Fund

This fund receives a portion of impound fees collected within the City. The City uses this fund to pay for Sheriff traffic division overtime and other traffic related expenses.

26- Storm Water Program Fund

The Storm Water Program Fund was established in FY 2005-06. The fund's purpose is to collect designated storm water program fees and support the City's storm water program- a State and Federal mandated program. The fund has not fully paid for the program since its inception. Increased mandates have increased fund expenditures over the past few years.

27- Regional Transportation Congestion Improvement Program

This fund was created in FY 2008-09 to manage fees related to the passage of the TransNet extension. These fees represent per housing unit fees for new residential development. Expenditures from this fund are to be used to initiate street improvement projects on a major arterial within the City.

30- Public Education and Government Fund

This fund collects designated monies from cable franchisees that operate within the City. The use of these monies is restricted to capital items that enhance or facilitate public access to government information.

SPECIAL ASSESSMENT DISTRICT FUNDS

22- Wildflower Assessment District Fund

This fund manages the Wildflower Landscaping Maintenance Assessment District. This fund tracks assessment revenue and expenditures related to landscape upkeep of common areas within the Wildflower Assessment District.

33- Main Street Promenade Community Facilities District Fund

During FY 2013-14, the voters within the Main Street Promenade Community Facilities District voted to create an assessment to fund ongoing maintenance and capital improvements to the Main Street Promenade.

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11 & 12- Roadway Lighting District

The Lemon Grove Roadway Lighting District manages two funds for two separate activities. Fund 11, the General Benefit Fund, provides funding for street light benefits throughout the community. Fund 12, the Local Benefit Assessment Fund, provides for enhanced lighting benefits at the mid-block.

INTERNAL SERVICE FUNDS

25- Self-Insured Workers Compensation Reserve Fund

In FY 2003-04, the City began to fund its own workers' compensation program. This was done to have better control over the drastic increases in workers' compensation insurance premiums. This fund covers catastrophic workers compensation claims.

29- Self-Insured Liability Reserve Fund

In FY 2011-12, the City established the Self-Insured Liability Reserve Fund to fund liability claims.

SUCCESSOR AGENCY FUNDS

60 & 64- Successor Agency Funds

This fund receives reimbursements for enforceable obligations approved by the California Department of Finance and makes payments for said obligations. Obligations include debt service payments and outstanding projects such as the Main Street Promenade and Lemon Grove Avenue Realignment projects.

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TOTAL FUND SUMMARY

FUND	2018-2019 Beginning Fund Balance	2018-2019 Revenue	2018-2019 Expenditure	2018-2019 Ending Fund Balance
01 General	5,467,473	13,479,536	13,795,322	5,151,687
02 Gas Tax	121,456	1,118,500	1,153,274	86,682
03 Street Construction Capital	160,416	500	160,916	-
05 Park Land Dedication Ordinance	70,157	15,700	20,000	65,857
06 General Fund Capital Reserve	775,691	6,000	-	781,691
07 Supplemental Law Enforcement Services	78,715	120,000	180,000	18,715
08 Grants	194,172	41,853	64,267	171,758
09 Community Development Block Grant	-	229,060	229,060	-
10 Transportation Development Act	185,953	121,270	362,751	(55,528)
11 General Benefit Lighting District	487,966	193,500	142,104	539,362
12 Local Benefit Lighting District	(178,003)	85,050	191,500	(284,453)
14 Transnet	(725,996)	713,000	713,000	(725,996)
15 Sanitation District Operating	8,213,027	6,703,000	6,575,172	8,340,855
16 Sanitation District Capital	10,084,306	30,000	1,266,900	8,847,406
17 Sanitation District Pure Water	3,700,000	1,000,000	-	4,700,000
18 Sidewalk Capital Reserve	23,261	180	-	23,441
19 Sanitation District Capacity	16,000	16,000	-	32,000
21 Integrated Waste Reduction	114,065	25,000	39,824	99,241
22 Wildflower Assessment District	3,366	9,670	10,710	2,326
23 Serious Traffic Offender Program	33,342	6,200	2,695	36,847
25 Self- Insured Workers Compensation Reserve	527,414	4,000	20,300	511,114
26 Storm Water Program	-	244,992	244,992	-
27 Transportation Congestion Improvement Program	572,390	50,200	622,590	-
29 Self-Insured Liability Reserve	309,838	3,200	45,000	268,038
30 Public Education & Govt Access	269,680	61,900	40,000	291,580
32 Safety Capital Reserve	40,000	-	40,000	-
33 Main St Promenade Community Facilities District	6,182	11,747	11,700	6,229
60/64 Successor Agency	(14,175,596)	1,939,590	2,198,091	(14,434,097)
TOTAL	\$ 16,375,275	\$ 26,229,648	\$ 28,130,168	\$ 14,474,755

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GENERAL FUND RESOURCES

DRAFT FY 2018-19 BUDGET



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GENERAL FUND
REVENUE BY TYPE

Revenue Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget
BEGINNING FUND BALANCE	\$ 5,012,768	\$ 4,615,157	\$ 5,297,118	\$ 5,467,473
Sales Tax	5,133,578	5,090,000	5,473,305	5,554,815
Other Taxes	5,748,430	5,992,000	5,980,913	6,018,260
Permits & Licenses	104,000	105,000	109,720	114,200
Fire Department Fees	325,542	278,300	541,685	371,000
Development Fees	327,913	291,000	410,633	323,300
Parks & Recreation Fees	141,728	123,700	145,650	147,450
Motor Vehicle License Fee	11,921	12,000	14,104	16,900
Fines & Forfeitures	171,761	168,500	136,447	135,330
Investment Income	25,044	7,000	15,000	23,400
Other Income	837,524	395,520	551,775	358,200
Total General Fund Revenue	\$ 12,827,441	\$ 12,463,020	\$ 13,379,232	\$ 13,062,855
Transfers	685,400	690,470	637,302	416,681
Total Revenue & Transfers	\$ 13,512,841	\$ 13,153,490	\$ 14,016,534	\$ 13,479,536
Surplus/Deficit	\$ 284,350	\$ (105,930)	\$ 126,876	\$ (315,786)
ENDING FUND BALANCE	\$ 5,297,118	\$ 4,509,227	\$ 5,423,994	\$ 5,151,687

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GENERAL FUND**REVENUE DETAIL**

SOURCE	2016/17 ACTUAL	FY 2017/18 BUDGET	FY 2017/18 PROJECTION	FY 2018/19 BUDGET	% CHANGE
BEGINNING FUND BALANCE - July 1	\$ 5,012,768	\$ 4,615,157	\$ 5,297,118	\$ 5,423,994	
Sales Tax	5,133,578	5,090,000	5,473,305	5,554,815	1.5%
Property Tax Secured	2,201,072	2,336,500	2,350,000	2,391,140	1.8%
Property Tax Supplemental Roll	64,563	55,000	56,738	57,120	0.7%
Prop. Tax Homeowner's Relief	15,962	15,000	15,000	15,000	0.0%
Prop. Tax Real Property Transfer Tax	100,142	90,000	80,000	80,000	0.0%
Property Tax Post Redevelopment	72,822	80,000	54,000	54,000	0.0%
Property Tax in Lieu of VLF	2,303,112	2,405,500	2,429,012	2,430,000	0.0%
Franchise Fees	938,714	960,000	945,000	940,000	-0.5%
Transient Occupancy Tax	52,043	50,000	51,163	51,000	-0.3%
Other Taxes	5,748,430	5,992,000	5,980,913	6,018,260	0.6%
Business License	86,173	88,000	93,000	96,600	3.9%
Animal License	11,209	13,000	11,600	12,400	6.9%
Regulatory License	6,618	4,000	5,120	5,200	1.6%
Permits & Licenses	104,000	105,000	109,720	114,200	4.1%
Emergency Transport Fees	224,239	224,300	224,238	269,000	20.0%
Fire Cost Recovery	-	-	265,000	45,000	-83.0%
Other Fire Fees	48,643	-	1,840	3,500	90.2%
Fire Fees - Business Licenses	32,965	32,000	30,000	32,000	6.7%
Fire Fees - Development Services	19,695	22,000	20,607	21,500	4.3%
Fire Department Fees	325,542	278,300	541,685	371,000	-31.5%
Building Permits	260,473	240,000	315,000	240,000	-23.8%
Planning Permits	31,490	30,000	58,000	46,000	-20.7%
Engineer Permits	34,864	20,000	33,633	36,000	7.0%
State Collected Fee - ADA	1,086	1,000	4,000	1,300	-67.5%
Development Fees	327,913	291,000	410,633	323,300	-21.3%
Day Camp	102,972	81,000	102,000	104,500	2.5%
Special Events	27,550	30,000	30,700	30,000	-2.3%
Recreation Classes	6,259	6,200	6,450	6,450	0.0%
Softball	4,947	6,500	6,500	6,500	0.0%
Parks & Recreation Fees	141,728	123,700	145,650	147,450	1.2%
Motor Vehicle License Fee	11,921	12,000	14,104	16,900	19.8%
Sales Tax 1/2% (Public Safety)	42,983	35,000	44,947	46,130	2.6%
Traffic Safety Fines	69,283	77,000	45,000	42,500	-5.6%
Booking Fee - County	7,264	6,500	6,500	6,500	0.0%
Parking Fines	23,209	20,000	17,000	17,000	0.0%
Other Fines & Forfeitures	6,204	5,000	4,000	4,200	5.0%
Tow Fees	22,818	25,000	19,000	19,000	0.0%
Fines & Forfeitures	171,761	168,500	136,447	135,330	-0.8%
Investment Income	\$ 25,044	\$ 7,000	\$ 15,000	\$ 23,400	56.0%

SOURCE	2016/17 ACTUAL	FY 2017/18 BUDGET	FY 2017/18 PROJECTION	FY 2018/19 BUDGET	% CHANGE
Rental - Long Term	170,552	140,000	180,875	181,600	0.4%
Rental - Short Term	81,726	60,000	65,000	65,100	0.2%
Cost Recovery	11,421	10,000	83,215	25,000	-70.0%
State Mandated Cost	20,447	5,000	100	500	400.0%
Credit Card Surcharge	6,450	4,000	5,585	6,000	7.4%
Other Revenue	457,504	136,520	45,000	40,000	-11.1%
Administrative Citations	89,424	40,000	172,000	40,000	-76.7%
Other Income	837,524	395,520	551,775	358,200	-35.1%
Total General Fund	12,827,441	12,463,020	13,379,232	13,062,855	-2.4%
Gas Tax Fund	-	44,500	22,250	40,000	79.8%
Supplemental Law Enforcement Service Fu	100,000	114,600	114,600	180,000	57.1%
TDA Administration	17,400	17,400	13,050	10,000	-23.4%
General Lighting District - Admin	9,400	9,400	9,400	9,400	0.0%
Local Lighting District - Admin	4,900	4,900	3,675	4,900	33.3%
Integrated Waste Administration	1,300	1,200	1,200	1,200	0.0%
Sanitation District Administration	552,400	552,400	489,294	305,073	-37.7%
Wildflower District Administration	-	100	100	100	0.0%
Successor Agency - Administration	-	-	30,000	30,000	0.0%
Transfer Workers Compensation Fund	-	100,000	20,000	20,000	0.0%
Transfer to Pension Liability Fund	-	-	-	-	-
Transfer to Storm Water Fund	-	(154,030)	(66,267)	(183,992)	177.7%
Transfers	685,400	690,470	637,302	416,681	-34.6%
Total Revenues & Transfers	13,512,841	13,153,490	14,016,534	13,479,536	-3.8%
Total Resources	\$ 18,525,609	\$ 17,768,647	\$ 19,313,652	\$ 18,903,530	-2.1%
Total Expenditures	\$ 13,228,491	\$ 13,257,920	\$ 13,889,657	13,795,322	-0.7%
NET CHANGE IN FUND BALANCE	284,350	(104,430)	126,876	(315,786)	

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GENERAL FUND EXPENDITURES

DRAFT FY 2018-19 BUDGET



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GENERAL FUND

EXPENDITURES BY DEPARTMENT

Department	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Proposed	% Change
City Council	82,671	92,860	92,895	80,764	-13%
City Manager	352,674	375,280	413,313	339,868	-18%
City Attorney	213,753	156,500	331,608	160,000	-52%
City Clerk	66,391	88,200	77,211	71,654	-7%
Finance	261,523	276,590	321,012	303,213	-6%
Law Enforcement	5,538,528	5,863,060	5,807,757	6,289,487	8%
Fire	4,250,470	4,307,780	4,783,249	4,538,334	-5%
Development Services	566,562	582,200	599,266	521,126	-13%
Public Works	1,481,929	1,433,450	1,455,346	1,415,677	-3%
Non-Departmental	257,370	83,500	8,000	75,200	840%
Total Expenditures	\$ 13,071,871	\$ 13,259,420	\$ 13,889,657	\$ 13,795,322	-1%

GENERAL FUND

EXPENDITURES BY TYPE

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Proposed
Salaries & Benefits	4,876,183	5,023,980	5,483,249	5,129,061
Operating Supplies & Services	1,464,911	1,365,880	1,161,868	1,375,849
Contracted Services	6,644,088	6,782,860	7,157,851	7,203,722
Capital Expenditures	86,688	86,700	86,688	86,690
Total Expenditures	\$ 13,071,871	\$ 13,259,420	\$ 13,889,657	\$ 13,795,322

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GENERAL FUND EXPENDITURE

DETAIL BY DEPARTMENT



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GENERAL FUND**DEPARTMENT: CITY COUNCIL****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	38,404	48,910	43,688	40,749	-7%
Operating Expenditures	44,267	43,950	49,207	40,015	-19%
Contracted Services	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 82,671	\$ 92,860	\$ 92,895	\$ 80,764	-13%

ACCOUNT DETAIL FOR THE DEPARTMENT OF THE CITY COUNCIL

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	21,491	22,700	22,472	22,716	1%
Health Benefits	9,760	18,450	12,322	12,322	0%
Health Benefits-Retirees	2,448	2,450	2,448	2,448	0%
Medicare	331	330	339	329	-3%
Life Insurance	-	50	51	51	0%
Retirement	4,374	4,930	6,057	2,883	-52%
SALARIES & BENEFITS	38,404	48,910	43,688	40,749	-7%
Community Promotions	3,152	3,000	3,164	3,000	-5%
Computer Maintenance	3,061	3,400	3,164	500	-84%
Copier Service	-	200	-	-	-
Insurance-Liability	770	800	1,023	1,023	0%
Insurance-Property	565	600	714	714	0%
Membership and Dues	23,335	23,000	31,389	23,000	-27%
Mileage	4,237	5,300	4,430	5,141	16%
Office Supplies	914	1,000	1,461	1,000	-32%
Travel and Meetings	6,106	3,750	1,826	3,600	97%
Utilities-Gas and Electric	2,127	2,900	2,036	2,036	0%
OPERATING EXPENDITURES	44,267	43,950	49,207	40,015	-19%
TOTAL CITY COUNCIL EXPENDITURES	\$ 82,671	\$ 92,860	\$ 92,895	\$ 80,764	-13%

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GENERAL FUND**DEPARTMENT: CITY MANAGER****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	228,931	245,510	254,852	221,771	-13%
Operating Expenditures	28,270	27,000	27,230	27,135	0%
Contracted Services	10,265	10,000	5,000	9,500	90%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 267,466	\$ 282,510	\$ 287,082	\$ 258,406	-10%

ACCOUNT DETAIL FOR THE DEPARTMENT OF THE CITY MANAGER

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	166,013	174,000	170,405	172,331	1%
Overtime	1,489	3,700	2,263	2,263	0%
Health Benefits	15,593	16,200	18,361	16,020	-13%
Health Benefits-Retirees	7,214	5,500	9,424	9,424	0%
Deferred Compensation	3,240	3,240	3,708	3,708	0%
Employee Assistance Program	-	50	-	-	-
Workers Compensation Insurance	806	800	1,055	1,055	0%
Medicare	2,428	2,580	2,568	2,532	-1%
Life Insurance	464	160	380	380	0%
Long Term Disability	978	740	1,121	1,121	0%
Retirement	30,705	38,540	45,566	12,937	-72%
SALARIES & BENEFITS	228,931	245,510	254,852	221,771	-13%
Computer Maintenance	7,391	5,000	6,877	6,500	-5%
Copier Service	2,121	1,500	1,739	1,700	-2%
Insurance-Liability	1,925	2,400	2,301	2,350	2%
Insurance-Property	2,543	2,700	2,411	2,500	4%
Membership and Dues	835	700	930	835	-10%
Mileage	3,425	3,200	3,399	3,200	-6%
Office Supplies	3,945	3,500	3,391	2,500	-26%
Training	326	1,000	467	950	104%
Travel and Meetings	1,468	1,500	1,536	1,100	-28%
Utilities-Gas and Electric	2,127	3,100	2,037	3,100	52%
Utilities-Telephone	1,914	2,100	1,849	2,100	14%
Utilities-Water	251	300	294	300	2%
OPERATING EXPENDITURES	28,270	27,000	27,230	27,135	0%
Professional Services	10,265	10,000	5,000	9,500	90%
CONTRACTED SERVICES	10,265	10,000	5,000	9,500	90%
TOTAL CITY MANAGER EXPENDITURES	\$ 267,466	\$ 282,510	\$ 287,082	\$ 258,406	-10%

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GENERAL FUND**DEPARTMENT: HUMAN RESOURCES****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	64,549	70,070	96,731	59,172	-39%
Operating Expenditures	17,349	20,700	16,000	19,790	24%
Contracted Services	3,309	2,000	13,500	2,500	-81%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 85,207	\$ 92,770	\$ 126,232	\$ 81,462	-35%

ACCOUNT DETAIL FOR THE DEPARTMENT OF HUMAN RESOURCES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	49,823	51,760	74,123	49,501	-33%
Health Benefits	3,334	5,040	6,146	4,950	-19%
Employee Assistance Program	-	10	-	-	-
Workers Compensation Insurance	189	200	274	274	0%
Medicare	768	750	1,059	718	-32%
Life Insurance	-	10	19	19	0%
Retirement	10,435	12,300	15,111	3,710	-75%
SALARIES & BENEFITS	64,549	70,070	96,731	59,172	-39%
Computer Maintenance	2,232	2,000	899	1,000	11%
Copier Rental	-	200	-	-	-
Employee Recognition	-	1,500	1,779	1,000	-44%
Insurance-Liability	481	400	384	400	4%
Insurance-Property	283	300	268	300	12%
Medical Examinations	-	3,000	2,900	3,000	3%
Memberships and Dues	97	500	1,000	2,035	104%
Mileage	312	500	-	480	-
Office Supplies	370	300	941	300	-68%
Personnel Recruitment/Selectio	4,593	5,500	6,140	5,500	-10%
Training	6,730	3,000	1,000	3,000	200%
Travel & Meetings	2,077	2,000	28	1,900	6628%
Utilities- Gas & Electric	-	200	-	100	-
Utilities- Telephone	174	200	661	675	2%
Utilities- Water	-	100	-	100	-
Wellness Program	-	1,000	-	-	-
OPERATING EXPENDITURES	17,349	20,700	16,000	19,790	24%
Professional Services	3,309	2,000	13,500	2,500	-81%
CONTRACTED SERVICES	3,309	2,000	13,500	2,500	-81%
TOTAL HR EXPENDITURES	\$ 85,207	\$ 92,770	\$ 126,232	\$ 81,462	-35%

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GENERAL FUND
DEPARTMENT: CITY CLERK

SUMMARY OF EXPENDITURES BY TYPE

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	56,840	74,600	71,272	60,669	-15%
Operating Expenditures	9,551	13,600	5,940	9,485	60%
Contracted Services	-	-	-	1,500	-
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 66,391	\$ 88,200	\$ 77,211	\$ 71,654	-7%

ACCOUNT DETAIL FOR THE DEPARTMENT OF THE CITY CLERK

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	38,524	54,540	49,054	50,036	2%
Health Benefits	5,749	5,490	5,511	5,500	0%
Employee Assistance Program	-	20	-	-	-
Workers Compensation Insurance	1,546	200	274	274	0%
Medicare	567	790	759	726	-4%
Life Insurance	-	20	15	15	0%
Long Term Disability	695	690	695	695	0%
Retirement	9,759	12,850	14,963	3,423	-77%
SALARIES & BENEFITS	56,840	74,600	71,272	60,669	-15%
Computer Maintenance	2,232	2,000	899	1,000	11%
Copier Rental	-	200	-	150	-
Insurance-Liability	481	400	511	400	-22%
Insurance-Property	283	300	357	300	-16%
Membership and Dues	230	300	67	250	275%
Mileage	74	300	-	200	-
Office Supplies	396	800	260	500	92%
Printing	-	500	-	485	-
Publishing	5,604	6,000	3,326	3,500	5%
Training	250	1,000	-	950	-
Travel & Meetings	-	1,000	-	950	-
Utilities- Gas & Electric	-	500	-	500	-
Utilities- Telephone	-	200	519	200	-61%
Utilities- Water	-	100	-	100	-
OPERATING EXPENDITURES	9,551	13,600	5,940	9,485	60%
Professional Services	-	1,500	-	1,500	-
CONTRACTED SERVICES	-	1,500	-	1,500	-
TOTAL CITY CLERK EXPENDITURES	\$ 66,391	\$ 89,700	\$ 77,211	\$ 71,654	-7%

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GENERAL FUND**DEPARTMENT: CITY ATTORNEY****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Contracted Services	213,753	156,500	331,608	160,000	-52%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 213,753	\$ 156,500	\$ 331,608	\$ 160,000	-52%

ACCOUNT DETAIL FOR THE DEPARTMENT OF THE CITY ATTORNEY

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Code Enforcement Litigation Services	20,692	1,500	27,104	5,000	-82%
Litigation-Non-City Attorney	1,471	-	16,374	-	-100%
Litigation Services-City Attorney	191,590	155,000	288,130	155,000	-46%
CONTRACTED SERVICES	213,753	156,500	331,608	160,000	-52%
TOTAL CITY ATTORNEY EXPENDITURES	\$ 213,753	\$ 156,500	\$ 331,608	\$ 160,000	-52%

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GENERAL FUND
DEPARTMENT: FINANCE

SUMMARY OF EXPENDITURES BY TYPE

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	156,076	177,890	165,816	191,958	16%
Operating Expenditures	38,680	48,700	37,196	43,255	16%
Contracted Services	66,767	50,000	118,000	68,000	-42%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 261,523	\$ 276,590	\$ 321,012	\$ 303,213	-6%

ACCOUNT DETAIL FOR THE DEPARTMENT OF FINANCE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	115,421	126,350	113,613	134,771	19%
Overtime	447	-	55	-	-100%
Health Benefits	9,337	15,210	9,511	17,694	86%
Health Benefits-Retirees	7,711	7,960	7,711	7,711	0%
Employee Assistance Program	-	70	-	-	-
Workers Compensation Insurance	2,346	2,400	2,911	2,911	0%
Medicare	4,251	1,830	3,933	1,954	-50%
Life Insurance	431	40	411	411	0%
Long Term Disability	1,140	860	1,168	1,168	0%
Retirement	14,993	23,170	26,503	25,337	-4%
SALARIES & BENEFITS	156,076	177,890	165,816	191,958	16%
Computer Maintenance	9,000	12,000	10,188	10,500	3%
Copier Service	2,121	2,000	2,287	2,290	0%
Credit Card and Bank Fees	15,428	18,000	12,713	15,000	18%
Insurance-Liability	2,165	2,400	2,301	2,310	0%
Insurance-Property	518	600	536	550	3%
Membership and Dues	350	500	-	400	-
Mileage	13	500	49	420	751%
Office Supplies	4,518	3,000	3,704	4,000	8%
Printing	149	400	647	400	-38%
Publishing	-	-	173	175	1%
Training	84	2,400	-	1,500	-
Travel and Meetings	30	100	-	1,000	-
Utilities-Gas and Electric	2,127	3,800	2,037	2,100	3%
Utilities-Telephone	1,997	2,700	2,351	2,400	2%
Utilities-Water	179	300	210	210	0%
OPERATING EXPENDITURES	38,680	48,700	37,196	43,255	16%
Professional Services	66,767	50,000	118,000	68,000	-42%
CONTRACTED SERVICES	66,767	50,000	118,000	68,000	-42%
TOTAL FINANCE EXPENDITURES	\$ 261,523	\$ 276,590	\$ 321,012	\$ 303,213	-6%

GENERAL FUND**DEPARTMENT: LAW ENFORCEMENT****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	-	-	-	-	-
Operating Expenditures	105,256	117,300	55,578	116,540	110%
Contracted Services	5,433,272	5,745,760	5,752,179	6,172,947	7%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 5,538,528	\$ 5,863,060	\$ 5,807,757	\$ 6,289,487	8%

ACCOUNT DETAIL FOR THE DEPARTMENT OF LAW ENFORCEMENT

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
800 MHZ Radio System	23,430	34,300	21,584	34,000	58%
ARJIS	16,332	16,300	21,776	16,300	-25%
CAL ID	6,176	6,400	8,299	6,400	-23%
RCS Lease	48,955	49,000	-	49,000	-
Utilities-Water	1,397	1,800	1,639	1,650	1%
Fuel-Animal Control Vehicle	8,966	7,000	1,000	6,790	579%
Repairs & Maint-Animal Cntl	-	2,500	1,280	2,400	88%
OPERATING EXPENDITURES	105,256	117,300	55,578	116,540	110%
Contractual Services-Sheriff	5,237,450	5,546,600	5,546,604	5,879,396	6%
Contractual Svcs-Animal Cntrl	185,853	195,560	203,075	289,951	43%
Contract Services-After Hours	9,969	3,600	2,500	3,600	44%
CONTRACTED SERVICES	5,433,272	5,745,760	5,752,179	6,172,947	7%
TOTAL LAW ENFORCEMENT EXPENDITURE	\$ 5,538,528	\$ 5,863,060	\$ 5,807,757	\$ 6,289,487	8%

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GENERAL FUND**DEPARTMENT: FIRE****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	3,487,261	3,499,330	3,957,346	3,704,014	-6%
Operating Expenditures	412,100	439,750	362,678	468,830	29%
Contracted Services	264,420	282,000	376,537	278,800	-26%
Capital Expenditures	86,688	86,700	86,688	86,690	0%
Total Expenditures	\$ 4,250,470	\$ 4,307,780	\$ 4,783,249	\$ 4,538,334	-5%

ACCOUNT DETAIL FOR THE FIRE DEPARTMENT

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	1,800,335	1,840,720	1,837,950	1,951,903	6%
Scheduled Overtime	126,563	128,700	129,754	137,539	6%
Unscheduled Overtime	380,010	300,000	405,000	300,000	-26%
Reimbursable Overtime	49,430	45,000	315,875	45,000	-86%
Overtime	5,438	-	500	500	0%
Extra Help	27,038	40,000	26,918	12,000	-55%
Quarterly JPA Reconciliation	62,424	100,000	118,220	118,220	0%
Health Benefits	219,313	226,800	215,662	215,000	0%
Health Benefits-Retirees	75,981	84,000	77,560	77,560	0%
Employee Assistance Program	-	590	-	-	-
Uniform Allowance	20,000	20,000	26,667	27,000	1%
Holiday Pay	53,331	54,000	86,666	87,000	0%
Paramedic Recertification	48,545	50,000	66,196	66,000	0%
Education Award	10,792	10,700	15,723	15,700	0%
Workers Compensation Insurance	104,622	90,000	117,000	112,500	-4%
Medicare	37,552	34,150	41,078	35,500	-14%
Life Insurance	-	530	391	400	2%
Long Term Disability	-	-	294	300	2%
Retirement	465,886	474,140	475,892	501,891	5%
SALARIES & BENEFITS	3,487,261	3,499,330	3,957,346	3,704,014	-6%
ALS Supplies Pass Thru	25,799	26,000	26,000	26,000	0%
Communications Equipment	-	9,700	8,596	9,000	5%
Fire Prevention Software	-	6,700	8,854	3,600	-59%
City Emergency Preparedness	22,276	4,500	3,350	4,000	19%
Community Risk Reduction	1,128	5,200	1,011	3,000	197%
Computer Maintenance	19,805	20,000	28,627	28,600	0%
Copier Service	1,660	2,400	1,384	1,400	1%
Departmental Expense	10,232	10,000	10,000	9,000	-10%
Fire Station Supplies	4,865	5,000	3,940	4,500	14%
Fuel	20,106	20,000	25,740	26,000	1%
Insurance-Liability	23,098	25,900	24,836	24,900	0%
Insurance-Property	16,109	17,100	15,268	15,300	0%

Account Description	2016-2017	2017-2018	2017-2018	2018-2019	% Change
	Actual	Budget	Projected	Budget	
JAC Reimbursable Expenditures	-	-	2,402	5,000	108%
JPA Reconciliation Expenditures	2,361	2,500	4,001	5,000	25%
JPA Reimbursable Expenditures	-	1,500	(1,076)	1,000	-193%
Medical Examinations	8,962	8,300	8,000	9,000	13%
Membership and Dues	562	600	120	600	400%
Office Supplies	2,290	2,500	2,539	2,300	-9%
Patient Care Reporting Pass Thru	4,037	5,800	7,064	5,800	-18%
Personal Exposure Reporting	300	300	565	325	-42%
Personal Protective Clothing	15,834	20,000	12,704	17,500	38%
RCCP Reimbursable	73,174	38,500	-	39,000	-
Repair and Maintenance-Equipment	4,769	4,500	3,712	4,000	8%
Repair and Maintenance-Vehicles	63,289	75,000	53,777	75,000	39%
Reserve Fire Fighter Expense	3,653	6,000	7,786	-	-100%
Self-Contained Breathing Apparatus	6,538	5,000	3,960	32,000	708%
Subscriptions and Books	-	1,000	-	5,000	0%
Trauma Intervention Program (TIP)	3,825	3,850	5,100	3,825	-25%
Tools and Supplies	4,240	10,000	5,423	10,000	84%
Training	27,684	39,000	34,001	40,000	18%
Training-AMR Pass Thru	10,945	19,100	4,804	19,100	298%
Travel and Meetings	-	3,000	2,575	3,000	17%
Uniforms	4,953	1,000	2,720	1,000	-63%
Utilities-Gas and Electric	16,730	22,000	16,717	16,750	0%
Utilities-Telephone	7,226	5,500	6,477	6,500	0%
Utilities-Water	2,771	3,000	2,523	2,530	0%
Vehicle Supplies	2,880	2,300	2,781	2,300	-17%
Weed Abatement	-	7,000	16,397	7,000	-57%
OPERATING EXPENDITURES	412,100	439,750	362,678	468,830	29%
Dispatch Services	264,420	262,000	349,639	258,600	-26%
Hazmat Emergency Response	-	20,000	26,897	20,200	-25%
CONTRACTED SERVICES	264,420	282,000	376,537	278,800	-26%
Fire Truck Loan	86,688	86,700	86,688	86,690	0%
CAPITAL EXPENDITURES	86,688	86,700	86,688	86,690	0%
TOTAL FIRE EXPENDITURES	\$ 4,250,470	\$ 4,307,780	\$ 4,783,249	\$ 4,538,334	-5%

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GENERAL FUND**DEPARTMENT: DEVELOPMENT SERVICES****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	322,505	349,900	309,303	288,111	-7%
Operating Expenditures	44,019	51,300	43,615	52,515	20%
Contracted Services	200,038	181,000	246,347	180,500	-27%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 566,562	\$ 582,200	\$ 599,266	\$ 521,126	-13%

ACCOUNT DETAIL FOR THE DEPARTMENT OF DEVELOPMENT SERVICES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	233,215	241,570	197,149	195,977	-1%
Planning Commission Wages	-	-	-	1,615	-
Overtime	5,739	2,330	893	1,000	12%
Extra Help	400	10,000	2,532	7,000	176%
Health Benefits	24,721	27,720	22,387	22,000	-2%
Health Benefits-Retirees	4,223	3,980	5,039	5,039	0%
Employee Assistance Program	-	80	-	-	-
Workers Compensation Insurance	2,324	2,400	2,995	2,995	0%
Medicare	3,475	3,680	2,792	2,981	7%
Life Insurance	-	80	63	63	0%
Long Term Disability	2,423	2,620	1,823	1,823	0%
Retirement	45,986	55,440	67,230	41,218	-39%
Unemployment	-	-	6,400	6,400	0%
SALARIES & BENEFITS	322,505	349,900	309,303	288,111	-7%
Computer Maintenance	12,221	14,000	17,587	17,500	0%
Copier Service	3,369	3,300	3,590	3,600	0%
Fuel	403	500	158	250	59%
Insurance-Liability	4,331	4,900	4,700	4,700	0%
Insurance-Property	3,109	3,300	2,950	3,000	2%
Membership and Dues	1,612	1,800	937	1,230	31%
Mileage	2,504	2,600	2,160	2,600	20%
Noticing	4,679	5,000	1,297	4,000	208%
Office Supplies	3,897	4,700	3,512	4,550	30%
Printing	186	300	21	290	1259%
Printing for Planning Commission	-	-	-	500	-
Repair & Maintenance-Vehicles	104	200	-	200	-
Subscriptions and Books	393	300	-	800	-
Training	1,826	1,500	888	1,445	63%
Travel and Meetings	413	1,000	3	970	36275%
Code Enforce Cost Recovery	-	-	-	1,000	-
Utilities-Gas and Electric	2,127	4,400	2,037	2,100	3%

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Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Utilities-Telephone	2,560	3,000	3,440	3,440	0%
Utilities-Water	286	500	336	340	1%
OPERATING EXPENDITURES	44,019	51,300	43,615	52,515	20%
Plan Checks/Consultations	199,553	180,000	245,497	180,000	-27%
Professional Services	485	1,000	850	500	-41%
CONTRACTED SERVICES	200,038	181,000	246,347	180,500	-27%
TOTAL DEVELOPMENT EXPENDITURES	\$ 566,562	\$ 582,200	\$ 599,266	\$ 521,126	-13%

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GENERAL FUND
DEPARTMENT: PUBLIC WORKS

SUMMARY OF EXPENDITURES BY TYPE

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	521,617	550,770	577,241	555,617	-4%
Operating Expenditures	508,048	527,080	563,424	530,085	-6%
Contracted Services	452,264	355,600	314,681	329,975	5%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 1,481,929	\$ 1,433,450	\$ 1,455,346	\$ 1,415,677	-2.7%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, ENGINEERING DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	76,701	88,080	91,233	84,024	-8%
Operating Expenditures	54,984	56,900	53,641	53,120	-1%
Contracted Services	191,525	98,000	48,500	80,000	65%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 323,211	\$ 242,980	\$ 193,374	\$ 217,144	12%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, ENGINEERING DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	51,513	52,390	51,558	52,836	2%
Overtime	-	950	2,000	950	-53%
Extra Help	3,852	10,900	10,724	5,000	-53%
Health Benefits	6,737	6,750	6,868	6,750	-2%
Health Benefits- Retirees	1,224	1,840	1,224	1,224	0%
Employee Assistance Program	-	20	-	-	-
Workers Compensation Insurance	2,353	2,400	2,911	2,911	0%
Medicare	1,026	930	1,544	852	-45%
Life Insurance	37	20	51	51	0%
Retirement	9,959	11,880	14,354	13,450	-6%
SALARIES & BENEFITS	76,701	88,080	91,233	84,024	-8%
Computer Maintenance	10,165	9,000	9,085	9,000	-1%
Copier Service	2,527	3,000	2,699	2,700	-
Development Support	3,929	4,500	5,238	5,000	-5%
Fuel	1,553	1,000	2,832	2,500	-12%
Insurance- Liability	3,609	4,050	3,884	3,900	-
Insurance- Property	2,591	2,750	2,455	2,500	2%
Mileage	455	600	230	500	117%
Office Supplies	3,455	3,700	2,786	2,500	-10%
Training	574	-	-	-	-
Utilities- Traffic Signal	22,894	25,000	21,442	21,500	-
Utilities- Telephone	2,874	3,000	2,570	2,600	-
Utilities- Water	358	300	420	420	-
OPERATING EXPENDITURES	54,984	56,900	53,641	53,120	-1%
Professional Services	191,525	98,000	48,500	80,000	65%
CONTRACTED SERVICES	191,525	98,000	48,500	80,000	65%
TOTAL ENGINEERING EXPENDITURES	\$ 323,211	\$ 242,980	\$ 193,374	\$ 217,144	12%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, ADMINISTRATION DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	36,479	38,150	36,862	40,279	9%
Operating Expenditures	51,987	66,450	66,285	74,950	13%
Contracted Services	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 88,467	\$ 104,600	\$ 103,147	\$ 115,229	12%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, ADMINISTRATION DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	22,336	22,510	21,742	22,107	2%
Overtime	48	-	12	100	737%
Health Benefits	1,981	2,700	1,960	2,700	38%
Employee Assistance Program	-	10	-	-	-
Workers Compensation Insurance	6,607	7,000	6,153	6,500	6%
Medicare	347	300	338	322	-5%
Life Insurance	-	10	7	7	0%
Long Term Disability	237	240	237	237	0%
Retirement	4,924	5,380	6,411	8,305	30%
SALARIES & BENEFITS	36,479	38,150	36,862	40,279	9%
Advertising	-	-	177	500	182%
Computer Maintenance	11,361	11,800	10,385	10,400	0%
Copier Service	5,111	4,800	4,230	4,300	2%
Damages - Cost Recovery	-	-	14,900	20,000	34%
Insurance-Liability	1,444	1,500	1,438	1,500	4%
Insurance-Property	2,591	2,750	2,455	2,500	2%
Marketing Supplies	4,649	6,000	5,080	5,000	-2%
Membership and Dues	1,963	2,000	1,288	1,500	16%
Mileage	302	600	499	425	-15%
Office Supplies	2,829	2,400	2,700	2,000	-26%
Software (minor)	2,750	5,400	1,960	5,500	181%
Protective Clothing	5,551	13,000	9,912	10,000	1%
Repair & Maintenance-Equipment	900	900	900	900	0%
Training	6,828	9,000	3,816	6,000	57%
Travel and Meetings	521	1,000	3,156	950	-70%
Utilities-Gas and Electric	2,127	2,500	2,037	2,100	3%
Utilities-Telephone	2,847	2,500	1,082	1,100	2%
Utilities-Water	215	300	270	275	0%
OPERATING EXPENDITURES	51,987	66,450	66,285	74,950	13%
TOTAL PW ADMIN EXPENDITURES	\$ 88,467	\$ 104,600	\$ 103,147	\$ 115,229	12%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, STREETS DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	60,191	63,390	85,621	96,545	13%
Operating Expenditures	102,408	125,800	119,055	117,775	-1%
Contracted Services	30,645	21,000	18,632	19,100	3%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 193,244	\$ 210,190	\$ 223,309	\$ 233,420	5%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, STREETS DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	44,691	41,790	59,079	65,825	11%
Overtime	2,341	1,880	4,542	1,000	-78%
Health Benefits	4,047	6,980	8,372	14,850	77%
Health Benefits-Retirees	-	310	-	-	-
Employee Assistance Program	-	20	-	-	-
Workers Compensation Insurance	424	1,800	-	-	-
Medicare	1,026	630	1,523	1,000	-34%
Life Insurance	56	20	82	82	0%
Long Term Disability	396	380	348	348	0%
Retirement	7,210	9,580	11,676	13,441	15%
SALARIES & BENEFITS	60,191	63,390	85,621	96,545	13%
Computer Maintenance	5,499	6,400	2,815	3,000	7%
Copier Service	-	400	-	-	-
Equipment Rental	7,149	7,000	4,961	6,800	37%
Fuel	10,050	12,500	12,995	12,500	-4%
Graffiti Cleanup Supplies	1,528	1,800	1,800	1,800	0%
Herbicides/Pesticides	971	1,000	579	900	55%
Insurance-Liability	3,609	4,050	3,884	3,900	0%
Insurance-Property	2,591	2,750	2,455	2,500	2%
Medical Examinations	701	-	-	-	0%
Membership and Dues	374	500	-	450	0%
Office Supplies	-	200	101	200	99%
Permit Expenses	292	400	469	475	1%
Protective Clothing	2,004	-	345	-	-100%
Repair and Maintenance-Equipment	19,587	17,500	24,703	19,000	-23%
Repair and Maintenance-Sidewalk	4,018	5,000	-	4,500	-
Repair and Maintenance-Storm Drain	2,930	15,000	787	10,000	1171%
Repair and Maintenance-Vehicles	7,841	18,500	18,312	17,500	-4%
Tools and Supplies	17,520	18,000	11,503	10,500	-9%
Utilities-Gas and Electric	1,206	1,300	1,219	1,250	3%
Utilities-Telephone	2,796	3,500	2,128	2,500	17%

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Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Utilities-Water	11,743	10,000	30,000	20,000	-33%
OPERATING EXPENDITURES	102,408	125,800	119,055	117,775	-1%
Contractual Services	12,962	5,000	3,072	3,100	1%
Dead Animal Removal	1,956	2,000	1,560	2,000	28%
Street Sweeping	15,727	14,000	14,000	14,000	0%
CONTRACTED SERVICES	30,645	21,000	18,632	19,100	3%
TOTAL STREETS EXPENDITURES	\$ 193,244	\$ 210,190	\$ 223,309	\$ 233,420	5%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, COMMUNITY SERVICES DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	203,344	200,940	210,412	161,597	-23%
Operating Expenditures	124,467	124,100	139,151	130,010	-7%
Contracted Services	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 327,812	\$ 325,040	\$ 349,562	\$ 291,607	-17%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, COMMUNITY SERVICES DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	103,480	85,990	102,201	66,264	-35%
Overtime	1,536	1,720	2,000	5,000	150%
Extra Help	48,798	65,300	50,512	50,750	0%
Health Benefits	13,858	13,500	13,656	11,700	-14%
Health Benefits-Retirees	6,120	6,120	5,100	5,100	0%
Employee Assistance Program	-	40	-	40	-
Workers Compensation Insurance	5,308	5,600	6,559	6,559	0%
Medicare	5,516	2,220	5,636	1,769	-69%
Life Insurance	-	40	37	37	0%
Long Term Disability	936	940	936	936	0%
Retirement	17,793	19,470	23,775	13,441	-43%
SALARIES & BENEFITS	203,344	200,940	210,412	161,597	-23%
Computer Maintenance	5,064	4,000	3,188	3,200	0%
Copier Service	649	800	704	710	1%
Daycamp	20,988	25,000	28,315	25,000	-12%
Equipment Rental	-	1,800	1,409	1,500	6%
Insurance-Liability	1,444	1,600	1,534	1,550	1%
Insurance-Property	565	600	536	550	3%
Maintenance-Supplies	291	100	-	100	-
Medical Examinations	553	500	328	400	22%
Membership and Dues	36	100	-	100	-
Mileage	-	100	-	100	-
Office Supplies	841	1,000	387	500	29%
Printing	-	500	-	-	-
Rental Expense	5,979	6,000	7,601	5,800	-24%
Repair and Maintenance-Equipment	-	500	-	400	-
Softball	1,586	1,000	-	-	-
Special Events	25,338	27,000	35,154	30,000	-15%
Training	95	-	-	-	-
Utilities-Gas and Electric	30,613	35,000	34,891	34,900	0%
Utilities-Telephone	5,002	5,500	3,917	4,000	2%

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Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Utilities-Water	25,425	13,000	21,185	21,200	0%
OPERATING EXPENDITURES	124,467	124,100	139,151	130,010	-7%
TOTAL COMMUNITY SERVICES EXPENDITURE	\$ 327,812	\$ 325,040	\$ 349,562	\$ 291,607	-17%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, GROUNDS DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	2,295	2,300	2,295	2,300	0%
Operating Expenditures	85,948	81,600	103,053	85,475	-17%
Contracted Services	223,922	226,600	247,152	230,475	-7%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 312,165	\$ 310,500	\$ 352,501	\$ 318,250	-10%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, GROUNDS DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Health Benefits-Retirees	2,295	2,300	2,295	2,300	0%
SALARIES & BENEFITS	2,295	2,300	2,295	2,300	0%
Lighting Maintenance	797	2,200	2,041	2,200	8%
Maintenance-Supplies	23,352	22,000	20,000	17,000	-15%
Utilities-Gas and Electric	4,477	4,400	3,972	4,000	1%
Utilities-Telephone	1,918	3,000	2,264	2,275	1%
Utilities-Water	55,403	50,000	74,777	60,000	-20%
OPERATING EXPENDITURES	85,948	81,600	103,053	85,475	-17%
Contractual Services	111,488	120,000	112,000	120,000	7%
Tree Maintenance	26,486	25,000	32,099	25,000	-22%
CONTRACTED SERVICES	223,922	226,600	247,152	230,475	-7%
TOTAL GROUNDS EXPENDITURES	\$ 312,165	\$ 310,500	\$ 352,501	\$ 318,250	-10%

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GENERAL FUND**DEPARTMENT: PUBLIC WORKS, FACILITIES DIVISION****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	142,606	157,910	150,817	170,872	13%
Operating Expenditures	88,254	72,230	82,238	68,755	-16%
Contracted Services	6,171	10,000	396	400	1%
Capital Expenditures	-	-	-	-	-
Total Expenditures	\$ 237,031	\$ 240,140	\$ 233,452	\$ 240,027	3%

ACCOUNT DETAIL FOR THE DEPARTMENT OF PUBLIC WORKS, FACILITIES DIVISION

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	89,648	101,960	88,385	107,147	21%
Overtime	5,715	2,680	9,062	9,062	0%
Health Benefits	15,423	18,000	12,560	18,900	50%
Health Benefits-Retirees	3,060	2,450	4,148	4,148	0%
Employee Assistance Program	-	50	-	-	-
Workers Compensation Insurance	6,629	7,000	8,183	8,183	0%
Medicare	1,346	1,520	994	1,685	70%
Life Insurance	42	50	41	41	0%
Long Term Disability	784	900	548	548	0%
Retirement	19,958	23,300	26,897	21,158	-21%
SALARIES & BENEFITS	142,606	157,910	150,817	170,872	13%
Computer Maintenance	2,728	2,500	1,304	1,350	4%
Equipment Rental	446	200	200	400	100%
Fuel	2,473	2,430	3,281	2,500	-24%
Insurance-Liability	2,214	2,300	2,205	2,210	0%
Insurance-Property	1,036	1,100	982	1,000	2%
Maintenance-Services	28,958	15,000	19,091	14,550	0%
Maintenance-Supplies	37,396	28,000	42,633	31,000	-27%
Repair and Maintenance	6,249	10,000	8,250	8,500	0%
Repair and Maintenance-ADA	-	1,000	-	500	-
Repair and Maintenance-Equipment	2,223	2,000	1,497	1,900	0%
Tools and Supplies	1,081	3,000	-	2,000	-
Utilities-Gas and Electric	1,513	3,000	1,219	1,250	0%
Utilities-Telephone	1,870	1,600	1,513	1,520	0%
Utilities-Water	65	100	62	75	21%
OPERATING EXPENDITURES	88,254	72,230	82,238	68,755	-16%
Contractual Services	6,171	10,000	396	400	1%
CONTRACTED SERVICES	6,171	10,000	396	400	1%
TOTAL FACILITIES EXPENDITURES	\$ 237,031	\$ 240,140	\$ 233,452	\$ 240,027	3%

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GENERAL FUND**DEPARTMENT: NON-DEPARTMENTAL****SUMMARY OF EXPENDITURES BY TYPE**

Expenditure Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries & Benefits	-	7,000	7,000	7,000	0%
Operating Expenditures	257,370	76,500	1,000	68,200	6720%
Contracted Services	-	-	-	-	
Capital Expenditures	-	-	-	-	
Total Expenditures	\$ 257,370	\$ 83,500	\$ 8,000	\$ 75,200	840%

ACCOUNT DETAIL FOR NON-DEPARTMENTAL

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Vacation Payoff	-	7,000	7,000	7,000	0%
SALARIES & BENEFITS	-	7,000	7,000	7,000	0%
	44,550	-	-	-	-
General Election	38,790	-	-	18,200	-
General Plan Update- Carryover	5,200	75,000	-	50,000	-
Audio Visual Equipment	-	1,500	1,000	-	-100%
Equip Replacement - Fire	7,830	-	-	-	-
Equip Replacement - PW	11,000	-	-	-	-
Sage Project	150,000	-	-	-	-
OPERATING EXPENDITURES	257,370	76,500	1,000	68,200	6720%
TOTAL NON-DEPARTMENTAL EXPENDITURES	\$ 257,370	\$ 83,500	\$ 8,000	\$ 75,200	840%

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OTHER FUNDS

DRAFT FY 2018-19 BUDGET



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GAS TAX FUND: HIGHWAY USER TAX**FUND 02**

BEGINNING FUND BALANCE \$ (2,490) \$ 36,746 \$ (21,785) \$ 121,456

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Highway Users Tax Section 2103	71,026	106,600	108,116	106,000	-2%
Highway Users Tax Section 2105	149,525	154,700	145,791	144,000	-1%
Highway Users Tax Section 2106	102,531	98,200	102,677	102,000	-1%
Highway Users Tax Section 2107	189,574	199,800	186,594	185,000	-1%
Highway Users Tax Section 2107.5	6,000	6,000	8,000	6,000	-25%
State Loan Repayment	-	30,500	40,615	30,500	-25%
RMRA	-	153,000	46,653	445,000	854%
Interfund Transfer	100,000	100,000	100,000	100,000	0%
Total Revenue	\$ 618,656	\$ 848,800	\$ 738,446	\$ 1,118,500	51%

TOTAL RESOURCES \$ 616,166 \$ 885,546 \$ 716,661 \$ 1,239,956

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	394,138	418,430	359,986	341,000	-5%
Overtime	17,504	11,930	12,038	12,000	0%
Health Benefits	50,629	68,310	49,504	55,400	12%
Health Benefits-Retirees	10,073	10,340	10,455	10,455	0%
Deferred Compensation	600	600	615	600	-2%
Employee Assistance Program	-	180	-	-	0%
Workers Compensation Insurance	15,291	16,200	19,087	19,000	0%
Medicare	6,202	6,240	5,359	5,119	-4%
Life Insurance	533	200	560	560	0%
Long Term Disability	3,059	2,860	2,670	2,670	0%
Retirement	81,995	96,210	90,000	99,000	10%
SALARIES & BENEFITS	580,024	631,500	550,274	545,804	-1%
Mileage	3,967	3,900	4,066	4,100	1%
Utilities - Telephone	130	-	367	370	1%
Interfund Transfer	-	44,500	22,250	40,000	80%
OPERATING EXPENSES	4,097	48,400	26,683	44,470	67%
Professional Services	-	42,000	18,248	38,000	108%
CONTRACTED SERVICES	-	42,000	18,248	38,000	108%
Storm Drain Master Plan	-	-	-	250,000	-
Street Rehab	-	-	-	195,000	-
Street Paving	-	-	-	80,000	-
CAPITAL EXPENSES	-	-	-	525,000	-

TOTAL EXPENSES \$ 584,121 \$ 721,900 \$ 595,205 \$ 1,153,274 93.8%

ENDING FUND BALANCE \$ (21,785) \$ 163,646 \$ 121,456 \$ 86,683

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STREET CONSTRUCTION CAPITAL FUND**FUND 03**

BEGINNING FUND BALANCE \$ 158,199 \$ 159,230 \$ 159,153 \$ 160,416

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	954	400	1,263	500	-60%
Total Revenue	<u>\$ 954</u>	<u>\$ 400</u>	<u>\$ 1,263</u>	<u>\$ 500</u>	<u>-60%</u>

TOTAL RESOURCES \$ 159,153 \$ 159,630 \$ 160,416 \$ 160,916

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Lemon Grove Realignment	-	9,000	-	160,916	-
CAPITAL EXPENSES	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>160,916</u>	<u>-</u>

TOTAL EXPENSES \$ - \$ 9,000 \$ - \$ 160,916 -

ENDING FUND BALANCE \$ 159,153 \$ 150,630 \$ 160,416 \$ 0

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PARK LAND DEDICATION ORDINANCE

FUND 05

BEGINNING FUND BALANCE \$ 113,186 \$ 86,601 \$ 86,600 \$ 70,157

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	594	-	739	700	-5%
Development Fees	16,137	10,000	22,068	15,000	-32%
Total Revenue	\$ 16,731	\$ 10,000	\$ 22,807	\$ 15,700	-31%

TOTAL RESOURCES \$ 129,917 \$ 96,601 \$ 109,407 \$ 85,857

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Park Improvements	43,317	50,000	39,250	20,000	-49%
CAPITAL EXPENSES	43,317	50,000	39,250	20,000	-49%

TOTAL EXPENSES \$ 43,317 \$ 50,000 \$ 39,250 \$ 20,000 -49%

ENDING FUND BALANCE \$ 86,600 \$ 46,601 \$ 70,157 \$ 65,857

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GENERAL FUND RESERVE**FUND 06**

BEGINNING FUND BALANCE \$ 4,207,865 \$ 760,691 \$ 760,691 \$ 775,691

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Other Revenues	377,590	-	9,000	-	-100%
Interest	3,278	5,000	6,000	6,000	0%
Total Revenue	\$ 380,868	\$ 5,000	\$ 15,000	\$ 6,000	-60%

TOTAL RESOURCES \$ 4,588,733 \$ 765,691 \$ 775,691 \$ 781,691

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
General Expenditures	3,719,687	-	-	-	-
Interfund Transfer	108,355	-	-	-	-
CAPITAL EXPENSES	3,828,042	-	-	-	-

TOTAL EXPENSES \$ 3,828,042 \$ - \$ - \$ - -

ENDING FUND BALANCE \$ 760,691 \$ 765,691 \$ 775,691 \$ 781,691

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SUPPLEMENTAL LAW ENFORCEMENT SERVICES**FUND 07**

BEGINNING FUND BALANCE \$ 14,575 \$ 43,899 \$ 43,899 \$ 78,715

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Supplemental Law Enforcement Services	129,324	100,000	149,416	120,000	-20%
Total Revenue	\$ 129,324	\$ 100,000	\$ 149,416	\$ 120,000	-20%

TOTAL RESOURCES \$ 143,899 \$ 143,899 \$ 193,315 \$ 198,715

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interfund Transfers-Expenditure	100,000	114,600	114,600	180,000	57%
OPERATING EXPENSE	100,000	114,600	114,600	180,000	57%

TOTAL EXPENSES \$ 100,000 \$ 114,600 \$ 114,600 \$ 180,000 57%

ENDING FUND BALANCE \$ 43,899 \$ 29,299 \$ 78,715 \$ 18,715

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GRANTS**FUND 08**

BEGINNING FUND BALANCE \$ (607,300) \$ 79,749 \$ 79,749 \$ 194,172

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	-	-	-	50	-
Misc Revenue	111,582	-	19,350	-	-100%
Safe Routes to School	657,744	-	-	-	-
Beverage Container Recycling	-	-	11,511	8,803	-24%
Smart Growth Incentive Program	5,890	-	109,630	-	-100%
Grant Revenue-UASI	595	-	839	-	-100%
HRPP Grant	364,500	-	-	-	-
Grant Rev - SHSGP 16	-	-	694	-	-100%
Grant Revenue-UASI 16	-	-	1,199	-	-100%
ADA Transit Plan	-	-	17,000	33,000	94%
Grant Revenue-CHAMPS	-	-	20,000	-	-100%
Transfers In	109,134	-	-	-	-
Total Revenue	\$ 1,249,445	\$ -	\$ 180,223	\$ 41,853	-77%

TOTAL RESOURCES \$ 642,145 \$ 79,749 \$ 259,972 \$ 236,025

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Dept of Justice JAG	-	-	10,433	-	-100%
Beverage Container Recycling	2,400	7,000	9,671	8,803	-9%
Replace Irrigation Controller	47,301	-	-	-	-
LG 21 - Promenade Extension	11,769	-	-	-	-
SHSGP Expenditures 16	-	-	19,886	-	-100%
Systemic Safety Analysis	25,245	-	6,004	-	-100%
UASI Expenditures 16	595	-	1,050	-	-100%
Champs Program	1,452	20,000	1,757	18,243	938%
ADA Transit Plan	-	-	17,000	33,000	94%
State Park Expansion	85,000	-	-	-	-
Connect Main Street	388,634	-	-	-	-
Transfer Out	-	-	-	4,221	-
CAPITAL EXPENSES	562,396	27,000	65,801	64,267	-2%

TOTAL EXPENSES \$ 562,396 \$ 27,000 \$ 65,801 \$ 64,267 0%

Ending Fund Balance \$ 79,749 \$ 52,749 \$ 194,172 \$ 171,758

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**FUND 09**

BEGINNING FUND BALANCE \$ 134,838.00 \$ - \$ - \$ -

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
CDBG Funds	-	-	-	229,060	-
Total Revenue	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 229,060</u>	<u>-</u>

TOTAL RESOURCES \$ 134,838 \$ - \$ - \$ 229,060

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Golden Avenue Overlay	134,838	-	-	-	-
Street Rehab & ADA	-	-	-	229,060	-
CAPITAL EXPENSES	<u>134,838</u>	<u>-</u>	<u>-</u>	<u>229,060</u>	<u>-</u>

TOTAL EXPENSES \$ 134,838 \$ - \$ - \$ 229,060 -

ENDING FUND BALANCE \$ - \$ - \$ - \$ -

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TRANSPORTATION DEVELOPMENT ACT (TDA)**FUND 10**

BEGINNING FUND BALANCE \$ (20,859) \$ (34,358) \$ (31,682) \$ 185,953

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Other Revenue	-	-	460	-	-100%
Interest	125	125	87	100	15%
TDA Revenue	123,593	121,200	358,570	121,170	-66%
Total Revenue	\$ 123,718	\$ 121,325	\$ 359,117	\$ 121,270	-66%

TOTAL RESOURCES \$ 102,859 \$ 86,967 \$ 327,435 \$ 307,223

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	20,961	24,200	20,710	19,740	-5%
Overtime	841	120	215	215	0%
Health Benefits	2,321	2,880	2,455	2,130	-13%
Health Benefits-Retirees	655	370	673	673	0%
Medicare	298	350	260	260	0%
Life Insurance	20	10	22	22	0%
Long Term Disability	170	220	190	190	0%
Retirement	6,466	5,700	6,608	6,900	4%
SALARIES & BENEFITS	31,730	33,850	31,134	30,131	-3%
Mileage	293	200	155	200	29%
Repair & Maint. Bus Shelters	45,365	-	35,284	40,000	13%
Trolley Corridor Landscaping	39,785	52,700	42,859	45,000	5%
Utilities - Telephone	3	-	22	20	-8%
Interfund Transfer	17,400	17,400	13,050	10,000	-23%
OPERATING EXPENSES	102,846	70,300	91,369	95,220	4%
Professional Services	-	-	18,979	-	-100%
CONTRACTED SERVICES	-	-	18,979	-	-100%
Lemon Grove Realignment	-	-	-	237,400	-
CAPITAL EXPENSES	-	-	-	237,400	-
TOTAL EXPENSES	\$ 134,576	\$ 104,150	\$ 141,482	\$ 362,751	156%
ENDING FUND BALANCE	\$ (31,682)	\$ (17,320)	\$ 185,953	\$ (55,528)	

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LEMON GROVE ROADWAY LIGHTING DISTRICT: GENERAL BENEFIT**FUND 11**

BEGINNING FUND BALANCE \$ 353,285 \$ 448,630 \$ 419,105 \$ 487,966

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	2,617	400	3,550	3,500	-1%
General Lighting Assessment	185,346	165,000	191,548	190,000	-1%
Total Revenue	187,963	165,400	195,098	193,500	-1%

TOTAL RESOURCES \$ 541,248 \$ 614,030 \$ 614,203 \$ 681,466

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	23,094	18,460	23,518	23,300	-1%
Overtime	251	140	82	80	-2%
Health Benefits	1,804	2,250	2,008	2,575	28%
Health Benefits-Retirees	411	540	428	428	0%
Deferred Comp	60	80	62	62	0%
Employee Assistance Program	-	10	-	-	-
Medicare	308	270	298	339	14%
Life Insurance	16	10	24	24	0%
Long Term Disability	176	120	177	177	0%
Retirement	4,142	4,280	5,665	6,744	19%
SALARIES & BENEFITS	30,261	26,160	32,263	33,729	5%
Mileage	317	1,000	325	950	192%
Repair & Maintenance-St Lights	10,837	6,000	12,089	9,000	-26%
Utilities-Telephone	4	-	25	25	0%
Utilities-Street Lights	66,171	80,000	66,301	80,000	21%
Interfund Transfers-Expenditure	9,400	9,400	9,400	9,400	0%
OPERATING EXPENSES	86,728	96,400	88,140	99,375	13%
Professional Services	5,154	2,800	8,970	9,000	0%
CONTRACTED SERVICES	5,154	2,800	8,970	9,000	0%
TOTAL EXPENSES	122,143	125,360	129,373	142,104	10%
ENDING FUND BALANCE	\$ 419,105	\$ 488,670	\$ 487,966	\$ 539,362	

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LEMON GROVE ROADWAY LIGHTING DISTRICT: LOCAL BENEFIT ASSESSMENT

FUND 12

BEGINNING FUND BALANCE \$ 30,552 \$ (72,813) \$ (73,060) \$ (178,003)

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	79	500	50	50	0%
Local Benefit Lighting Assessment	86,885	87,800	85,000	85,000	0%
Total Revenue	86,964	88,300	85,050	85,050	0%

TOTAL RESOURCES \$ 117,516 \$ 15,487 \$ 11,990 \$ (92,953)

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	47,797	55,400	48,139	46,570	-3%
Overtime	485	410	261	260	-1%
Health Benefits	4,868	6,750	4,868	6,120	26%
Health Benefits-Retirees	1,642	1,600	1,714	1,714	0%
Deferred Comp	240	220	246	246	0%
Employee Assistance Program	-	10	-	-	-
Medicare	795	810	756	679	-10%
Life Insurance	53	30	60	60	0%
Long Term Disability	317	360	323	323	0%
Retirement	10,133	12,850	14,629	9,843	-33%
SALARIES & BENEFITS	66,331	78,440	70,995	65,815	-7%
Mileage	814	800	835	750	-10%
Repair and Maintenance-Street Lights	7,439	6,200	3,046	10,000	228%
Utilities-Telephone	12	-	35	35	0%
Utilities-Street Lights	110,992	100,000	110,020	100,000	-9%
Interfund Transfers-Expenditure	4,900	4,900	-	4,900	-
OPERATING EXPENSES	124,157	111,900	113,937	115,685	2%
Professional Services	89	16,300	5,061	10,000	98%
CONTRACTED SERVICES	89	16,300	5,061	10,000	98%
TOTAL EXPENSES	190,576	206,640	189,993	191,500	1%
ENDING FUND BALANCE	\$ (73,060)	\$ (191,153)	\$ (178,003)	\$ (284,453)	

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TRANSNET: STREET CONSTRUCTION

FUND 14

BEGINNING FUND BALANCE \$ 301,637 \$ (667,049) \$ (728,296) \$ (725,996)

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Miscellaneous Revenue	176,117	-	15,751	-	-100%
Revenue-Transnet	1,831,537	2,346,700	905,346	713,000	-21%
Total Revenue	\$ 2,007,654	\$ 2,346,700	\$ 921,097	\$ 713,000	-23%

TOTAL RESOURCES \$ 2,309,291 \$ 1,679,651 \$ 192,801 \$ (12,996)

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	52,458	60,360	38,000	32,475	-15%
Overtime	5,430	3,760	4,100	3,760	-8%
Health Benefits	8,846	12,600	8,600	8,600	0%
Health Benefits-Retirees	-	600	-	600	-
Employee Assistance Program	-	40	-	40	-
Workers Compensation Insurance	-	1,600	-	1,600	-
Medicare	811	930	650	525	-19%
Life Insurance	113	40	151	150	-1%
Long Term Disability	474	440	400	440	10%
Retirement	11,553	13,770	15,500	11,820	-24%
SALARIES & BENEFITS	79,685	94,140	67,401	60,010	-11%
Utilities - Telephone	-	-	50	50	0%
OPERATING EXPENSES	-	-	50	50	0%
Professional Services	-	42,000	26,000	30,000	15%
CONTRACTED SERVICES	-	42,000	26,000	30,000	15%
CIP-LG 13 (CR) LG Realignment	801,561	1,186,000	574,243	-	-100%
CIP-LG 17 (CR) Street Improve	-	50,000	280	-	-100%
CIP-LG 17 (PM) Street Imprvmt	49,573	-	57,409	108,337	89%
CIP-LG 18 (CR)Traff Signl Upgr	20,283	20,000	4,892	56,790	1061%
CIP-LG 16 (CR-TB) Storm Drain	101,871	67,000	21,297	12,232	-43%
CIP-LG 15 (PM) Street Drainage	42,161	88,000	6,988	22,716	225%
CIP-LG 20 (CR) Street/Sidewalk	347,238	397,000	55,131	318,896	478%
CIP-LG 14 (PM) Traffic Impv	132,644	120,000	82,644	103,969	26%
CIP-LG 23 Broadway DVSP	28,425	-	22,463	-	-100%
CAPITAL EXPENSES	1,523,756	1,928,000	825,346	622,940	-25%

TOTAL EXPENSES \$ 1,603,440 \$ 2,064,140 \$ 918,797 \$ 713,000 -22%

ENDING FUND BALANCE \$ (728,296) \$ (384,489) \$ (725,996) \$ (725,996)

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LEMON GROVE SANITATION DISTRICT: OPERATING FUND 15

BEGINNING FUND BALANCE \$ 9,052,515 \$ 6,750,247 \$ 6,659,776 \$ 8,213,027

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Other Revenues	19,948	587,450	61,300	88,000	44%
Interest	73,793	21,800	65,000	65,000	0%
Sewer Service Fee	6,023,233	6,356,400	6,325,000	6,500,000	3%
Sewer Service-LGSD La Mesa SD	47,510	50,000	50,000	50,000	0%
Total Revenue	\$ 6,164,484	\$ 7,015,650	\$ 6,501,300	\$ 6,703,000	3%

TOTAL RESOURCES \$ 15,216,999 \$ 13,765,897 \$ 13,161,076 \$ 14,916,027

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	828,234	885,960	838,023	868,677	4%
Overtime	23,966	31,640	22,608	32,000	42%
Extra Help	1,491	27,200	6,887	27,200	295%
Health Benefits	110,816	143,280	111,207	142,731	28%
Health Benefits-Retirees	15,093	16,620	15,973	34,884	118%
Deferred Comp	1,740	1,740	1,785	20,696	0%
Employee Assistance Program	-	380	-	380	-
Workers Compensation Insurance	47,215	12,000	47,000	57,050	21%
Medicare	13,284	13,700	13,684	32,595	138%
Life Insurance	933	460	1,146	20,057	1650%
Long Term Disability	6,098	6,480	6,134	6,200	1%
Retirement	70,952	77,030	75,061	200,229	167%
SALARIES & BENEFITS	1,119,824	1,216,490	1,139,507	1,442,699	27%

Claims Paid	100,386	20,000	-	40,000	-
Computer Maintenance	36,774	46,600	44,118	45,000	2%
Equipment Rental	-	5,000	-	5,000	-
Fuel	6,595	15,100	7,303	15,000	105%
Industrial Enforcement	2,977	10,000	-	10,000	-
Insurance-Liability	26,707	27,750	26,610	27,750	4%
Insurance-Property	19,170	20,350	18,170	20,350	12%
Medical Examinations	1,126	400	869	600	-31%
Membership and Dues	2,086	2,000	1,833	1,900	4%
Mileage	7,149	9,000	7,327	8,000	9%
Office Supplies	1,150	2,000	1,237	1,900	54%
Protective Clothing	4,114	4,000	6,001	4,000	-33%
Repairs & Maintenance	420	5,400	-	1,500	-
Repair & Maint. -Equipment	9,910	25,000	9,169	13,000	42%
Repair & Maint-Vehicles	5,440	10,000	12,186	10,000	-18%
Tools and Supplies	6,901	11,000	3,500	9,000	157%
Traffic Safety Equipment	-	500	-	500	-
Training	1,546	2,600	1,000	4,000	300%

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Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Travel and Meetings	-	2,000	-	1,900	-
Utilities-Gas and Electric	1,407	1,500	1,401	1,500	7%
Utilities-Telephone	3,824	4,500	3,891	4,500	16%
Utilities-Water	130	500	2,546	2,000	-21%
Interfund Transfers- GF	652,400	552,400	489,294	305,073	-38%
OPERATING EXPENSES	890,211	777,600	636,456	532,473	-16%
Contractual Services	31,273	55,000	45,000	45,000	0%
Emergency Callout and Repair	-	5,000	-	5,000	-
Litigation Services	7,736	60,000	16,812	30,000	78%
Metro Annual Capacity & Treatment	2,648,020	2,968,500	2,781,944	3,100,000	11%
Sewage Transportation	-	66,000	45,000	45,000	0%
Professional Services	139,590	257,900	164,330	216,000	31%
Professional Svcs-City Atty	-	30,000	-	30,000	-
Restoration Services	-	10,000	-	10,000	-
Street Sweeping	20,570	19,000	19,000	19,000	0%
CONTRACTED SERVICES	2,847,188	3,471,400	3,072,087	3,500,000	14%
Transfer to Gas Tax Fund	-	100,000	100,000	100,000	0%
Transfer to Sanitation Capital Fund	-	-	-	-	-
Transfer to Pure Water Fund	3,700,000	-	-	1,000,000	-
CAPITAL EXPENSES	3,700,000	100,000	100,000	1,100,000	1000%
TOTAL EXPENSES	\$ 8,557,223	\$ 5,565,490	\$ 4,948,049	\$ 6,575,172	33%
OPERATING RESERVE FUND BALANCE	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	
ENDING FUND BALANCE	\$ 4,359,776	\$ 5,897,407	\$ 5,913,027	\$ 6,040,855	

DRAFT

LEMON GROVE SANITATION DISTRICT: CAPITAL**FUND 16**

BEGINNING FUND BALANCE \$ 9,439,272 \$ 9,715,169 \$ 9,451,740 \$ 10,084,306

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	29,593	8,000	32,800	30,000	-9%
Total Revenue	\$ 29,593	\$ 8,000	\$ 32,800	\$ 30,000	-9%

TOTAL RESOURCES \$ 9,468,865 \$ 9,723,169 \$ 9,484,540 \$ 10,114,306

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Contingent Costs	-	159,140	-	-	-
CIP-Lemon Grove Realignment	-	-	478,694	-	-
FY 17-18 Sewer Main Rehab (Design)	17,125	106,090	30,000	73,000	143%
FY 17-18 Sewer Main Rehab (Construct)	-	1,060,900	-	822,000	-
FY 18-19 Sewer Main Rehab (Design)	-	-	-	341,000	-
FY 16-17 Sewer Main Rehab (Construct)	-	-	153,512	-	-100%
Sewer Maintenance (Contract)	-	265,230	3,160	30,900	878%
CAPITAL EXPENSES	17,125	1,591,360	665,366	1,266,900	90%

TOTAL EXPENSES \$ 17,125 \$ 1,591,360 \$ 665,366 \$ 1,266,900 90%

METRO RESERVE FUND BALANCE \$ 3,100,000 \$ 3,100,000 \$ 3,100,000 \$ 3,100,000

ENDING FUND BALANCE \$ 6,351,740 \$ 5,031,809 \$ 6,984,306 \$ 5,747,406

DRAFT

LEMON GROVE SANITATION DISTRICT: PURE WATER RESERVE**FUND 17**

BEGINNING FUND BALANCE \$ - \$ 3,700,000 \$ 3,700,000 \$ 3,700,000

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	-	-	-	5,000	-
Transfer from Sanitation Operations	3,700,000	-	-	1,000,000	-
Total Revenue	\$ 3,700,000	\$ -	\$ -	\$ 1,005,000	-

TOTAL RESOURCES \$ 3,700,000 \$ 3,700,000 \$ 3,700,000 \$ 4,705,000

ENDING FUND BALANCE \$ 3,700,000 \$ 3,700,000 \$ 3,700,000 \$ 4,705,000

DRAFT

SIDEWALK CAPITAL RESERVE**FUND 18**

BEGINNING FUND BALANCE \$ 23,122 \$ 23,261 \$ 23,261 \$ 23,261

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	139	100	184	180	-2%
Total Revenue	\$ 139	\$ 100	\$ 184	\$ 180	-2%

TOTAL RESOURCES \$ 23,261 \$ 23,361 \$ 23,445 \$ 23,441

ENDING FUND BALANCE \$ 23,261 \$ 23,361 \$ 23,445 \$ 23,441

DRAFT

LEMON GROVE SANITATION DISTRICT: CAPACITY**FUND 19**

BEGINNING FUND BALANCE \$ - \$ - \$ - \$ - \$ **16,000**

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Sewer Capacity Fee	-	-	16,000	16,000	0%
Total Revenue	\$ -	\$ -	\$ 16,000	\$ 16,000	0%

TOTAL RESOURCES \$ - \$ - \$ 16,000 \$ 32,000

ENDING FUND BALANCE \$ - \$ - \$ 16,000 \$ 32,000

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INTEGRATED WASTE REDUCTION**FUND 21**

BEGINNING FUND BALANCE \$ 142,218 \$ 132,278 \$ 132,209 \$ 114,065

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	1,161	800	1,300	1,000	-23%
AB939 Fees	26,522	23,000	24,136	24,000	-1%
Total Revenue	27,683	23,800	25,436	25,000	-2%

TOTAL RESOURCES \$ 169,901 \$ 156,078 \$ 157,645 \$ 139,065

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	20,670	20,650	19,826	20,019	1%
Overtime	175	80	80	80	0%
Health Benefits	2,300	2,610	2,400	2,100	-13%
Health Benefits-Retirees	306	980	400	428	7%
Deferred Comp	60	60	60	62	3%
Employee Assistance Program	-	10	-	10	0%
Workers Compensation Insurance	-	300	300	300	0%
Medicare	347	300	289	291	1%
Life Insurance	10	10	16	20	25%
Long Term Disability	240	240	241	245	2%
Retirement	3,868	4,940	4,650	2,044	-56%
SALARIES & BENEFITS	27,977	30,180	28,262	25,599	-9%
Mileage	196	500	250	500	100%
Program Expense	6,198	8,000	4,894	8,000	63%
Utilities-Telephone	2	-	4	25	525%
Interfund Transfers-Expenditure	1,979	1,200	1,200	1,200	0%
OPERATING EXPENSES	8,375	9,700	6,348	9,725	53%
Consultant Fees	1,325	4,500	8,970	4,500	-50%
CONTRACTED SERVICES	1,325	4,500	8,970	4,500	-50%
TOTAL EXPENSES	37,677	44,380	43,580	39,824	-9%
ENDING FUND BALANCE	\$ 132,209	\$ 111,698	\$ 114,065	\$ 99,241	

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WILDFLOWER ASSESSMENT DISTRICT**FUND 22**

BEGINNING FUND BALANCE \$ 4,784 \$ 3,782 \$ 4,437 \$ 3,366

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	1,161	-	20	20	0%
Annual Assessment Revenue	9,585	9,650	9,650	9,650	0%
Total Revenue	10,746	9,650	9,670	9,670	0%

TOTAL RESOURCES \$ 15,530 \$ 13,432 \$ 14,107 \$ 13,036

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	4,034	2,340	4,900	4,578	-7%
Health Benefits	289	230	300	460	53%
Health Benefits-Retirees	-	310	-	-	-
Medicare	-	30	-	66	-
Life Insurance	-	-	1	-	-100%
Long Term Disability	60	30	60	60	0%
Retirement	1,467	550	800	1,696	112%
SALARIES & BENEFITS	5,850	3,490	6,061	6,860	13%
General Expenditure	2,674	-	-	-	-
Utilities-Gas and Electric	102	100	90	100	11%
Utilities-Water	1,306	850	1,500	850	-43%
Interfund Transfers-Expenditure	100	100	100	100	0%
OPERATING EXPENSES	4,181	1,050	1,690	1,050	-38%
Contractual Services	282	2,800	2,990	2,800	-6%
CONTRACTED SERVICES	282	2,800	2,990	2,800	-6%
TOTAL EXPENSES	10,313	7,340	10,741	10,710	0%

ENDING FUND BALANCE \$ 4,437 \$ 6,092 \$ 3,366 \$ 2,326

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SERIOUS TRAFFIC OFFENDER PROGRAM (STOP)**FUND 23**

BEGINNING FUND BALANCE \$ **36,025** \$ **30,487** \$ **30,495** \$ **33,342**

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Impound Fee Share	6,890	7,000	5,500	6,000	9%
Interest	200	100	250	200	-20%
Total Revenue	7,090	7,100	5,750	6,200	8%

TOTAL RESOURCES \$ **43,115** \$ **37,587** \$ **36,245** \$ **39,542**

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Salaries	1,782	1,780	1,700	1,750	3%
Health Benefits	90	90	90	90	0%
Deferred Compensation	60	60	60	60	0%
Workers Compensation Insurance	-	100	-	25	-
Medicare	27	30	27	30	11%
Long Term Disability	14	10	15	60	300%
Retirement	325	380	380	380	0%
SALARIES & BENEFITS	2,297	2,450	2,272	2,395	5%
General Expenditure	10,269	-	-	-	-
Mileage	56	100	75	100	33%
Training	-	-	556	200	-64%
OPERATING EXPENSES	10,325	100	631	300	-52%
TOTAL EXPENSES	12,622	2,550	2,903	2,695	-7%
ENDING FUND BALANCE	\$ 30,495	\$ 35,037	\$ 33,342	\$ 36,847	

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SELF-INSURED WORKERS COMPENSATION RESERVE**FUND 25**

BEGINNING FUND BALANCE \$ 582,802 \$ 692,371 \$ 541,329 \$ 527,414

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Other Revenues	132,639	-	1,846	-	-100%
Interest	5,369	1,400	4,870	4,000	-18%
Total Revenue	138,008	1,400	6,716	4,000	-40%

TOTAL RESOURCES \$ 720,810 \$ 693,771 \$ 548,045 \$ 531,414

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Claims Paid	-	-	-	-	-
Credit Card and Bank Fees	297	-	75	100	33%
Estimated Claims payable	179,184	-	556	200	-64%
Interfund Transfers-Expenditure	-	100,000	20,000	20,000	0%
OPERATING EXPENSES	179,481	100,000	20,631	20,300	-2%

TOTAL EXPENSES 179,481 100,000 20,631 20,300 -2%

ENDING FUND BALANCE \$ 541,329 \$ 593,771 \$ 527,414 \$ 511,114

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STORM WATER PROGRAM

FUND 26

BEGINNING FUND BALANCE \$ - \$ (6,035) \$ (6,302) \$ -

REVENUE

Account Description	2016-2017	2017-2018	2017-2018	2018-2019	% Change
	Actual	Budget	Projected	Budget	
Storm Water Fees/Commercial	47,964	47,000	48,000	48,000	0%
Storm Water Fees/Discretionary	9,738	10,000	13,483	13,000	-4%
Interfund Transfer Revenue	117,329	154,030	66,267	183,992	178%
Total Revenue	\$ 175,032	\$ 211,030	\$ 127,750	\$ 244,992	92%

TOTAL RESOURCES \$ 175,032 \$ 204,995 \$ 121,448 \$ 244,992

EXPENSES

Account Description	2016-2017	2017-2018	2017-2018	2018-2019	% Change
	Actual	Budget	Projected	Budget	
Salaries	25,852	25,780	25,504	26,642	4%
Overtime	-	90	352	-	-100%
Health Benefits	2,966	2,970	2,994	3,069	3%
Employee Assistance Program	-	10	-	-	-
Workers Compensation Insurance	-	500	-	-	-
Medicare	385	370	381	386	0%
Life Insurance	-	10	8	10	22%
Long Term Disability	337	340	337	340	1%
Retirement	4,785	6,310	6,779	2,030	-70%
SALARIES & BENEFITS	34,325	36,380	36,355	32,477	-11%
General Expenditure	146,654	15,000	14,230	15,000	5%
Mileage	87	350	280	350	25%
Training	-	1,300	1,300	1,300	0%
Repair & Maintenance - Storm Grates	-	-	-	15,000	-
OPERATING EXPENSES	146,741	16,650	15,810	31,650	100%
Professional Services	-	55,000	28,991	55,000	90%
CONTRACTED SERVICES	-	55,000	28,991	55,000	90%
MOU Cost Share Agreement	-	103,000	40,292	95,865	138%
Mandated Storm Grates	-	-	-	30,000	-
CAPITAL EXPENSES	-	103,000	40,292	125,865	212%
TOTAL EXPENSES	\$ 181,066	\$ 211,030	\$ 121,448	\$ 244,992	101.7%
ENDING FUND BALANCE	\$ (6,302)	\$ (6,040)	\$ -	\$ -	

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REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM
FUND 27

BEGINNING FUND BALANCE \$ 462,955 \$ 330,725 \$ 517,806 \$ 572,390

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	2,997	-	4,100	200	-95%
RTCIP Fees	51,854	50,000	50,484	50,000	-1%
Total Revenue	\$ 54,851	\$ 50,000	\$ 54,584	\$ 50,200	-8%

TOTAL RESOURCES \$ 517,806 \$ 380,725 \$ 572,390 \$ 622,590

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
LG Realignment Project	-	-	-	622,590	-
CAPITAL EXPENSES	-	-	-	622,590	-

TOTAL EXPENSES \$ - \$ - \$ - \$ 622,590 -

ENDING FUND BALANCE \$ 517,806 \$ 380,725 \$ 572,390 \$ -

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SELF-INSURED LIABILITY RESERVE**FUND 29**

BEGINNING FUND BALANCE \$ 464,400 \$ 392,588 \$ 442,588 \$ 309,838

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	2,725	4,000	3,250	3,200	-2%
Dividends	-	5,000	-	-	-
Total Revenue	2,725	9,000	3,250	3,200	-2%

TOTAL RESOURCES \$ 467,125 \$ 401,588 \$ 445,838 \$ 313,038

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Claims Paid	9,485	20,000	105,000	20,000	-81%
Safety Loss Prevention Regulat	475	10,000	6,000	10,000	67%
OPERATING EXPENSES	9,960	30,000	111,000	30,000	-73%
Professional Services	14,577	15,000	25,000	15,000	-40%
CONTRACTED SERVICES	14,577	15,000	25,000	15,000	-40%
TOTAL EXPENSES	24,537	45,000	136,000	45,000	-67%

ENDING FUND BALANCE \$ 442,588 \$ 356,588 \$ 309,838 \$ 268,038

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PUBLIC EDUCATION & GOVERNMENTAL ACCESS (PEG)**FUND 30**

BEGINNING FUND BALANCE \$ 215,111 \$ 243,385 \$ 243,385 \$ 269,680

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	1,298	500	1,750	1,500	-14%
Revenues-PEG	61,883	60,000	60,432	60,400	0%
Total Revenue	63,181	60,500	62,182	61,900	0%

TOTAL RESOURCES \$ 278,292 \$ 303,885 \$ 305,567 \$ 331,580

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Computer Maintanance	34,907	36,000	31,887	36,000	13%
OPERATING EXPENSES	34,907	36,000	31,887	36,000	13%
Professional Services	-	1,000	4,000	4,000	0%
CONTRACTED SERVICES	-	1,000	4,000	4,000	0%
TOTAL EXPENSES	34,907	37,000	35,887	40,000	11%

ENDING FUND BALANCE \$ 243,385 \$ 266,885 \$ 269,680 \$ 291,580

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SAFETY CAPITAL RESERVE**FUND 32**

BEGINNING FUND BALANCE \$ 213,609 \$ 180,000 \$ 180,000 \$ 40,000

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Interest	1,298	-	7,200	-	-100%
Total Revenue	1,298	-	7,200	-	-100%

TOTAL RESOURCES \$ 214,907 \$ 180,000 \$ 187,200 \$ 40,000

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Repair and Maintenance-Facilit	34,907	-	40,000	20,000	-50%
OPERATING EXPENSES	34,907	-	40,000	20,000	-50%
Capital Improvements	-	180,000	107,200	20,000	-81%
CAPITAL EXPENSES	-	180,000	107,200	20,000	-81%
TOTAL EXPENSES	34,907	180,000	147,200	40,000	-73%

ENDING FUND BALANCE \$ 180,000 \$ - \$ 40,000 \$ -

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MAIN STREET PROMENADE COMMUNITY FACILITIES DISTRICT**FUND 33**

BEGINNING FUND BALANCE \$ (1,603) \$ (1,414) \$ (1,415) \$ 6,182

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Assessment Revenue	11,746	8,700	11,747	11,747	0%
Total Revenue	11,746	8,700	11,747	11,747	0%

TOTAL RESOURCES \$ 10,143 \$ 7,286 \$ 10,332 \$ 17,929

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Repairs and Maintenance	-	500	-	1,500	-
Utilities-Gas and Electric	2,052	3,000	2,250	2,500	11%
Utilities-Water	407	500	400	500	25%
OPERATING EXPENSES	2,459	4,000	2,650	4,500	70%
Contractual Services	9,099	10,000	1,500	7,200	380%
CONTRACTED SERVICES	9,099	10,000	1,500	7,200	380%
TOTAL EXPENSES	11,558	14,000	4,150	11,700	182%

ENDING FUND BALANCE \$ (1,415) \$ (6,714) \$ 6,182 \$ 6,229

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SUCCESSOR AGENCY
FUNDS 60 & 64

BEGINNING FUND BALANCE \$ (15,118,729) \$ (12,405,264) \$ (14,001,863) \$ (14,175,596)

REVENUE

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Other Revenue	-	-	1,100	1,000	-9%
ROPS Reimbursement	2,229,896	2,400,000	2,148,571	1,932,090	-10%
Interest	32,415	-	6,500	6,500	0%
Total Revenue	\$ 2,262,311	\$ 2,400,000	\$ 2,156,171	\$ 1,939,590	-10%

TOTAL RESOURCES \$ (12,856,418) \$ (10,005,264) \$ (11,845,692) \$ (12,236,006)

EXPENSES

Account Description	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Budget	% Change
Administrative Reimbursement	-	100,000	60,000	80,000	33%
Interest Expense-2007 Bond	552,264	547,278	777,079	538,412	-31%
Interest Expense-2010 Bond	281,665	280,068	386,475	265,043	-31%
Interest Expense-2014 Bond	213,500	211,875	300,742	208,636	-31%
OPERATING EXPENSES	1,047,430	1,139,221	1,524,296	1,092,091	-28%
Professional Services	2,420	6,000	4,840	6,000	24%
CONTRACTED SERVICES	2,420	6,000	4,840	6,000	24%
CIP-Lemon Grove Realignment	95,595	1,971,000	800,768	1,100,000	37%
CAPITAL EXPENSES	95,595	1,971,000	800,768	1,100,000	37%
TOTAL EXPENSES	\$ 1,145,445	\$ 3,116,221	\$ 2,329,904	\$ 2,198,091	-6%

ENDING FUND BALANCE \$ (14,001,863) \$ (13,121,485) \$ (14,175,596) \$ (14,434,097)

In addition, the following principal payments have or will be made but do not impact fund balance

2007 Tax Allocation Bond - principal	205,000	215,000	215,000	225,000
2010 Tax Allocation Bond - principal	365,000	380,000	380,000	395,000
2014 Tax Allocation Bond - principal	115,000	115,000	115,000	120,000
TOTAL BOND PRINCIPAL PAYMENTS	\$ 685,000	\$ 710,000	\$ 710,000	\$ 740,000

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APPENDIX

DRAFT FY 2018-19 BUDGET



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SALARY PLAN

FY 2018-19

ACCOUNT CLERK

RANGE

	17.2	A	B	C	D	E
ANNUAL		29,437.20	30,909.06	32,460.48	34,091.46	35,782.11
MONTHLY		2,453.10	2,575.76	2,705.04	2,840.96	2,981.84
BI-WEEKLY		1,132.20	1,188.81	1,248.48	1,311.21	1,376.24
HOURLY		14.80	15.54	16.32	17.14	17.99

ACCOUNTING ANALYST

	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	69,157.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,763.13	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,659.91	2,793.02	2,933.01
HOURLY		31.54	33.12	34.77	36.51	38.34

ADMINISTRATIVE ASSISTANT

	24.2	A	B	C	D	E
ANNUAL		41,430.87	43,499.43	45,687.33	47,954.79	50,361.48
MONTHLY		3,452.57	3,624.95	3,807.28	3,996.23	4,196.79
BI-WEEKLY		1,593.50	1,673.06	1,757.21	1,844.42	1,936.98
HOURLY		20.83	21.87	22.97	24.11	25.32

ADMINISTRATIVE ANALYST

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

ASSISTANT CITY MANAGER/PUBLIC WORKS DIRECTOR

	52.2	A	B	C	D	E
ANNUAL		127,276.11	133,621.02	140,304.06	147,325.23	154,684.53
MONTHLY		10,606.34	11,135.09	11,692.01	12,277.10	12,890.38
BI-WEEKLY		4,895.24	5,139.27	5,396.31	5,666.36	5,949.41
HOURLY		63.99	67.18	70.54	74.07	77.77

ASSISTANT ENGINEER

	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	69,157.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,763.13	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,659.91	2,793.02	2,933.01
HOURLY		31.54	33.12	34.77	36.51	38.34

ASSISTANT PLANNER

	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	69,157.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,763.13	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,659.91	2,793.02	2,933.01
HOURLY		31.54	33.12	34.77	36.51	38.34

ASSOCIATE ACCOUNTANT

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

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ASSOCIATE CIVIL ENGINEER

	36.5	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

ASSOCIATE PLANNER

	33.4	A	B	C	D	E
ANNUAL		64,920.96	68,163.03	71,564.22	75,144.42	78,903.63
MONTHLY		5,410.08	5,680.25	5,963.69	6,262.04	6,575.30
BI-WEEKLY		2,496.96	2,621.66	2,752.47	2,890.17	3,034.76
HOURLY		32.64	34.27	35.98	37.78	39.67

BATTALION CHIEF

	36.2	A	B	C	D	76.5 SHIFT Y
ANNUAL		87,676.68	93,551.04	99,819.00	106,606.68	115,476.48
MONTHLY		7,306.39	7,795.92	8,318.25	8,883.89	9,623.04
BI-WEEKLY (106 hrs)		3,372.18	3,598.12	3,839.19	4,100.26	4,440.83
HOURLY (2,756 hrs/yr)		31.81	33.94	36.22	38.68	58.05
MONTHLY (56 hrs/wk. RATE) (53 regular + 3 sch'd OT)		7,926.74	8,457.84	9,024.52	9,638.18	

CITY CLERK

	33.6	A	B	C	D	E
ANNUAL		70,868.07	74,408.49	78,127.92	82,026.36	86,143.59
MONTHLY		5,905.67	6,200.71	6,510.66	6,835.53	7,178.63
BI-WEEKLY		2,725.70	2,861.87	3,004.92	3,154.86	3,313.22
HOURLY		35.63	37.41	39.28	41.24	43.31

CITY MANAGER

CONTRACT						175,000.00
						14,583.33
						6,730.77
						87.98

CODE ENFORCEMENT OFFICER

	26.2	A	B	C	D	E
		22.97	24.11	25.32	26.59	27.92

CODE ENFORCEMENT OFFICER/WATER QUALITY INSPECTOR

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

COMMUNITY SERVICES ASSISTANT

	19.1	A	B	C	D	E
ANNUAL		32,301.36	33,912.45	35,622.99	37,393.10	39,262.86
MONTHLY		2,691.78	2,826.04	2,968.58	3,116.10	3,271.91
BI-WEEKLY		1,242.36	1,304.33	1,370.12	1,438.20	1,510.11
HOURLY		16.24	17.05	17.91	18.80	19.74

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COMMUNITY SERVICES SUPERINTENDENT

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

DEVELOPMENT SERVICES DIRECTOR

	42.2	A	B	C	D	E
ANNUAL		99,708.57	104,700.96	109,932.03	115,441.56	121,209.66
MONTHLY		8,309.05	8,725.08	9,161.00	9,620.13	10,100.81
BI-WEEKLY		3,834.95	4,026.96	4,228.16	4,440.06	4,661.91
		50.13	52.64	55.27	58.04	60.94

DEVELOPMENT SERVICES TECHNICIAN II

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

ENGINEERING INSPECTOR

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

ENGINEERING TECH III

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	68,845.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.86
HOURLY		27.24	28.61	30.04	31.54	33.12

EXECUTIVE ASSISTANT

	22.6	A	B	C	D	E
ANNUAL		41,430.87	43,499.43	45,687.33	47,954.79	50,361.48
MONTHLY		3,452.57	3,624.95	3,807.28	3,996.23	4,196.79
BI-WEEKLY		1,593.50	1,673.06	1,757.21	1,844.42	1,936.98
HOURLY		20.83	21.87	22.97	24.11	25.32

FACILITY TECH I

	15.4	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

FACILITY TECH II

	19.4	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

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FINANCE MANAGER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

FIRE CAPTAIN

	38.45	A	B	C	D	E
ANNUAL		83,098.20	88,665.84	94,606.44	101,039.76	
MONTHLY		6,924.85	7,388.82	7,883.87	8,419.98	
BI-WEEKLY (106 hrs)		3,196.08	3,410.22	3,638.71	3,886.14	
HOURLY (2,756 hrs/yr)		30.15	32.17	34.33	36.66	
MONTHLY (56 hrs/wk. RATE) (53 regular + 3 sch'd OT)		7,512.81	8,016.17	8,553.26	9,134.88	

FIRE DIVISION CHIEF

	43.75	A	B	C	D	E
ANNUAL		107,585.01	112,955.31	118,623.96	124,531.29	130,776.75
MONTHLY		8,965.42	9,412.94	9,885.33	10,337.61	10,898.06
BI-WEEKLY		4,137.89	4,344.44	4,562.46	4,789.67	5,029.88
HOURLY		54.09	56.79	59.64	62.61	65.75

FIRE ENGINEER

	34.25	A	B	C	D	E
ANNUAL		67,701.36	72,237.36	77,077.20	82,291.44	
MONTHLY		5,641.78	6,019.78	6,423.10	6,857.62	
BI-WEEKLY (106 hrs)		2,603.90	2,778.36	2,964.51	3,165.06	
HOURLY (2,756 hrs/yr)		24.57	26.21	27.97	29.86	
MONTHLY (56 hrs/wk. RATE) (53 regular + 3 sch'd OT)		6,120.80	6,530.89	6,968.46	7,439.87	

FIRE PREVENTION/PUBLIC EDUCATION SPECIALIST

	24.5	A	B	C	D	E
HOURLY		23.08	24.23	26.45	26.72	28.08

FIREFIGHTER/PARAMEDIC

	30.1	A	B	C	D	E
ANNUAL		65,109.60	67,290.78	69,471.96	74,126.52	79,167.24
MONTHLY		5,425.80	5,607.57	5,789.33	6,177.21	6,597.27
BI-WEEKLY (106 hrs)		2,504.22	2,588.11	2,672.00	2,851.02	3,044.89
HOURLY (2,756 hrs/yr)		23.62	24.42	25.21	26.90	28.73
MONTHLY (56 hrs/wk. RATE) (53 regular + 3 sch'd OT)		5,886.48	6,083.68	6,280.88	6,701.69	7,157.42

HUMAN RESOURCES MANAGER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

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LICENSE CLERK

	21.0	A	B	C	D	E
ANNUAL		35,443.98	37,214.19	39,063.96	41,033.07	43,081.74
MONTHLY		2,953.67	3,101.18	3,255.33	3,419.42	3,590.15
BI-WEEKLY		1,363.23	1,431.32	1,502.46	1,578.20	1,656.99
HOURLY		17.82	18.71	19.64	20.63	21.66

MAINTENANCE SERVICE WORKER

	21.0	A	B	C	D	E
ANNUAL		23,291.19	24,464.70	25,697.88	26,970.84	28,323.36
MONTHLY		1,940.93	2,038.73	2,141.49	2,247.57	2,360.28
BI-WEEKLY		895.82	940.95	988.38	1,037.34	1,089.36
HOURLY		11.71	12.30	12.92	13.56	14.24

MANAGEMENT ANALYST

	33.2	A	B	C	D	E
ANNUAL		64,284.48	67,486.77	70,868.07	74,408.49	78,127.92
MONTHLY		5,357.04	5,623.90	5,905.67	6,200.71	6,510.66
BI-WEEKLY		2,472.48	2,595.65	2,725.70	2,861.87	3,004.92
HOURLY		32.32	33.93	35.63	37.41	39.28

OFFICE AID

	10.8	A	B	C	D	E
HOURLY		11.37	11.94	12.54	13.16	13.82

PARK RANGER

	19.6	A	B	C	D	E
HOURLY		16.65	17.48	18.35	19.27	20.23

PRINCIPAL PLANNER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.01	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

PUBLIC WORKS SECRETARY

	21.0	A	B	C	D	E
ANNUAL		35,443.98	37,214.19	39,063.96	41,033.07	43,081.74
MONTHLY		2,953.67	3,101.18	3,255.33	3,419.42	3,590.15
BI-WEEKLY		1,363.23	1,431.32	1,502.46	1,578.20	1,656.99
HOURLY		17.82	18.71	19.64	20.63	21.66

PUBLIC WORKS SUPERINTENDENT

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

RECREATION LEADER I

	10	A	B	C	D	E
HOURLY		11.00	11.55	12.13	12.73	13.37

RECREATION LEADER I I

	10	A	B	C	D	E
HOURLY		11.71	12.30	12.92	13.56	14.24

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SANITATION SUPERVISOR

	27.5	A	B	C	D	E
ANNUAL		48,670.83	51,117.30	53,663.22	56,348.37	59,172.75
MONTHLY		4,055.90	4,259.78	4,471.94	4,695.70	4,931.06
BI-WEEKLY		1,871.96	1,966.05	2,063.97	2,167.25	2,275.88
HOURLY		24.47	25.70	26.98	28.33	29.75

SENIOR PLANNER

	34.4	A	B	C	D	E
ANNUAL		68,163.03	71,564.22	75,144.42	78,903.63	82,841.85
MONTHLY		5,680.25	5,963.69	6,262.04	6,575.30	6,903.49
BI-WEEKLY		2,621.66	2,752.47	2,890.17	3,034.76	3,186.23
HOURLY		34.27	35.98	37.78	39.67	41.65

STREET SUPERVISOR

	27.5	A	B	C	D	E
ANNUAL		48,670.83	51,117.30	53,663.22	56,348.37	59,172.75
MONTHLY		4,055.90	4,259.78	4,471.94	4,695.70	4,931.06
BI-WEEKLY		1,871.96	1,966.05	2,063.97	2,167.25	2,275.88
HOURLY		24.47	25.70	26.98	28.33	29.75

STREET TECHNICIAN I

	18	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

STREET TECHNICIAN II

	22	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

TECHNICIAN I

	18	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

TECHNICIAN II

	22	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

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CLASSIFICATION SUMMARY

FY 2018-19

CLASS TITLE/GROUP/STATUS	RANGE NO.	SALARY RANGE	# OF AUTHORIZED EMPLOYEES**
CLASSIFIED			
CLERICAL / ADMIN SUPPORT GROUP			
		MONTHLY	
Account Clerk	17.2	2,453 - 2,982	1
Administrative Assistant	24.2	3,453 - 4,197	1
Community Services Assistant	19.1	2,692 - 3,272	1
Executive Assistant	24.2	3,453 - 4,197	1
License Clerk	21	2,954 - 3,590	1
Public Works Secretary	21	2,954 - 3,590	1
			<hr/> 6
OPERATIONS / MAINTENANCE GROUP			
Community Services Superintendent	36.1	6,169 - 7,500	1
Facility Tech I	18	2,551 - 3,100	1
Facility Tech II	22	3,101 - 3,769	1
Public Works Superintendent	36.1	6,169 - 7,500	1
Sanitation Supervisor	27.5	4,056 - 4,931	1
Street Supervisor	27.5	4,056 - 4,931	1
Street Technician I	18	2,551 - 3,100	2
Street Technician II	22	3,101 - 3,769	3
Technician I	18	2,551 - 3,100	2
Technician II	22	3,101 - 3,769	2
			<hr/> 15
PUBLIC SAFETY GROUP			
Fire Captain	38.5	6,925 - 8,420	6
Fire Engineer	34.3	5,642 - 6,858	6
Firefighter/Paramedic	33.5	5,608 - 6,597	6
			<hr/> 18
PROFESSIONAL / TECHNICAL GROUP			
Accounting Analyst	32.7	5,228 - 6,355	1
Administrative Analyst	29.7	4,515 - 5,490	1
Assistant Engineer	32.7	5,228 - 6,355	1
Assistant Planner	32.7	5,228 - 6,355	1
Associate Accountant	29.7	4,515 - 5,490	1
Associate Civil Engineer	36.5	6,169 - 7,500	0
Associate Planner	33.4	5,410 - 6,575	1
City Clerk	35.2	5,906 - 7,179	1
Code Enforcement Officer/Water Quality Inspector	29.7	4,515 - 5,490	1
Development Services Technician II	29.7	4,515 - 5,490	1
Engineering Inspector	29.7	4,515 - 5,490	1
Engineering Tech III	29.7	4,515 - 5,490	0
Finance Manager	36.1	6,169 - 7,500	1
Fire Inspector	26.3	3,826 - 4,654	1
Human Resources Manager	36.1	6,169 - 7,500	1
Management Analyst	33.2	5,357 - 6,511	2
Principal Planner	36.1	6,169 - 7,500	0
Senior Planner	34.4	5,680 - 6,903	0
			<hr/> 15

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CLASS TITLE/GROUP/STATUS	RANGE NO.	SALARY RANGE	# OF AUTHORIZED EMPLOYEES**
UNCLASSIFIED			
MANAGEMENT GROUP			
Assistant City Manager/Public Works Director	52.2	10,606 - 12,890	1
Battalion Chief	40.6	7,306 - 9,623	1
City Manager (contract)	---	14,583 - 14,583	1
Development Services Director	42.2	8,309 - 10,101	1
Fire Division Chief	43.8	8,965 - 10,898	1
			5
PART-TIME/TEMPORARY/SEASONAL/OTHER		HOURLY	
Class Instructor * (other)	---	11 - 25	0.5
Code Enforcement Officer	26.2	22.97 - 27.92	0
Engineer (other)	---	15.02 - 18.26	0
Fire Prevention/Public Education Specialist *	26.3	21.55 - 26.2	0.5
Intern*	---	11 - 15	1
Office Aid*	10.8	11.37 - 13.82	2
Maintenance Service Worker*	12.4	10.83 - 13.17	3.5
Park Ranger	19.6	15.02 - 18.26	0.5
Recreation Leader I *	10	11 - 13.37	2.25
Recreation Leader II *	12.4	11.71 - 14.24	2.25
*Full Time Equivalent (fte)			12.5
TOTAL EMPLOYEES:			71.5

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Attachment C

RESOLUTION NO. 2018-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE CITY OF LEMON GROVE BUDGET FOR FISCAL YEAR 2018-2019 AND AUTHORIZING EXPENDITURES THERETO

WHEREAS, the City of Lemon Grove administers 23 individual funds to fulfill the mission and objectives of the City, and includes funds related to the Successor Agency to the Lemon Grove Community Development Agency; and

WHEREAS, each year the City Council of the City of Lemon Grove adopts an operating budget for anticipated revenues and expenditures for the upcoming year; and

WHEREAS, the City Council desires to make provision for a level of service commensurate with the needs of the City; and

WHEREAS, the City of Lemon Grove budget for Fiscal Year 2018-2019 was prepared by City staff and reviewed by the City Manager; and

WHEREAS, the City of Lemon Grove General Fund budgets for Fiscal Year 2018-19 were reviewed by the City Council at its regular meetings held on June 5, 2018, and June 19, 2018;

WHEREAS, the City Council finds it in the public interest to approve the Fiscal Year 2018-2019 City Budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves the City of Lemon Grove Budget for Fiscal Year 2018-2019 (Exhibit 1); and
2. Authorizes expenditures thereto.

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Attachment D

RESOLUTION NO. 2018-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING A SALARY PLAN AND CLASSIFICATION SUMMARY

WHEREAS, on June 19, 2018, the City Council adopted a resolution approving the City Budget for Fiscal Year 2018-2019; and

WHEREAS, the Salary Plan and Classification Summary identifies the positions included in the budget, as well as salary ranges for each position and the number of employees per position; and

WHEREAS, the City Council finds it in the public interest to approve the attached Salary Plan and Classification summary.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby approves the Salary Plan and Classification Summary (Exhibit 1).

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Attachment D

EXHIBIT 1

The Salary Plan and Classification Summary is included beginning on page 70 of the Fiscal Year 2018-2019 Consolidated Operating & Capital Budget

Attachment E

RESOLUTION NO. 2018-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-2019

WHEREAS, Constitutional Article XIII-B (Propositions 4 and 111) places an appropriations limitation on State and Local Government; and

WHEREAS, this appropriations limitation is based on proceeds of taxes adjusted annually from the base year 1986-1987 by either the population growth factor for the City of Lemon Grove or for the County of San Diego, and by either the change in the California Per Capita Personal Income or the change in Non-Residential Construction for the City of Lemon Grove; and

WHEREAS, the City has received inflation and population data from the State Department of Finance to calculate the Fiscal Year 2018-2019 Appropriations Limit; and

WHEREAS, the City Council of the City of Lemon Grove wishes to select those options providing the greatest rate of change as shown below:

Change in California Per Capita Personal Income	City Population Change	
<u>(inflation factor)</u>	<u>(population factor)</u>	<u>Factor</u>
1.0367	1.0046	1.0415

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California establishes the Fiscal Year 2018-19 Appropriations Limit at \$49,616,332.

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/////

Attachment F

RESOLUTION NO. 2018-____

**RESOLUTION OF THE LEMON GROVE ROADWAY LIGHTING DISTRICT BOARD
APPROVING THE LEMON GROVE ROADWAY LIGHTING DISTRICT BUDGET FOR FISCAL
YEAR 2018-2019 AND AUTHORIZING EXPENDITURES THERETO**

WHEREAS, the Roadway Lighting District operates with two separate funds: the General Benefit Fund (Fund 11) and the Local Benefit Assessment (Fund 12); and

WHEREAS, each year the Lemon Grove Roadway Lighting District Board of Directors (District Board) adopts an Operating Budget for revenues and expenditures for the upcoming year; and

WHEREAS, the District Board desires to make provision for a level of service commensurate with the needs of the District; and

WHEREAS, the District Board has reviewed the proposed Fiscal Year 2018-2019 Budget; and

NOW, THEREFORE, BE IT RESOLVED that the Board of the Lemon Grove Roadway Lighting District hereby:

1. Approves the Lemon Grove Roadway Lighting District Budget for Fiscal Year 2018-2019 (Exhibit 1);
2. Authorizes expenditures thereto.

/////
/////

Attachment F

EXHIBIT I

The Lemon Grove Roadway Lighting District Budget for Fiscal Year 2018-19 is included on pages 49-50 of the Fiscal Year 2018-19 Consolidated Operating & Capital Budget.

Attachment G

RESOLUTION NO. 2018-____

RESOLUTION OF THE LEMON GROVE SANITATION DISTRICT BOARD APPROVING THE LEMON GROVE SANITATION DISTRICT BUDGET FOR FISCAL YEAR 2018-2019 AND AUTHORIZING EXPENDITURES THERETO

WHEREAS, the Sanitation District operates with three separate funds: the Operation Fund (Fund 15), the Capital Funds (16 & 19), and the Reserve Fund (Fund 17); and

WHEREAS, each year the Lemon Grove Sanitation District Board of Directors (District Board) adopts an Operating Budget for revenues and expenditures for the upcoming year; and

WHEREAS, the District Board desires to make provision for the level of service commensurate with the needs of the District; and

WHEREAS, the District Board has reviewed the proposed Fiscal Year 2018-2019 Budget; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Lemon Grove Sanitation District hereby:

1. Approves the Lemon Grove Sanitation District Budget for Fiscal Year 2018-2019 (Exhibit 1);
2. Authorizes expenditures thereto.

/////

/////

Attachment G

EXHIBIT I

The Lemon Grove Sanitation District Board Budget for Fiscal Year 2018-19 is included on pages 52-57 of the Fiscal Year 2018-19 Consolidated Operating & Capital Budget.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 5
Mtg. Date June 19, 2018
Dept. City Manager

Item Title: Revenue Options Requiring Voter Approval

Staff Contact: Lydia Romero, City Manager

Recommendation:

Review and Discuss options for revenue options to place on the November ballot.

Item Summary:

During the pre-budget discussions and draft budget discussions staff presented several concepts to raise revenue to diversify our revenue stream for the general fund. The staff report goes into more detail on these options. All the options discussed do require voter approval.

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Current Business License
- C. Transaction and Use Tax (Local Sales Tax) White Paper
- D. Utility Users Tax White Paper

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 5

Mtg. Date June 19, 2018

Item Title: **Revenue Options Requiring Voter Approval**

Staff Contact: Lydia Romero, City Manager

Discussion:

During the pre-budget discussions and draft budget discussions staff presented several concepts to raise revenue to diversify our revenue stream for the general fund. Below describes the options in which the City Council requested further information.

Business License Tax Proposal

The current business license tax has not changed since it was adopted after City incorporation. The basic fee for most businesses is \$15.00 per business with a \$2.00 per employee charge for up to fifty employees. The Lemon Grove Business License Tax, even if related fees are included, is the lowest in East County. It is recommended that the fee be increased \$45.00 per business with a \$3.00 per employee charge with no per employee limit. Individual business license categories (See Attachment B, Chart on Business License Application) would also increase by the same dollar amount; thirty dollars plus one dollar per employee.

In order to keep up with inflation, it is recommended that the Business License Taxes have a cost of living adjustment built in so that businesses would continue to pay the same proportional amount of the City's tax burden on residents and businesses. The cost of living adjustment would be based on the U.S. Department of Labor's cost of living calculations for the San Diego Metropolitan Region annually.

It is further recommended that the Business License Tax on marijuana businesses be based on the gross receipts of each business. This will allow the cost of the extra General Fund services to be borne by the businesses that generate the City workload. Consistent with other cities in the State that have sought this funding approach, it is recommended that a 5% gross receipts tax be placed on all marijuana businesses.

One half cent Sales Tax increase

In law, this type of local levy is actually called a transaction and use tax (TUT). The difference between a "Transactions and Use Tax" versus "Sales and Use Tax" is a transactions and use tax may be approved locally and added to the combined state and local sales and use tax rate. The base statewide sales and use tax is currently at 7.25 percent, which includes portions that go to the state general fund, several specific state funds including some for local allocation and use and to the cities and counties essentially based on the location of the purchase. Transactions and Use Taxes generally apply to merchandise that is delivered in a jurisdiction which imposes such a tax. In practice the tax application and allocation for most retail sales will not differ from the sales and use tax. But there are some differences. Importantly, in the case of

Attachment A

a sale or lease of a vehicle, vessel, or aircraft, a transactions and use tax is charged and allocated base on the location in which the property will be registered. Currently, there are 176 cities and 32 counties with voter approved transaction and use taxes. A majority of the cities TUT is for general purposes. Attachment C is a white paper on TUT's by the League of California Cities Finance expert.

In Lemon Grove residents are currently paying a ½ percent TUT for transportation purposes, this tax is often referred to as TransNet. The following cities in San Diego County have levied a ½ percent to 1 percent TUT for general purposes – Chula Vista, Del Mar, El Cajon, La Mesa, National City and Vista.

It is estimated that a ½ percent TUT could generate about \$1.2 million. Staff recommends that the City Council place a ½ percent TUT on the November ballot.

Utility User Tax (UUT)

One hundred fifty-seven (157) cities in California and four (4) Counties impose utility user taxes. UUT's is a tax on the consumption of utility services such as electricity, gas, water, sewer, telephone (including mobile phone and long distance), sanitation and cable television. The majority of the UUT's are levied between 2 percent and 6 percent with the revenue going to the levying city's general fund. Attachment D is a white paper on UUT's by the League of California Cities Finance expert.

Utility companies usually collect utility user's taxes from their customers as part of their regular billing procedures and remit the funds collected to the city or county which imposed the tax. Most UUT ordinances provide for an exemption for individuals that are on the lifeline program; seniors, disabled, blind, or individuals below a certain income level.

As the report states, a city of a similar size projected revenue at \$250,000 for a 2 percent UUT. Should the City Council approve this option, staff would recommend a 4 percent UUT on electricity, gas, water, telephone, including cell phones and long distance services and cable television with an exemption for seniors over 62, disabled and blind.

Conclusion:

Staff requests that the City Council discuss the options and direct staff to prepare draft ballot language for consideration at either the July 3rd or the July 19th City Council Meeting. Any ballot measure needs to be to the County Register of Voters by August 10, 2018.

Attachment B

Business License General Information

All businesses operating in the City of Lemon Grove are required to have a business license. If your business is based in Lemon Grove, a review and approval from two City departments will be required before a license is issued. Our intent is to determine zoning compliance and to determine whether hazardous materials are being stored at a business in the City. If your business is based outside of Lemon Grove, a license can be issued upon receipt of a completed application and applicable fees.

All licenses expire on December 31 and must be renewed annually. Reminder notices are mailed in the first week of December and are due in our offices by January 30. Payments received in February will be assessed a 25% penalty and payments received after February will be assessed a 100% penalty.

You can complete a business license application form online, however, all applications must be delivered to the City as applications are not accepted via the Internet. Click here to obtain a blank [Business License Application](#).

Business license fees for city based businesses:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 15.00	\$ 11.25	\$ 7.50	\$ 3.75
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 38.00	\$ 28.50	\$ 19.00	\$ 9.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00

Business license fees for Out of City businesses:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 40.00	\$ 30.00	\$ 20.00	\$ 10.00
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 38.00	\$ 28.50	\$ 19.00	\$ 9.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00

Business license fees for contractors:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 15.00	\$ 11.25	\$ 7.50	\$ 3.75
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 26.00	\$ 19.50	\$ 13.00	\$ 6.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00



CITY OF LEMON GROVE

3232 Main Street • Lemon Grove, CA 91945
Attn: Business License • (619) 825-3800

BUSINESS LICENSE APPLICATION

New Application
 Change of Business Name

Business Name _____	Enter number of Employees _____	Enter number of Vehicles _____
Business Location (Not P.O. Box) City _____ State _____ Zip _____	Articles of Incorporation <input type="checkbox"/> YES <input type="checkbox"/> NO	
Mailing Address (if Different) City _____ State _____ Zip _____	Fictitious Name Filed <input type="checkbox"/> YES <input type="checkbox"/> NO	
Bus. Phone () _____ Bus. Fax () _____	Business In Operation Preceding year <input type="checkbox"/> YES <input type="checkbox"/> NO	
E-Mail Address _____	<input type="checkbox"/> In-City <input type="checkbox"/> Out of City <input type="checkbox"/> Home Occupation	

Start Date _____	Description of Business _____
-------------------------	--------------------------------------

Ownership Corporation Ltd Liability Corp Partnership Sole Proprietor Trust

State Lic. No. _____ **License Type** _____ **Expiration Date** _____

Resale No. _____ **Federal I. D. No.** _____ **State I. D. No.** _____

Enter below names of Owners, Partners, or Corporate Officers. Use additional sheets as necessary.

Owner Name _____ Title _____	Phone () _____
Home Address _____	Cell Phone () _____
City _____ State _____ Zip _____	
Owner Name _____ Title _____	Phone () _____
Home Address _____	Cell Phone () _____
City _____ State _____ Zip _____	

In case of emergency, please contact:

Name _____ **Title** _____ **Phone** () _____

Address _____ **Cell Phone** () _____

Alarm Company (if applicable)

Name _____ **Phone No.** () _____

Address _____ **License No.** _____

I declare under penalty of perjury that to the best of my knowledge and belief the statements made herein are true and correct.

Date: _____ **Signature of Owner or Representative:** _____

OFFICIAL USE ONLY		License Reviewed & Approved By:		Base Fee \$ _____
Business License No. _____	Planning Dept. _____ / _____	Employee Fee \$ _____		Per Item Fee \$ _____
Receipt # _____	Code Enforcement _____ / _____	Processing Fee \$ _____	30.00	Storm Water Fee \$ _____
Date Paid _____	Fire Dept. _____ / _____	Fire Fee \$ _____		TOTAL AMOUNT DUE \$ _____
<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> MC / VISA	COMMENTS: _____	MAKE CHECK PAYABLE TO THE CITY OF LEMON GROVE		
Name as it appears on Credit Card: _____				
Account # _____				
Expiration Date: _____				
Amount Authorized: \$ _____				
Authorized Signature: _____				

**CITY OF LEMON GROVE
SCHEDULE OF ANNUAL BUSINESS LICENSE FEES**

FIXED LOCATION IN CITY (IN-CITY)	BILLBOARD ADVERTISING	PROFESSION
Base Fee \$ 15.00	Base Fee \$ 100.00	Base Fee \$ 25.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	Three (3) or more \$ 10.00 each	Employee Charge \$ 2.00 each (Maximum Employee Charge=\$100.00)
APARTMENTS	BOWLING ALLEY	REAL ESTATE BROKER
Per Unit (Min. fee = \$10) \$ 3.00 each	Base Fee \$ 15.00	Base Fee \$ 15.00
NO FIX LOCATION IN CITY (OUT-OF-CITY)	Per Lane \$ 10.00	Per Salesman \$ 10.00
Wholesalers/Licensed Contractors	CIRCUS/CARNIVAL	SHOOTING GALLERIES/ARCADE
Base Fee \$ 15.00	\$ 250.00	Amusement Center \$100.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	COIN OPERATED VENDING MACHINES	TAXI CABS/VEHICLES FOR HIRE
All Other Services	Base Fee \$ 25.00	In City \$ 50.00
Base Fee \$ 40.00	Per Machine \$ 2.00	Outside City \$100.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	ICE CREAM CARTS, WAGONS/ FOOD VENDING VEHICLES	TRAILER PARK
RETAIL ROUTE DELIVERIES	Per Vehicle \$ 200.00	Base Fee \$ 15.00
Base Fee Per Vehicle \$ 40.00	PAWNBROKERS	Per Space \$ 2.00 each
AMUSEMENT/MECHANICAL/MUSIC	\$ 100.00	OTHER CHARGES
Each Machine \$ 25.00	PEDDLERS, SOLICITORS, TRANSIENT MERCHANT	PROCESSING FEE
AUCTION	Fixed Location On Tax Roll \$ 10.00	Annual for All Businesses \$ 30.00
ACTIONEER	No Fixed Location On Tax Roll \$ 15.00	STORM WATER FEE
\$ 150.00	POOL ROOMS, BILLARD	Varies - see "Storm Water Fee Schedule"
\$ 75.00	Base Fee \$ 15.00	FIRE INSPECTION FEE
	Per Table \$ 10.00	Varies - see "Fire Fee Schedule"
		DUPLICATE LICENSE \$ 2.00
		BUSINESS NAME CHANGE \$ 2.00

HOME OCCUPATION - GENERAL INFORMATION

Description of Proposed Business:

a) Describe any product to be manufactured or assembled. _____

b) Describe materials or supplies to be stored in or at your home. _____

c) Describe any service you will provide. _____

d) Describe any machinery or equipment to be used (type, size, number, horsepower.) _____

e) Please give any additional details to fully describe the nature of the proposed business. Attach an additional page if necessary.

f) Approximately what percentage of the floor area of your home will be used in the home occupation. _____

g) During what hours of the day will the home occupation be conducted. _____

h) If any vehicles will be used in the conduct of your home occupation, please describe them (number, size, capacity, intended use, etc.) _____

i) If you anticipate commercial deliveries or pick-up of items produced on the premises, please describe the type of commercial carrier and the frequency of deliveries and pick-ups.

Do all the persons who are employed in the home occupation live in your home? YES NO

Will there be any visible evidence that you are conducting a home occupation which can be seen from a public street, sidewalk or adjoining nearby properties? YES NO

Will the home occupation generate sounds which can be heard outside the walls of your home? YES NO

If the answer to the above question is yes, will such sounds be audible between the hours of 8 PM and 8 AM? YES NO

Will equipment used by you have the potential to disrupt or adversely effect radio and television reception in the neighborhood? YES NO

Will the home occupation change the appearance of your home and will there be any indication the dwelling is being used for anything other than a residential purpose? YES NO

Do you intend to conduct sales or offer some service in your home or within your residential property? YES NO

Will you offer any items for rent? YES NO

Do you intend to advertise your home occupation? YES NO

IF YOU ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS, PLEASE EXPLAIN IN DETAIL YOUR REASONS FOR YOUR AFFIRMATIVE RESPONSE(S). PLEASE USE AN ADDITIONAL PAGE

I declare under the penalty of perjury that the foregoing information is true and correct

Signature of Applicant _____ Date _____

The Rise of Local Add-On Sales (Transactions and Use) Taxes in California

The Transactions and Use Tax Law was adopted in 1969 authorizing the adoption of local “transactions and use tax” add-ons to the combined state and local sales tax rate. Over the years the law was amended to provide specific authorizations for various particular cities, counties, special districts and countywide authorities. Prior to 2003, the most common transactions and use tax measures were those for a specific countywide need, most commonly transportation. But since a 2003 change in the law, add-on taxes by cities and some counties for general purposes have become more frequent.

“Transactions and Use Tax” Versus “Sales and Use Tax”¹

Under California law, transactions and use taxes may be approved locally and added to the combined state and local sales and use tax rate. The base statewide sales and use tax, currently at 7.25 percent, includes portions that go to the state general fund, to several specific state funds including some for local allocation and use, and to the cities and counties essentially based on the location of the purchase.²

Transactions and Use Taxes generally apply to merchandise that is delivered in a jurisdiction which imposes such a tax. In practice the tax application and allocation for most retail sales will not differ from the sales and use tax. But there are some differences. Importantly, in the case of a sale or lease of a vehicle, vessel, or aircraft, a transactions and use tax is charged and allocated base on the location in which the property will be registered.

So if the city Jane lives in has a transactions and use tax, she will pay that tax if she purchases a car, even if she makes the purchase in a neighboring county that has no transactions and use tax. If Jane purchases a book in that neighboring county, she would not pay any transactions and use tax, but if she buys the book in her city she would pay her city’s tax.

City and County Transactions and Use Taxes.

In 2003, Governor Gray Davis signed SB566 (Scott)³ which gave every county and every city the ability to seek voter approval of a local transactions and use tax increase under the following conditions:

- the transactions and use tax may be imposed at a rate of 0.125 percent or a multiple thereof,⁴
- the ordinance proposing the tax must be approved by a two-thirds vote of all members of the governing body,
- ~~if for general purposes, the tax must be approved by a majority vote of the voters in the city or county,~~
- if for specific purposes, the tax must be approved by a two-thirds vote of the voters in the city or county, and
- the maximum combined rate of transactions and use taxes in any location may not exceed 2 percent except in the counties of Los Angeles, Alameda and Contra Costa where the maximum may not exceed 2.5 percent.⁵

Prior to SB566, with the exception that counties could form special agencies to seek taxes for transportation improvements, a city or county had to seek special legislation in order to adopt a transactions and use tax measure. More than twenty local agencies had received such special authorization.

There are currently 176 cities and 32 counties (including San Francisco City/County) with voter approved transactions and use tax rates. Although most are general purpose, majority approval rates, 27 cities have special purpose, two-thirds approval rates. Greenfield in Monterey County has the highest combination of city rates, 1.75 percent, including a 1 percent general purpose rate originally approved in 2012 and a 0.75 percent additional rate approved in November 2015.

Table 1 **Cities with Transactions and Use Taxes**

Effective as of 1 April 2017
176 Cities with Approved Transactions and Use Taxes

Rate	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
General/Special	13	84	18	53	2	5	1

Table 2 **Special (Earmarked) Transactions and Use Taxes in Cities**

Effective as of 1 April 2017 - - 33 Approved Rates in 27 Cities

Rate	0.25%	0.375%	0.50%	0.75%	1.00%
Police &/or Fire / EMS	4	1	9	2	1
Streets/Roads/Transit			7		2
Hospital/Medical			1		
Parks/Recreation/OpenSpace			1		
Libraries	2				
Community Center			1		
Sewers			1		
Wastewater Treatment	1				
Total	7	1	20	2	3

Table 3 **Countywide Transactions and Use Taxes**
effective as of 1 April 2017

Rate	0.10%	0.125%	0.25%	0.375%	0.50%	1.00%
General		1			3	
Transportation			1	1	20	2*
Transit		2	2		7	
Libraries		5	2			
Hospital/Medical					2	
OpenSpace			1		1	
Fire / EMS					1	
Fairgrounds			1			
School Facilities			1			
Zoo	1					
Total	1	8	8	1	34	2

*Los Angeles and Alameda Counties each have two 0.5% rates for transportation.

In addition to the city rates, there are 57 countywide county or special district rates in 32 counties. Humboldt (1/2 percent), Inyo (1/2 percent), Santa Clara (1/8 percent), and San Mateo (1/2 percent) have general purpose rates. All others are special taxes for specific purposes. Thirty-five of the county rates are for transportation or transit, seven for libraries and two for hospitals. Sonoma (1/4 percent) and Marin (1/2 percent) each have rates for open space and agricultural land preservation. Amador County has a 1/2 percent rate for fire protection and emergency medical services. San Francisco has a 1/4 percent rate for school and community college facilities. Fresno County has a specially authorized 1/10 percent rate for its zoo.

**Table 4
Combined Countywide Transactions and Use Tax Rates**

Effective April 1, 2017. Not including city rates.

Rate	0.125%	0.25%	0.50%	0.625%	0.725%	0.875%	1.00%	1.25%	1.50%	2.00%
General/Special	2	2	17	1	1	1	1	4	2	1

In Alameda County, four different tax rate approvals combine for a total 2.00 percent composite rate countywide, added to the state sales and use tax rate. In 17 of the 32 counties with transactions and use tax rates, the combined total is ½ percent.

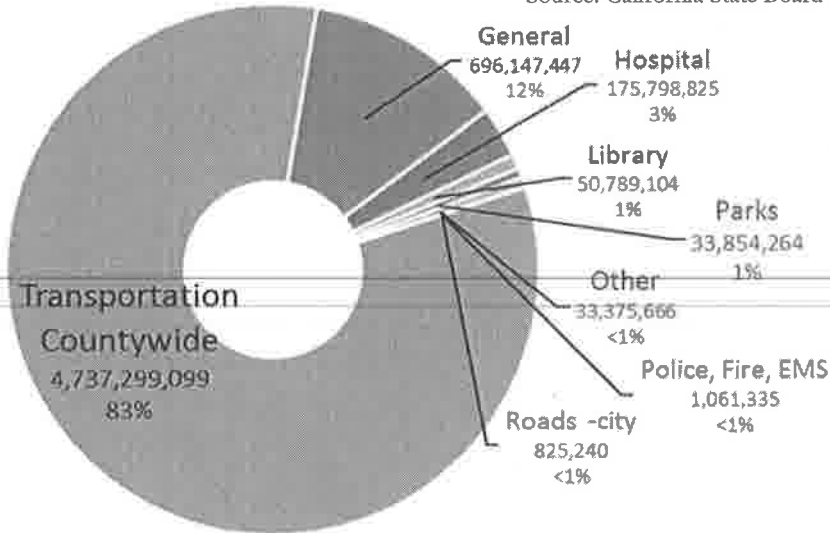
Altogether, transactions and use tax rates have been approved by 208 different cities and counties. Among the 482 cities and 58 counties in California, there are just 47 cities and 26 county unincorporated areas that are at the base 7.25 percent sales and use tax rate without any applicable additional transactions and use tax.

Revenues from Transactions and Use Taxes

Although city transactions and use taxes are becoming more common, the substantial majority of transactions and use tax revenues are collected from countywide measures, especially for transportation including streets, roads and transit. In FY2014-15 83 percent of revenues collected from transactions and use taxes in California was for transportation purposes. Although over 90% of city imposed transactions and use taxes are for general purposes, city and county general revenues comprised just 12 percent of total transactions and use tax collections.

Designated Purposes of Revenues from Transactions and Use Taxes FY2014-15

Source: California State Board of Equalization



Election Success of Transactions and Use Taxes

From 1995 through November 2016, 537 proposals for local transactions and use taxes have been submitted to the voters. General taxes (general purposes, majority voter approval) have become more common in recent years.

Since 2008, 74 percent (212 of 286) of proposals were general purpose majority vote. From 1995 through 2008, just 45 percent (112 of 251) were general purpose.

Prior to the passage of SB566 in 2003, a local agency needed special legislation to propose a transactions and use tax. Most legislation authorized only two-thirds vote special taxes. But general tax proposals are now more common.

Table 5 Transactions & Use Tax Measures

	Approved/Proposed																						
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
General	1/1	1/1	0/0	0/5	0/2	2/5	0/1	2/3		13/31	8/10	14/21	2/7	18/25	2/8	18/25	5/8	33/36	9/11	37/46	8/11	57/67	230/324
Special	0/1	0/6	0/2	6/18	2/3	3/8	0/0	2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	2/3	9/18	0/0	16/36	92/213
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	11/14	46/64	8/11	73/103	322/537
City	0/1	0/3	0/0	2/6	1/1	3/3	0/0	2/3	2/2	16/37	10/13	16/28	4/9	24/36	2/9	19/25	6/10	32/36	11/14	4/55	8/10	64/73	226/374
County/Special Distr	1/1	1/4	0/2	4/17	1/4	2/10	0/1	2/9	1/3	11/24	1/1	6/22	0/0	7/11	0/0	0/2	1/1	7/11	0/0	5/9	0/1	9/30	59/163
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	11/14	9/64	8/11	73/103	285/537
Special Tax Uses																							
Police & Fire			0/1	1/3	1/1					3/10	2/2	1/6	2/2	4/7	0/1	0/1	0/1	0/1	2/2	2/5		3/7	21/50
Hospital/Medical		0/1		0/1						1/2	1/1			0/1						1/1			4/8
Streets/Roads	0/1	0/1		1/2					2/3	0/1	0/1	1/4		2/2				1/2	0/1	1/2		4/4	12/24
Transportation-Countywide				0/3		2/4		1/6	1/2	7/10		5/15		5/7				0/2		1/1		6/14	28/64
Libraries		0/2		3/7	1/2	0/1		1/1		1/4		0/1		1/2			2/2	3/3		0/1		3/4	15/30
Other		0/2	0/1	1/2		0/2		0/2		2/3		1/3		1/3		1/1		2/3		4/8		0/7	12/37
	0/1	0/6	0/2	6/18	2/3	3/8		2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	2/3	9/18		16/36	92/213

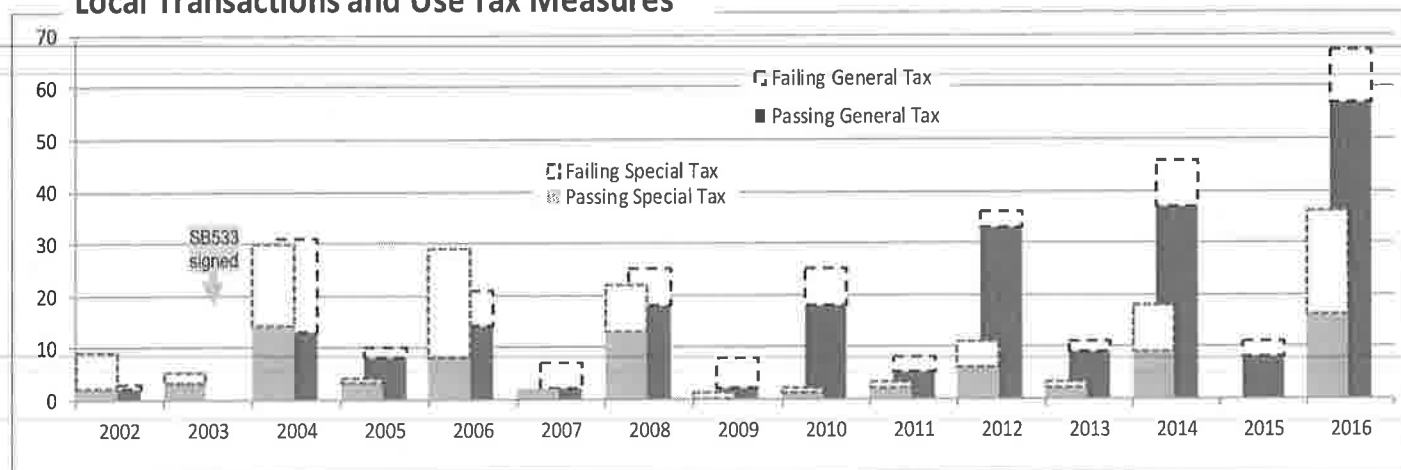
San Francisco is counted as a county.

Among the special taxes, the most common proposed specific use is countywide transportation followed closely by local public safety (police/fire/EMS). Other uses have included streets/roads, libraries, medical services, solid waste collection and disposal, zoo, flood control, jail/corrections, and parks and recreation.

Prior to 2004, most proposals were for countywide programs, but since then city proposals are more common. Just 19 of the 70 proposals prior to 2004 were by cities. Since then, 76 percent (355 of 467) have been from cities.

Chart 6

Local Transactions and Use Tax Measures



Generally, city majority vote general purpose transactions and use taxes have shown a greater rate of success than countywide measures or city two-thirds vote special transactions and use taxes. Seventy-six percent (224/295) of the proposed city general measures passed. Counties have a much tougher time of it though. Only six general purpose measures by counties have passed out of 29 proposed since 1995. After obtaining special legislation, Inyo County's voters in 1988 approved the first county general purpose transactions and use tax at ½ percent. It remains in effect. San Mateo County (1/4 cent) and Santa Clara County (1/8 cent) each passed general purpose measures in November 2012. Humboldt county voters approved a ½ percent general tax in April 2014. But since then county general taxes have failed in Napa, San Francisco, Siskiyou, Sonoma and Solano.

The success record of city special taxes is not as successful as general taxes. Half of the special purpose two-thirds vote sales tax proposals by cities have been successful (40 of 79). This stronger result for general taxes can be seen among other types of local tax measures as well (hotel taxes, utility user taxes, etc.).

Since the passage SB566 in 2003, the transactions and use tax, particularly when structured as a majority vote tax for general purposes, has become popular and successful revenue raising tool for cities. This trend shows no sign of abating.



For More Information:

- On the Sales & Use Tax in California: <http://www.californiacityfinance.com/#SALESTAX>
- On local tax measures and election results: <http://www.californiacityfinance.com/#VOTES>
- Current tax rates for cities and counties. California State Board of Equalization. <http://www.boe.ca.gov/cgi-bin/rates.cgi>
- Transactions and Use Tax rates and effective dates. Calif. BOE. <http://www.boe.ca.gov/sutax/pdf/districtratelist.pdf>

¹ For more detail on rules for the collection and allocation of transactions and use taxes see California State Board of Equalization Publication #44, "Tax Tips for District Taxes" at <http://www.boe.ca.gov/pdf/pub44.pdf> and Publication #105 "District Taxes and Delivered Sales" at <http://www.boe.ca.gov/pdf/pub105.pdf>

² The components of the statewide sales and use tax and their allocation are discussed in some detail in the Board of Equalization's Publication #28: "Tax Information for City and County Officials" <http://www.boe.ca.gov/pdf/pub28.pdf> and other resources at <http://www.californiacityfinance.com/#SALESTAX>.

³ Chapter 709, Statutes of 2003.

⁴ AB1126 (Calderon), statutes of 2012 reduced the minimum increment from 0.25 percent to 0.125 percent.

⁵ For example, a countywide transportation tax of 1 percent, together with a 1 percent tax of a city in that county total 2 percent.

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Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Albany	Alameda County	0.50%	4/1/2013	3/31/2021	General
Hayward	Alameda County	0.50%	10/1/2014	9/30/2035	General
Newark	Alameda County	0.50%	4/1/2017	3/31/2042	General
San Leandro	Alameda County	0.50%	4/1/2015	3/31/2046	General
Union City	Alameda County	0.50%	4/1/2011		General
County of Alameda	Alameda County	0.50%	7/1/2004	3/31/2034	Hospital
		0.50%	4/1/2002		Transportation
		0.50%	4/1/2015	3/31/2046	Transportation
		0.50%	4/1/1970		BART-Transit
County of Amador	Amador County	0.50%	4/1/2009		Fire-EMS
Paradise	Butte County	0.50%	4/1/2015	3/31/2022	General
Williams	Colusa County	0.50%	4/1/2007		General
Antioch	Contra Costa County	0.50%	4/1/2014	3/31/2022	General
Concord	Contra Costa County	0.50%	4/1/2011		General
El Cerrito	Contra Costa County	0.50%	7/1/2008		Roads
		1.00%	4/1/2015	3/31/2028	General
Hercules	Contra Costa County	0.50%	10/1/2012		General
Martinez	Contra Costa County	0.50%	4/1/2017	3/31/2032	Roads
Moraga	Contra Costa County	1.00%	4/1/2013	3/31/2033	General
Orinda	Contra Costa County	0.50%	4/1/2013	3/31/2023	General
Pinole	Contra Costa County	0.50%	4/1/2007		General
		0.50%	4/1/2015		General
Pittsburg	Contra Costa County	0.50%	10/1/2012	6/30/2035	General
Pleasant Hill	Contra Costa County	0.50%	4/1/2017	3/31/2037	General
Richmond	Contra Costa County	1.00%	4/1/2015		General
San Pablo	Contra Costa County	0.50%	10/1/2012	9/30/2018	General
		0.25%	10/1/2014		Fire-EMS
County of Contra Costa	Contra Costa County	0.50%	4/1/1989		Transportation
		0.50%	4/1/1970		BART-Transit
County of Del Norte	Del Norte County	0.25%	4/1/2015	3/31/2023	Fairgrounds
Placerville	El Dorado County	0.25%	4/1/1999		Police
		0.25%	4/1/2011	3/31/2041	Wastewater
		0.50%	4/1/2017	3/31/2037	Roads
South Lake Tahoe	El Dorado County	0.50%	4/1/2005		General
Huron	Fresno County	1.00%	4/1/2014		Police, fire
Reedley	Fresno County	0.50%	7/1/2008		Police, fire
Sanger	Fresno County	0.75%	7/1/2008	6/30/2028	Police, fire
Selma	Fresno County	0.50%	4/1/2008		Police, fire
County of Fresno	Fresno County	0.125%	4/1/1999		Library
		0.50%	7/1/1987		Transportation
		0.10%	4/1/2005		Zoo
Orland	Glenn County	0.50%	4/1/2017		General
Arcata	Humboldt County	0.75%	4/1/2009		General
Eureka	Humboldt County	0.25%	4/1/2009		General
		0.50%	4/1/2011		General
Fortuna	Humboldt County	0.75%	4/1/2017	3/31/2025	General
Rio Dell	Humboldt County	1.00%	4/1/2015	3/31/2021	General
Trinidad	Humboldt County	0.75%	4/1/2009	3/31/2021	General
County of Humboldt	Humboldt County	0.50%	4/1/2015	3/31/2021	General

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<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Calexico	Imperial County	0.50%	10/1/2010	9/30/2030	General
El Centro	Imperial County	0.50%	4/1/2017		General
County of Imperial	Imperial County	0.50%	4/1/1990		Transportation
County of Inyo	Inyo County	0.50%	10/1/1988		General
Arvin	Kern County	1.00%	4/1/2009		General
Delano	Kern County	1.00%	4/1/2008	3/31/2028	General
Ridgecrest	Kern County	1.00%	4/1/2017	3/31/2025	General
Wasco	Kern County	1.00%	4/1/2017		General
Clearlake	Lake County	0.50%	7/1/1995		Police, fire
		1.00%	4/1/2017	3/31/2037	Roads
Lakeport	Lake County	0.50%	4/1/2005		General
		1.00%	4/1/2017		General
Avalon	Los Angeles County	0.50%	10/1/2000		Medical
Commerce	Los Angeles County	0.50%	4/1/2013		General
Compton	Los Angeles County	1.00%	10/1/2016		General
Culver City	Los Angeles County	0.50%	4/1/2013	3/31/2023	General
Downey	Los Angeles County	0.50%	4/1/2017	3/31/2037	General
El Monte	Los Angeles County	0.50%	4/1/2009	3/31/2019	General
Inglewood	Los Angeles County	0.50%	4/1/2007		General
La Mirada	Los Angeles County	1.00%	4/1/2013	3/31/2018	General
Long Beach	Los Angeles County	1.00%	1/1/2017	12/31/2027*	General
Lynwood	Los Angeles County	1.00%	4/1/2017	3/31/2027	General
Pico Rivera	Los Angeles County	1.00%	4/1/2009		General
San Fernando	Los Angeles County	0.50%	10/1/2013		General
Santa Monica	Los Angeles County	0.50%	4/1/2011	3/31/2017	General
		1.00%	4/1/2017		General
South El Monte	Los Angeles County	0.50%	4/1/2011	3/31/2016	General
South Gate	Los Angeles County	1.00%	10/1/2008		General
County of Los Angeles	Los Angeles County	0.50%	4/1/1991		Transportation
		0.50%	7/1/1982		Transportation
		0.50%	7/1/2009		Transit
		0.50%	7/1/2017		Transportation
Madera	Madera County	0.50%	4/1/2017		General
County of Madera	Madera County	0.50%	4/7/2007		Transportation
Corte Madera	Marin County	0.50%	4/1/2014	3/31/2021	General
Fairfax	Marin County	0.75%	4/1/2017	3/31/2027	General
Larkspur	Marin County	0.50%	4/1/2014	3/31/2020	General
Novato	Marin County	0.25%	4/1/2011		General
San Rafael	Marin County	0.75%	4/1/2014	3/31/2035	General
San Anselmo	Marin County	0.50%	4/1/2014	3/31/2024	General
Sausalito	Marin County	0.75%	4/1/2014	3/31/2025	General
County of Marin	Marin County	0.50%	4/1/2013		Open Space
		0.50%	4/1/2005		Transportation
		0.25%	4/1/2009		Transit
County of Mariposa	Mariposa County	0.50%	4/1/2005		Hospital
Fort Bragg	Mendocino County	0.50%	1/1/2005		Roads
		0.50%	7/1/2012		CommunityCentr
Point Arena	Mendocino County	0.50%	4/1/2004		Roads
Ukiah	Mendocino County	0.50%	4/1/2017		General
Willits	Mendocino County	0.50%	10/1/2003		Roads
County of Mendocino	Mendocino County	0.125%	4/1/2012		Library

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<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Atwater	Merced County	0.50%	7/1/2013	6/30/2024	General
Gustine	Merced County	0.50%	4/1/2010		General
Los Banos	Merced County	0.50%	4/1/2005		Police, fire
Merced	Merced County	0.50%	4/1/2006	3/31/2026	General
County of Merced	Merced County	0.50%	4/1/2017	3/31/2047	Transportation
Mammoth Lakes	Mono County	0.50%	10/1/2008		Parks, recr
Carmel-by-the-Sea	Monterey County	1.00%	4/1/2013	3/31/2023	General
Del Rey Oaks	Monterey County	1.50%	4/1/2007	3/31/2022	General
Gonzales	Monterey County	0.50%	4/1/2015	3/30/2026	General
King City	Monterey County	0.50%	4/1/2015	3/30/2023	General
Greenfield	Monterey County	1.75%	4/1/2016		General
Marina	Monterey County	1.00%	4/1/2011		General
Monterey	Monterey County	1.00%	4/1/2015	3/30/2020	Streets
Pacific Grove	Monterey County	1.00%	10/1/2008		General
Salinas	Monterey County	0.50%	4/1/2006		General
		1.00%	4/1/2015	3/30/2031	General
Sand City	Monterey County	1.00%	4/1/2015		General
Seaside	Monterey County	1.00%	7/1/2008		General
Soledad	Monterey County	1.00%	10/1/2012		General
County of Monterey	Monterey County	0.375%	4/1/2017	3/31/2047	Transportation
		0.125%	4/1/2015		Transit
Saint Helena	Napa County	0.50%	4/1/2017		General
County of Napa	Napa County	0.50%	7/1/1998	3/31/2023	Transportation
Grass Valley	Nevada County	0.50%	4/1/2013	3/31/2023	General
Nevada City	Nevada County	0.50%	4/1/2007	3/31/2023	Roads
		0.375%	4/1/2013	3/31/2018	General
		0.375%	4/1/2017		Police, fire
Truckee	Nevada County	0.25%	10/1/2014	9/30/2025	General
County of Nevada	Nevada County	0.25%	4/1/2017	3/31/2032	Library
Fountain Valley	Orange County	1.00%	4/1/2017	3/31/2037	General
La Habra	Orange County	0.50%	4/1/2009	3/31/2029	General
La Palma	Orange County	1.00%	4/1/2017		General
Stanton	Orange County	1.00%	4/1/2015		General
Westminster	Orange County	1.00%	4/1/2017	3/31/2023	General
County of Orange	Orange County	0.50%	4/1/1991		Transportation
Loomis	Placer County	0.25%	4/1/2017	3/31/2027	General
Cathedral City	Riverside County	1.00%	10/1/2010		General
Coachella	Riverside County	1.00%	4/1/2015		General
Hemet	Riverside County	1.00%	4/1/2017		General
Indio	Riverside County	1.00%	4/1/2017		General
La Quinta	Riverside County	1.00%	4/1/2017		General
Menifee	Riverside County	1.00%	4/1/2017		General
Palm Springs	Riverside County	1.00%	4/1/2012	3/31/2037	General
Riverside	Riverside County	1.00%	4/1/2017	3/31/2037	General
Temecula	Riverside County	1.00%	4/1/2017		General
County of Riverside	Riverside County	0.50%	4/1/1989		Transportation

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<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Isleton	Sacramento County	0.50%	10/1/2016	9/30/2022	Fire, EMS
		0.50%	4/1/2017	3/31/2022	General
Sacramento	Sacramento County	0.50%	4/1/2013	3/31/2019	General
Galt	Sacramento County	0.50%	4/1/2009		Police, fire, EMS
Rancho Cordova	Sacramento County	0.50%	4/1/2015		General
County of Sacramento	Sacramento County	0.50%	4/1/1989		Transportation
Hollister	San Benito County	1.00%	4/1/2008	3/31/2038	General
San Juan Bautista	San Benito County	0.75%	4/1/2005		General
Montclair	San Bernardino County	0.25%	4/1/2005		General
San Bernardino	San Bernardino County	0.25%	4/1/2007	3/31/2022	General
Yucca Valley	San Bernardino County	0.50%	4/1/2017	3/31/2027	General
		0.50%	4/1/2017	3/31/2027	Sewers
County of San Bernardin	San Bernardino County	0.50%	4/1/1990		Transportation
Chula Vista	San Diego County	0.50%	4/1/2017	3/31/2027	General
Del Mar	San Diego County	1.00%	4/1/2017		General
El Cajon	San Diego County	0.50%	4/1/2009	3/31/2029	General
La Mesa	San Diego County	0.75%	4/1/2009	3/31/2029	General
National City	San Diego County	1.00%	10/1/2006		General
Vista	San Diego County	0.50%	4/1/2007	3/31/2037	General
County of San Diego	San Diego County	0.50%	4/1/1988		Transportation
San Francisco	County fo San Francisco	0.25%	10/1/1993		General
		0.50%	4/1/1990		Transportation
		0.50%	4/1/1970		BART-Transit
Lathrop	San Joaquin County	1.00%	4/1/2013		General
Manteca	San Joaquin County	0.50%	4/1/2007		Police, fire
Stockton	San Joaquin County	0.25%	4/1/2005		Police, fire
		0.75%	4/1/2014	3/31/2025	General
		0.25%	4/1/2017	3/31/2033	Library
Tracy	San Joaquin County	0.50%	4/1/2017	3/31/2037	General
County of San Joaquin	San Joaquin County	0.50%	4/1/1991		Transportation
Pismo Beach	San Luis Obispo County	0.50%	10/1/2008		General
Arroyo Grande	San Luis Obispo County	0.50%	4/1/2007		General
Atascadero	San Luis Obispo County	0.50%	4/1/2015	3/31/2028	General
Grover Beach	San Luis Obispo County	0.50%	4/1/2007		General
Morro Bay	San Luis Obispo County	0.50%	4/1/2007		General
El Paso de Robles	San Luis Obispo County	0.50%	4/1/2013	3/31/2025	General
San Luis Obispo	San Luis Obispo County	0.50%	4/1/2007		General
Belmont	San Mateo County	0.50%	4/1/2017	3/31/2047	General
East Palo Alto	San Mateo County	0.50%	4/1/2017		General
South San Francisco	San Mateo County	0.50%	4/1/2016	3/31/2047	General
San Mateo	San Mateo County	0.25%	4/1/2010	3/31/2018	General
County of San Mateo	San Mateo County	0.50%	4/1/2013	3/31/2043	General
		0.50%	1/1/1989		Transportation
		0.50%	7/1/1982		Transit
Guadalupe	Santa Barbara County	0.25%	4/1/2015		General
Santa Maria	Santa Barbara County	0.25%	10/1/2012	9/30/2021	General
County of Santa Barbara	Santa Barbara County	0.50%	1/1/1990		Transportation

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<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Campbell	Santa Clara County	0.25%	4/1/2009		General
San Jose	Santa Clara County	0.25%	10/1/2016	9/30/2027	General
County of Santa Clara	Santa Clara County	0.125%	4/1/2013	3/31/2024	General
		0.125%	7/1/2012		BART-Transit
		0.50%	10/1/1976		Transit
		0.50%	4/1/2006		Transportation
Capitola	Santa Cruz County	0.25%	4/1/2005	12/31/2017	General
		0.25%	4/1/2013		General
Santa Cruz	Santa Cruz County	0.50%	4/1/2007		General
Scotts Valley	Santa Cruz County	0.50%	4/1/2014	3/31/2023	General
Watsonville	Santa Cruz County	0.25%	4/1/2007		General
		0.50%	10/1/2014	9/30/2022	General
		0.25%	4/1/1997		Library
County of Santa Cruz	Santa Cruz County	0.50%	1/1/1979		Transit
		0.50%	4/1/2017	3/31/2047	Transportation
		0.50%	10/1/2014		General
Anderson	Shasta County	0.50%	10/1/2014		General
Dunsmuir	Siskiyou County	0.50%	4/1/2016		General
Mount Shasta	Siskiyou County	0.25%	10/1/2011		Libraries
Weed	Siskiyou County	0.25%	7/1/2015		General
Yreka	Siskiyou County	0.50%	4/1/2017		General
Benicia	Solano County	1.00%	4/1/2015		General
Fairfield	Solano County	1.00%	4/1/2013	3/31/2034	General
Rio Vista	Solano County	0.75%	4/1/2013	3/31/2024	General
Suisun City	Solano County	1.00%	4/1/2017	3/31/2027	General
Vacaville	Solano County	0.75%	4/1/2017	3/31/2037	General
Vallejo	Solano County	1.00%	4/1/2012		General
County of Solano	Solano County	0.13%	10/1/1998		Library
Cotati	Sonoma County	1.00%	10/1/2014	9/30/2024	General
Healdsburg	Sonoma County	0.50%	4/1/2013	3/31/2024	General
Rohnert Park	Sonoma County	0.50%	10/1/2010		General
Santa Rosa	Sonoma County	0.25%	4/1/2005		Police, fire
		0.25%	4/1/2011	3/31/2027	General
		0.25%	4/1/2005		General
Sebastopol	Sonoma County	0.50%	4/1/2013	3/31/2022	General
		0.50%	4/1/2005		General
		0.50%	10/1/2012	9/30/2023	General
County of Sonoma	Sonoma County	0.25%	4/1/2005		Transportation
		0.25%	4/1/2009		Transit
		0.25%	4/1/2011		Open Space
		0.125%	4/1/2017	3/31/2027	Library
Ceres	Stanislaus County	0.50%	4/1/2008		Police, fire
Oakdale	Stanislaus County	0.50%	4/1/2012	3/31/2018	General
County of Stanislaus	Stanislaus County	0.125%	7/1/1995		Library
		0.50%	4/1/2017	3/31/2042	Transportation
Corning	Tehema County	0.50%	10/1/2016		General
Red Bluff	Tehema County	0.25%	4/1/2015	3/31/2022	General

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<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Dinuba	Tulare County	0.75%	4/1/2006		Police, fire
Farmersville	Tulare County	0.50%	4/1/2005		General
Porterville	Tulare County	0.50%	4/1/2006		Police, fire
Tulare	Tulare County	0.50%	4/1/2006		General
Visalia	Tulare County	0.25%	7/1/2004		General
		0.50%	4/1/2017		General
County of Tulare	Tulare County	0.50%	4/1/2007		Transportation
Sonora	Tuolumne County	0.50%	1/1/2005		General
Oxnard	Ventura County	0.50%	4/1/2009	3/31/2030	General
Port Hueneme	Ventura County	0.50%	4/1/2009		General
San Buenaventura	Ventura County	0.50%	4/1/2017	3/31/2042	General
Santa Paula	Ventura County	1.00%	4/1/2017	3/31/2037	General
Davis	Yolo County	1.00%	10/1/2014	12/31/2020	General
West Sacramento	Yolo County	0.50%	4/1/2003		General
		0.25%	4/1/2013	3/31/2034	General
		0.25%	4/1/2017		General
Woodland	Yolo County	0.50%	10/1/2006	9/30/2031	General
		0.25%	10/1/2010		General
Marysville	Yuba County	1.00%	10/1/2016	9/30/2027	General
Wheatland	Yuba County	0.50%	4/1/2011	3/31/2022	General

*declines to 0.5% on 1/1/2023

Utility User Tax Facts

The Utility User Tax (UUT) may be imposed by a city on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone (including cell phone and long distance), sanitation and cable television.ⁱ A county may levy a UUT on the consumption of electricity, gas, water, sewer, telephone, telegraph and cable television services in the unincorporated area.ⁱⁱ

The rate of the tax and the use of its revenues are determined by the local agency. The tax is levied by the city or county on the consumer of the utility services, collected by the utility as a part of its regular billing procedure, and then remitted to the city or county.

Most of the cities and counties with UUTs adopted the taxes prior to 1986 by vote of the city council (or in the case of a county UUT, the county board of supervisors). Any increase or extension of a local tax now requires voter approval. Currently, all city UUT levies in California are general taxes. Statewide, city and county utility user taxes generate nearly \$2 billion per year.

Cities and Counties With UUTs as of 1/1/2017

	Cities	Counties	Total	Calif Population covered
Number with UUT	157	4	161	54.0%
Telephone UUTs	149	4	153	49.5%
Electricity	156	4	160	52.7%
Gas	156	4	160	52.7%
Cable TV	90	1	91	22.8%
Water	85	1	86	24.7%
Sewer	14	1	15	2.7%
Garbage	12	0	12	1.3%
San Francisco is counted as a county				

Exemptions

State and federal government agencies, and gas and water used by utility companies to generate electricity are exempt from utility user taxes.

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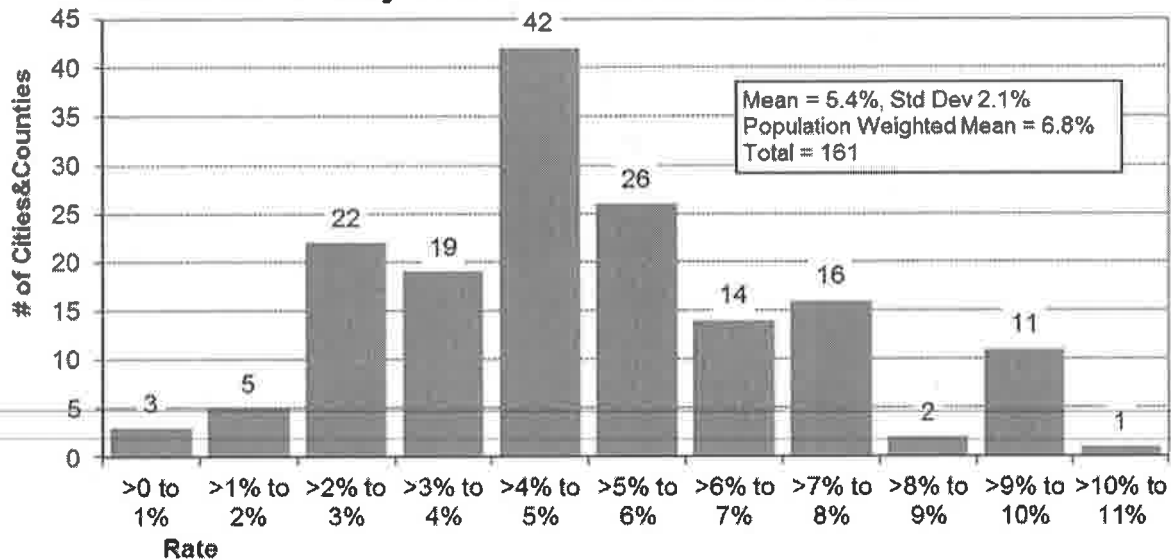
telephone calls which are not charged on both time and distance, it must amend its ordinance to remove the reference to this exemption to the FET.

A number of cities have amended their UUT ordinances to clarify that they did not wish to adopt the IRS' new practice, but rather wished to continue to impose their UUTs as they had historically been imposed (i.e. on charges based on time or distance). At the time of this writing, several localities are challenging the right of local taxing authorities to amend their ordinances without voter approval, or to continue to collect this revenue without amendment. The lawsuits argue that an amendment to an ordinance to bring it into conformity with the FET ruling is an "increase" subject to voter approval under Proposition 218.

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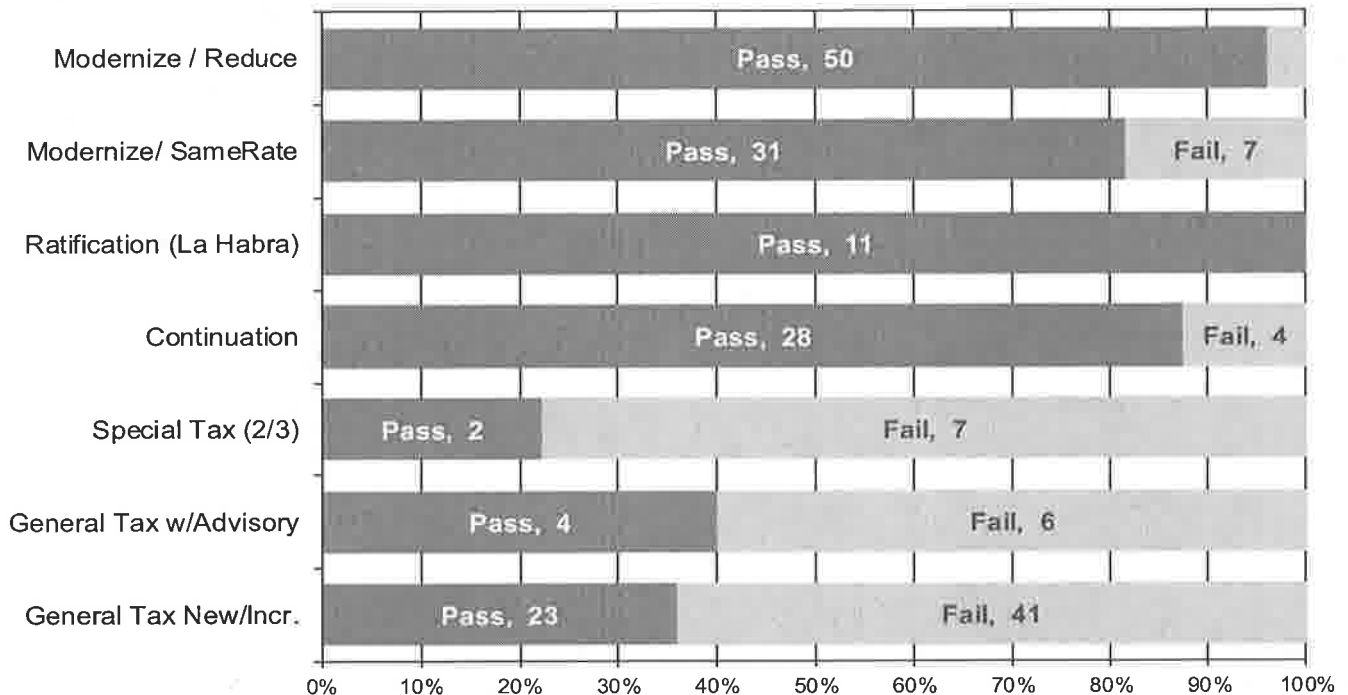


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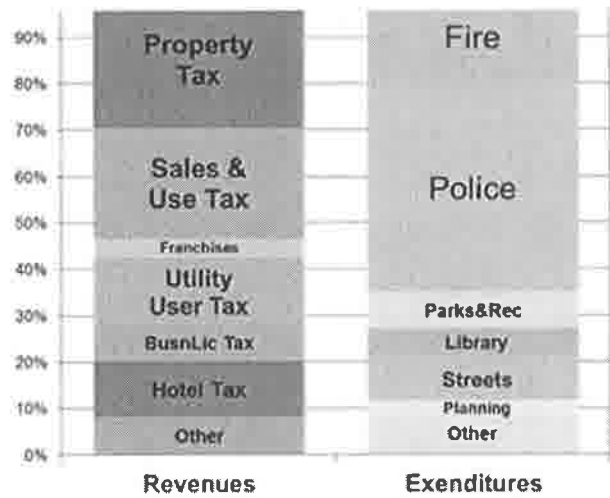
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Many city UUT levies and increases have resulted from cuts to city revenues by the state. In 1992, facing massive deficits in the state budget, the Legislature and Governor began the annual transfer of billions of dollars of property tax revenue from cities, counties and special districts to K-14 schools, allowing the state to reduce its general fund spending on education. Cities and counties, who depend substantially on sales tax and property tax revenues for discretionary income, were already experiencing the same recessionary effects as the state.^x City property tax revenue, a top source of general purpose revenue for most, was cut from at least 9% and 24% on average. Cities responded by cutting services, deferring infrastructure maintenance, relying more heavily on debt financing, paring down reserves, more aggressively pursuing sales tax generators, and raising taxes and assessments. Within a few years of the beginning of the property tax shifts, more than fifty (50+) cities increased an existing or levied a new UUT.

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Utility User Tax Facts

The Utility User Tax (UUT) may be imposed by a city on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone (including cell phone and long distance), sanitation and cable television.ⁱ A county may levy a UUT on the consumption of electricity, gas, water, sewer, telephone, telegraph and cable television services in the unincorporated area.ⁱⁱ

The rate of the tax and the use of its revenues are determined by the local agency. The tax is levied by the city or county on the consumer of the utility services, collected by the utility as a part of its regular billing procedure, and then remitted to the city or county.

Most of the cities and counties with UUTs adopted the taxes prior to 1986 by vote of the city council (or in the case of a county UUT, the county board of supervisors). Any increase or extension of a local tax now requires voter approval. Currently, all city UUT levies in California are general taxes. Statewide, city and county utility user taxes generate nearly \$2 billion per year.

Cities and Counties With UUTs as of 1/1/2017

	Cities	Counties	Total	Calif Population covered
Number with UUT	157	4	161	54.0%
Telephone UUTs	149	4	153	49.5%
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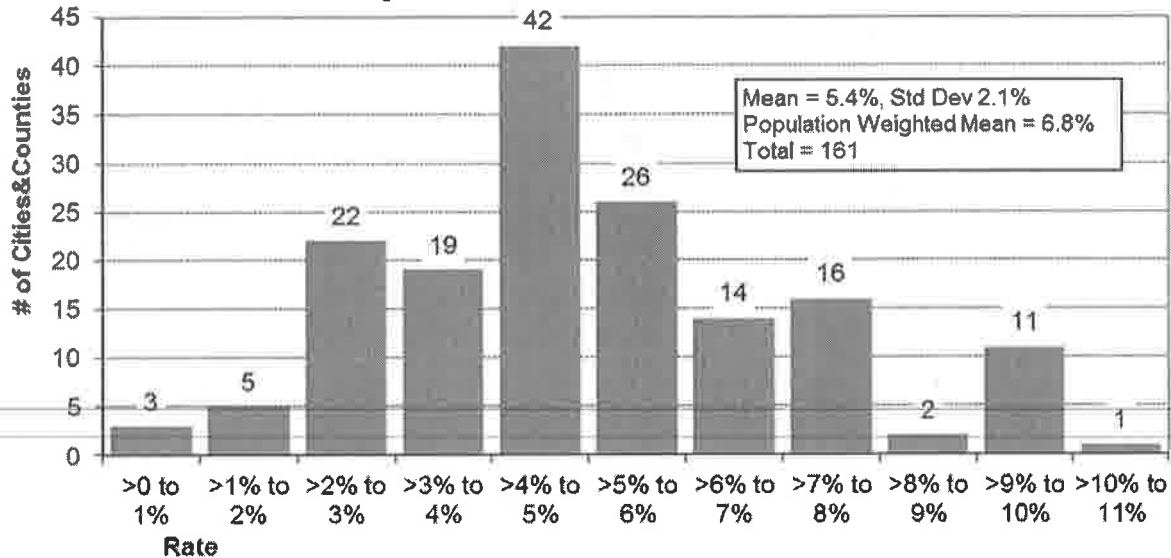
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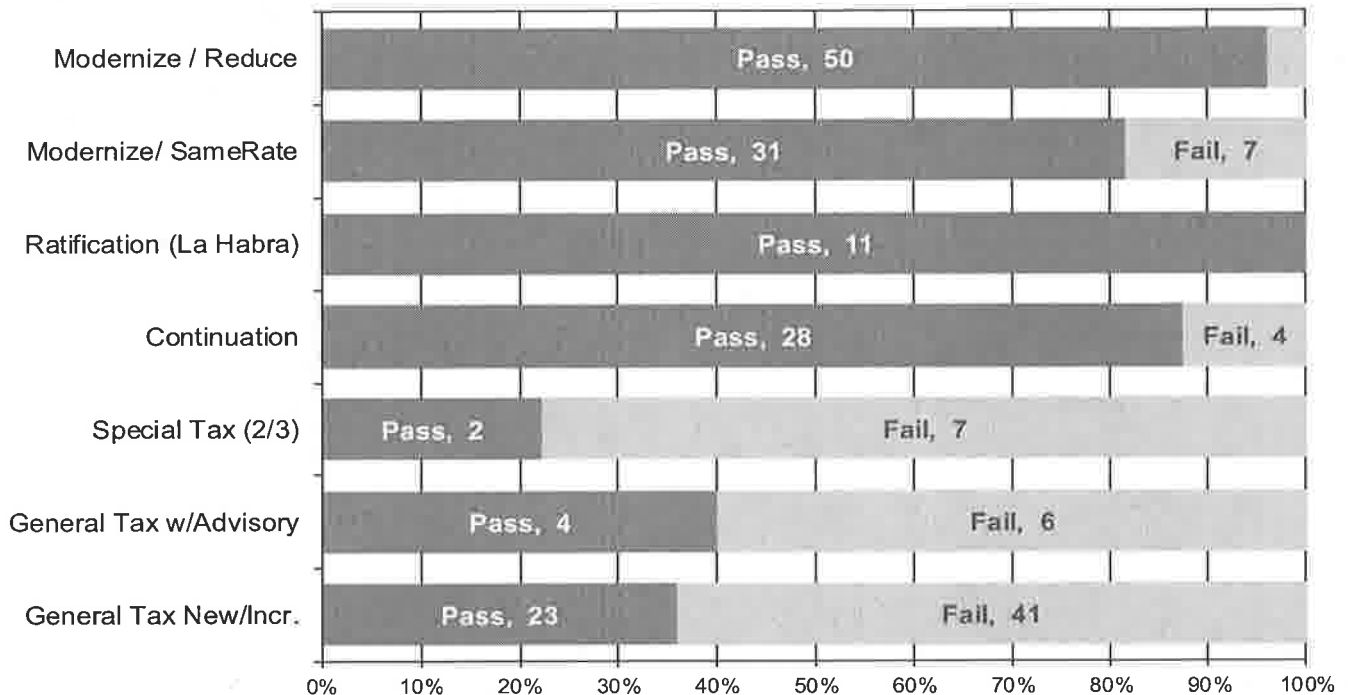


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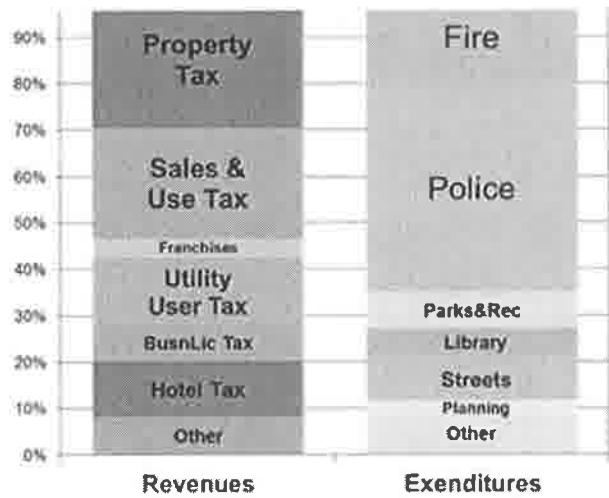
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**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 3
Mtg. Date June 19, 2018
Dept. Development Services Department

Item Title: **Public Hearing to Consider a Request for a Conditional Use Permit (CUP-170-0001) to Establish a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone**

Staff Contact: David De Vries, Development Services Director

Recommendation:

- 1) Conduct the public hearing; and
- 2) Adopt a Resolution (**Attachment B**) conditionally approving Conditional Use Permit CUP-170-0001, a request to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone (Municipal Code Chapter 17.32).

Item Summary:

The project is a request to establish a medical marijuana dispensary (MMD) at 6470 Federal Blvd. in the Light Industrial Zone on a 0.96 acre parcel. A MMD is allowed by conditional use permit in commercial and industrial zones as a result of Measure V (Codified as Municipal Code Chapter 17.32) which required a majority vote from residents in the City of Lemon Grove in November 2016. Tenant and site improvements including new landscape and trees, weed abatement, street improvements and utility undergrounding are proposed. The applicant is requesting that weed abatement, street improvement and undergrounding utility improvements be a part of an agreement for future fair share contributions in lieu of immediate improvements.

Fiscal Impact:

[No fiscal impact.]

Environmental Review:

- | | |
|--|--|
| <input type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorically Exempt, Section 15301 | <input checked="" type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> AB52 | <input type="checkbox"/> Neighborhood Meeting | <input checked="" type="checkbox"/> Notice to property owners within 500 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input checked="" type="checkbox"/> Sign Posted on Property | |

Attachments:

- | | |
|---------------------------------------|---|
| A. Staff Report | F. Comment Letter & Email Addendum (Applicant's Attorney) |
| B. Resolution of Conditional Approval | G. Exhibit A – Project Plans |
| C. CEQA Initial Study ND18-02 | |
| D. Vicinity Map | |
| E. Measure V | |

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

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Application Summary:

APPLICANT/OWNER:	Sean McDermott
PROPERTY OWNER:	Keith Anderson, Wing Avenue Investment, LLC
PROPERTY LOCATION:	6470 Federal Blvd., APN: 478-190-20-00. The site is located on the north side of Federal Blvd. between San Miguel Ave. and MacArthur Drive.
PROJECT AREA:	0.96 acres (41,711 square feet)
EXISTING ZONE:	Light Industrial (LI) Zoning District
GENERAL PLAN:	Industrial Land Use Designation
SURROUNDING PROPERTIES:	North: State Route 94 South: Single-family residences north of Blue Ash Drive and south of Federal Blvd. (60 feet above the project site location due to the slope and elevation change); Residential Low (RL) Zoning District East: Light industrial land uses; Light Industrial (LI) Zoning District West: Light industrial land uses; Light Industrial (LI) Zoning District
ENVIRONMENTAL IMPACT:	On May 24, 2018, a Notice of Intent to Adopt a Mitigated Negative Declaration (MND) was filed with the San Diego County Clerk (ND18-02). The project could have a significant effect on the environment as it relates to air quality, biological resources, cultural resources, greenhouse gas emissions, noise, public services, transportation/traffic, and mandatory findings of significance. There will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. Mitigation measures are required. Staff acknowledges the applicant's attorney comments submitted on June 11, 2018 and recommends the installation of solar panels on the site in lieu of air quality analysis. CEQA allows for minor modifications to the mitigation measures when an equivalent mitigation may be provided. The MND will be updated accordingly. The comment letter also states that the project does not result in any impacts to biological resources. Compliance

Attachment A

	<p>with Measure V requires compliance with the Zoning Ordinance and the Zoning Ordinance requires weed abatement on-site which includes the removal of invasive plant species in the tributary to Chollas Creek which is the reason why there are potential impacts to biological resources.</p> <p>The City Council can request staff to amend the MND, however, the City Council is required as a part of certification of the MND to find that there is no substantial evidence that the project will have a significant effect on the environment and the MND reflects the City's independent judgement and analysis. A lead agency is required to recirculate a MND when the MND must be substantially revised after public notice. Substantial revision includes when the lead agency determines that project revisions will not reduce potential effects to less than significance or if new measures or revisions are required that are not an equivalent substitute for existing mitigation measures. If the MND is amended, a finding must also be made that revised mitigation measures are an equivalent or more effective substitute than the existing mitigation measures.</p>
--	--

Background

In November 2016, voters in the City of Lemon Grove passed Measure V, an initiative removing the City's prohibition of medical marijuana dispensaries and establishing performance standards and a permit process by which a medical marijuana dispensary (MMD) may be established. Measure V was subsequently codified in Chapter 17.32 of the Lemon Grove Municipal Code (LGMC) (**Attachment C**).

On March 7, 2017, staff presented a report to City Council describing the recommended draft review procedures and draft conditions of approval for requests to establish a MMD. Staff also presented the draft Medical Marijuana Zoning Map it had created. The review procedures include using the Zoning Clearance (ZC) process as the initial step in screening and reviewing of MMD applications. Complete ZC applications for sites which meet the zoning criteria and distance restrictions described in LGMC Chapter 17.32 and which include all required application materials will be deemed complete, and the applicants may then submit for conditional use permit (CUP) application to be reviewed by the City Council for approval. ZC applications for sites that do not meet the specified criteria are denied by staff. Staff's decision to deny any application is subject to appeal to the City Council, pursuant to LGMC Section 17.28.020(I). The permit process for a MMD requires approval of a conditional use permit (CUP) by the City Council, and the performance standards prohibit a MMD on properties within 1,000 feet of another MMD and certain protected uses, including licensed daycare facilities, schools and parks.

On March 20, 2017, an application was filed for a ZC request to apply for a CUP to establish a MMD at the subject property and on October 3, 2017, after several notices of incomplete, the Development Services Director found the application to be complete allowing application for a CUP. On October 4, 2017, an application was filed for this CUP and, on May 22, 2018, after one notice of incomplete, the Development Services Director found the application to be complete. Staff coordinated with the applicant to resolve several minor corrections as a part of the final submittal. Discussions also included in-lieu options for weed abatement, street improvements and utility undergrounding.

Attachment A

Since January 2018, Prop 64 allowing recreational marijuana in California with local approval is in effect and the State is issuing temporary licenses for cultivation, manufacturing/processing, distribution and sale. The California Department of Public Health, not the County of San Diego, is the authority on testing and inspecting edibles to ensure public safety.

Discussion

Project Description

The proposed project is a request for a CUP to authorize a MMD on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into MMD sales and display and security rooms in a 14,300 square feet (sf) building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices for administrative purposes for the MMD operations. A 7,700 sf warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements. There is a natural drainage channel in the rear portion of the property that is a tributary to Chollas Creek where sensitive habitats may exist and be impacted if channel improvements occur. Street improvements, utility undergrounding and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property are shown on the site plan. However, the applicant requests that the City Council consider an in-lieu fair share payment for these improvements to be used for drainage, street improvements, utility undergrounding and weed abatement within the Federal Blvd. corridor as a part of an improvement agreement (**Attachment F**). No site grading is proposed except for pavement removal and replacement with landscape. No cultivation, manufacturing, processing or delivery services are proposed. The current use of the property is licensed for a roofing contractor (G&F Roof Supply) who will relocate off-site as a result of the proposed MMD.

General Plan Conformance

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report.

The project is located in the Industrial land use designation. The intended uses for this designation include a mix of manufacturing, processing, warehousing, and storage uses. The project does not conform to the General Plan, but is overridden by Measure V. Policies associated with this finding include Community Development Element Policy 1.1: Protect and enhance established neighborhoods; Policy 1.7: Promote a healthy, family-oriented community through appropriate land use and development decisions; and Policy 5.5: Promote development that enhances and is compatible with the surrounding environs.

Municipal Code Conformance

The Light Industrial (LI) zone is intended to provide for light manufacturing, warehousing, distribution and other related limited intensity activities. The proposed MMD provides services similar to a retail drugstore, but with higher intensity and does not conform to the purpose of the zone. Measure V requires a conditional use permit and full conformance with Title 17. The site complies with almost all development standards associated with the prospective MMD including lot sizing, minimum building height and setbacks, loading, landscape and screening, etc. Development standards associated with weed abatement, street improvements and utility undergrounding are requested to be a part of an in-lieu fair share payment for these improvements to be used for drainage, street improvements, utility undergrounding and weed abatement within the Federal Blvd. corridor as a part of an improvement agreement (**Attachment F**). These

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improvements are required in accordance with the Zoning Ordinance Title 17 (reference LGMC Section 17.24.010(H), Chapter 12.10 and Section 17.24.050(B)).

Department representatives from each department including Sheriff, Fire, Building, Engineering, Planning and Code Enforcement met on the site to discuss proposed improvements and provided recommendations to the applicant which have been adhered to as conditioned in the Draft resolution (**Attachment B**). In addition, Measure V requires numerous operational requirements related to the following:

1. Background checks;
2. Security personnel on-site;
3. Video surveillance on-site;
4. Community relations liaison;
5. Operating procedures including no consumption or use on-site and limited hours from 8am to 8pm;
6. Inspections on-site include client, employee, medical marijuana, and financial records; and
7. Cultivation sources shall be licensed.

Measure V also allows the MMD license to be transferable through a CUP modification; allows a CUP to be revoked; and allows for daily administrative citations and fines up to \$1,000 for each violation for non-compliance.

Street Improvements and Utility Undergrounding

There is no existing curb, gutter and sidewalk along Federal Blvd and there are overhead utility distribution lines (less than 12,000 volts) fronting the property and along the industrial district of Federal Blvd. Street improvements including utility undergrounding, curb, gutter, sidewalk, a landscape parkway with street trees and repavement of the street to the centerline to support fire apparatus will require the relocation of a fire hydrant and a street light.

Street improvements may be required as a part of a discretionary permit when there is a substantial change in mode or land use or as a part of a building permit valuation in commercial and industrial zones when the permit is valued at \$25,000 or more. Preliminary cost estimates for tenant improvements are valued to be in excess of \$250,000. The project is also a substantial change in use from a low intensity warehousing land use to a high intensity medical marijuana land use with increases in traffic volumes and there is a clear nexus or basis for requiring street improvements.

Measure V requires that a finding be made by the City Council that the proposed use complies with the Zoning Ordinance (LGMC Title 17). The Zoning Ordinance includes street improvement requirements per LGMC Chapter 12.10 and Section 17.24.010(H). A clear nexus is made to require street improvements because: 1) this is the highest and best use of the property from a revenue standpoint; 2) the proposed use is substantial change in mode and land use from a low intensity warehousing land use to a high intensity MMD; 3) medical marijuana dispensary means persons with disabilities are likely to need access to the facility via vehicles or as a pedestrian or bicyclist; and 4) the proposed retail use is inconsistent with the Light Industrial zone and with the General Plan Land Use Designation and was not analyzed as a part of the General Plan Master Environmental Impact Report and as a result of the traffic study proposes to increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily

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vehicle trips as shown in the April 11, 2018 traffic analysis (an increase in traffic volumes almost six times the current use). For reference, sidewalk and street improvements are largely supported by the General Plan Health & Wellness Element, Community Development Element and Mobility Element policies. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. The traffic study describes the operations to be a higher intensity land use which conflicts with the purpose of the zone.

The City Council cannot find the project to be in compliance with the Zoning Ordinance without requirements to install street improvements and utility undergrounding. The applicant's attorney estimates the cost of street improvements to be \$300,000 and the costs of utility undergrounding to be \$500,000. Staff requested an estimate from a professional engineer, but the applicant's attorney requested this estimate be delayed until after the City Council public hearing as a condition of approval. The estimate provided by the applicant's attorney for utility undergrounding was not prepared by a professional engineer which is required. Preliminary cost estimates prepared by the applicant's engineer show costs for street improvements to be approximately \$330,000 and the City Engineering division has not reviewed the estimate and cannot until authorization from the applicant is received for reimbursement purposes. SDG&E estimates that costs to underground the distribution lines are approximately \$300 per lineal foot or \$126,000 to underground utilities fronting the property to the nearest poles east and west of the site (approximately 470 feet). LGMC Chapter 12.10 discusses a street improvement agreement alternative in-lieu of immediate construction option when a block face is not improved with street improvements at a rate of 50 percent or more. The block face is defined as 300 feet along the public street frontage in either direction from the subject property. Since the block face is unimproved within 300 feet in either direction from the subject property, staff recommends that street improvement agreement option be initiated, which does not include utility undergrounding. Further, since the applicant's attorney recommendation includes utility undergrounding coupled with weed abatement as discussed below, staff is receptive to the applicant's attorney recommendation. However, the applicant's contribution should be equivalent to the actual costs and allow for flexibility in the improvements. Staff recommends that a restricted fund be created and allow payments from the applicant of the \$126,000 for utility undergrounding combined with the \$330,000 for street improvements over a five year time period at a flat quarterly rate with the total secured through a performance bond. This will restrict the funds to street and drainage improvements, utility undergrounding and weed abatement including removal of invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and parallel to Federal Blvd. Also, trash and debris shall be required to be removed from the channel on a monthly basis.

Landscape and Weed Abatement

The required landscape area and the landscape area proposed by the project are as follows:

Landscape Requirements	Required	Provided
Min. 10% Landscape Area	5,458 sf	3,980 sf on-site plus 7,259 sf in rear channel
Required Trees on-site	5	8

Conditions for the proposed project will require that all landscaping be well maintained and adequately watered at all times and planted in accordance with City standards.

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LGMC Section 17.24.050(B) requires all landscaping to be installed and maintained in accordance with a landscaping plan. Landscape areas are required to be kept free of weeds and debris. Plantings shall be replaced with other plant materials to ensure continued compliance with applicable landscaping requirements. LGMC Section 17.24.050(A) describes the purpose of the landscaping and screening regulations as intended to protect individual properties from undesirable impacts generated by surrounding land uses and general urban activity, and to improve the appearance of neighborhoods in the city by providing adequate landscaping and screening. In summary, landscape requirements in the LGMC require that landscape in natural drainage channels be maintained and require weed abatement and replacement. Also, LGMC Section 1.14.010(H) requires that dead, decayed, diseased, or hazardous trees, weeds, or other vegetation that is unsightly, dangerous to public safety or welfare, detrimental to nearby property or property values, or reasonably deemed to be a fire hazard is a public nuisance and that any person owning, leasing, occupying, or controlling any premises in this city on which a public nuisance exists is responsible for the public nuisance. Also, LGMC Chapter 8.08 requires that all weeds, dry grasses, dead shrubs, dead trees, stubble, brush, sagebrush, chaparral, weeds which bear seeds of a wingy or downy nature, and any other brush or weeds which by reason of their size, manner of growth, and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which, when dry, will in reasonable probability endanger the public safety by creating a fire or other safety hazard, any of which are growing on the streets, sidewalks, or private property in the city are declared to be a public nuisance. Also, traffic is estimated to be almost six times the rate of the current land use which allows for additional oils and debris from vehicles on the site to flow into the tributary to Chollas Creek in the rear portion of the property which will result in higher contamination in storm water runoff from the site.

The general definition of “weed” is described as “a wild plant growing where it is not wanted and in competition with cultivated plants.” The Development Services Director determined as a part of this permit application that a “weed” would include non-native invasive plant species within the tributary to Chollas Creek. As a result, the City Council cannot find the project to be in compliance with the Zoning Ordinance without appropriate weed abatement. The applicant’s attorney estimates the cost of removing invasives, replanting of native plants, slope stabilization and irrigation with professional studies, design and State and local permits (remediation) to be \$1,200,000 with an estimated three year timeline. Staff requested an estimate from a professional engineer, but the applicant’s attorney requested this estimate be delayed until after the City Council public hearing as a condition of approval. The estimate provided by the applicant’s attorney was not prepared by a professional engineer which is required. Preliminary cost estimates for remediation from staff based on similar projects in the area estimate the cost for weed remediation on-site to be approximately 1,000 per lineal foot of channel or approximately \$180,000. This is based on a larger project area. Since upstream seeds float downstream creating new invasive plant species, staff is receptive to the applicant’s attorney recommendations, however, the applicant’s contribution should be equivalent to the actual estimated costs and allow for flexibility in the improvements. Staff recommends that a restricted fund be created and allow payments of the \$180,000 from the applicant over a five year time period at a flat quarterly rate with the \$180,000 secured through a performance bond. This will restrict the funds to street and drainage improvements, utility undergrounding and weed abatement including removal of invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and parallel to Federal Blvd. Also, trash and debris shall be required to be removed from the channel on a monthly basis.

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Screening

Crime Prevention Through Environmental Design (CPTED) require that shrubs be maintained low and tree canopies be maintained high to enhance visibility and staff added appropriate conditions in the resolutions. Proposed vehicular gates on-site will be open during all business hours and a new trash enclosure will secure trash on-site. In addition, there is a secured loading area inside the building for transfer of marijuana and cash from the safe room to the secured transport vehicles.

Lighting

CPTED encourages all exterior areas to be adequately lit and the project proposes adequate site lighting.

Signage

The sign ordinance permits up to three wall signs for a commercial use. The total allowable sign area permitted for this project would normally be 400 sf or less. Three wall signs are proposed and include "The GROVE" with the "V" shown as a green leaf and two signs are large green "+" signs which symbolize a MMD. Green is a color representative of marijuana and a "+" sign is a universal symbol for medical aid. A leaf, depending on its shape, is generally representative of marijuana. A condition of approval requires that signs do not include any terminology (including slang) or symbols for marijuana to avoid encouraging marijuana use to those without prescriptions to promote public health and safety. The color green is not proposed to be conditioned or restricted.

Public Information:

The Notice of Public Hearing for this item was published in the May 24, 2018 edition of the East County California and mailed to all property owners within 500 feet of the subject property. The City of Lemon Grove received no comments in response to the Notice of Public Hearing and Environmental Analysis at the time this staff report was prepared. Staff will provide the City Council at the time of the public hearing with any comments.

A Native American Tribal Government Consultation was conducted pursuant to Government Code Sections 6540.2, 65092, 65351, 65352.3, 65352.4, 65562.5 et. seq. One tribe requested consultation requesting mitigation that cultural resource monitoring be conducted on-site and appropriate mitigation is conditioned in the resolution of approval.

Conclusion:

Measure V requires that the City Council make the following findings required in order to approve this conditional use permit:

1. The use is compatible with the neighborhood or the community;
2. The use is not detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity;
3. The use complies with performance standards according to Section 17.24.080;
4. The use is consistent with applicable provisions of the particular zoning district and with policies and standards of the general plan;
5. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense,

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process or cultivate *medical marijuana*; and separations between establishments which dispense, process or cultivate *medical marijuana* and other specific regulated or protected land uses as set forth in this chapter; and

6. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

Staff believes the above findings can be made provided the conditions in the Resolution of Approval are adhered to as further referenced in this staff report.

Staff recommends that the City Council conduct the public hearing and adopt a Resolution (**Attachment B**) conditionally approving Conditional Use Permit CUP-170-0001.

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RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE CONDITIONALLY APPROVING CONDITIONAL USE PERMIT CUP-170-0001, A REQUEST TO ALLOW A MEDICAL MARIJUANA DISPENSARY AT 6470 FEDERAL BVLD., LEMON GROVE, CALIFORNIA.

WHEREAS, the California voters approved Proposition 215 in 1996 to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes and to encourage elected officials to implement a plan for the safe and affordable distribution of medicine; and

WHEREAS, the California State Legislature adopted Senate Bill 420, the Medical Marijuana Program Act, in 2003 to help clarify and further implement Proposition 215 in part by authorizing patients and *Primary caregivers* to associate within the State of California in order to collectively or cooperatively cultivate cannabis for medical purposes; and

WHEREAS, the California State Legislature adopted Assembly Bill 243, Assembly Bill 266, and Senate Bill 643, collectively known as the Medical Marijuana Regulation and Safety Act, in 2015 to establish a statewide regulatory framework and establish the Bureau of Medical Marijuana Regulation for the regulation of *medical marijuana* activity occurring in jurisdictions across California; and

WHEREAS, on November 8, 2016, voters in the City of Lemon Grove passed Measure V, an initiative removing the City's prohibition of medical marijuana dispensaries and establishing performance standards and a permit process by which medical marijuana dispensaries may be established; and

WHEREAS, Measure V includes the adoption of Lemon Grove Municipal Code (LGMC) Chapter 17.32 which prohibits the establishment of medical marijuana dispensaries within 1,000 feet of certain protected uses, including schools and licensed daycare facilities; and

WHEREAS, Measure V states "measurement is made between the closest property lines of the premises in which the regulated uses and protected uses are located." Measure V further states "the measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access." Measure V only references freeways and flood control channels as examples of constructed barriers. A freeway is defined as "an express highway, especially one with controlled access." Flood control is defined as "the act or technique of controlling river flow with dams, dikes, artificial channels, etc., so as to minimize the occurrence of floods." Examples of constructed barriers only include major linear obstructions traversing for miles where pedestrian access is prohibited or severely limited; and

WHEREAS, on March 20, 2017, an application was filed for Zoning Clearance ZC1-700-0004 and, on October 3, 2017, the Development Services Director found the application for to be complete; a request to apply for a conditional use permit to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone; and

WHEREAS, on October 4, 2017, an application was filed for Conditional Use Permit CUP-170-0001 and, on May 22, 2018, the Development Services Director found the application to be

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complete; a request to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone; and

WHEREAS, no protected uses or marijuana dispensaries exist within 1,000 of the subject property in accordance with LGMC Chapter 17.32; and

WHEREAS, the Notice of Public Hearing for this item was published in the May 24, 2018 edition of the East County California and mailed to all property owners within 500 feet of the subject property. A large sign was posted on the property notifying the neighborhood of the forthcoming public hearing. A Native American Tribal Government Consultation was conducted pursuant to Government Code Sections 6540.2, 65092, 65351, 65352.3, 65352.4, 65562.5 et. seq. One tribe requested consultation requesting mitigation that cultural resource monitoring be conducted on-site during grading activities and appropriated conditions are included herein; and

WHEREAS, On May 24, 2018, a Notice of Intent to Adopt a Mitigated Negative Declaration (MND) was filed with the San Diego County Clerk (ND18-02). The project could have a significant effect on the environment as it relates to air quality, biological resources, cultural resources, greenhouse gas emissions, noise, public services, transportation/traffic, and mandatory findings of significance. There will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. On the basis of the whole record, there is no substantial evidence that the project will have a significant effect on the environment and the MND reflects the City's independent judgement and analysis; and

WHEREAS, revised mitigation measures requiring the installation of solar panels on-site in-lieu of an air quality analysis are an equivalent or more effective substitute than the existing mitigation measures; and

WHEREAS, LGMC Section 17.24.050(B) requires all landscaping to be installed and maintained in accordance with a landscaping plan. Landscape areas are required to be kept free of weeds and debris. Plantings shall be replaced with other plant materials to ensure continued compliance with applicable landscaping requirements. LGMC Section 17.24.050(A) describes the purpose of the landscaping and screening regulations as intended to protect individual properties from undesirable impacts generated by surrounding land uses and general urban activity, and to improve the appearance of neighborhoods in the city by providing adequate landscaping and screening. In summary, landscape requirements in the LGMC require that landscape in natural drainage channels be maintained and require weed abatement and replacement. Also, LGMC Section 1.14.010(H) requires that dead, decayed, diseased, or hazardous trees, weeds, or other vegetation that is unsightly, dangerous to public safety or welfare, detrimental to nearby property or property values, or reasonably deemed to be a fire hazard is a public nuisance and that any person owning, leasing, occupying, or controlling any premises in this city on which a public nuisance exists is responsible for the public nuisance. Also, LGMC Chapter 8.08 requires that all weeds, dry grasses, dead shrubs, dead trees, stubble, brush, sagebrush, chaparral, weeds which bear seeds of a wingy or downy nature, and any other brush or weeds which by reason of their size, manner of growth, and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which, when dry, will in reasonable probability endanger the public safety by creating a fire or other safety hazard, any of which are growing on the streets, sidewalks, or private property in the city are declared to be a public nuisance. The general definition of "weed" is described as "a wild plant growing where it is not wanted and in competition with cultivated plants." A "weed" would include non-native invasive plant species within the tributary to Chollas Creek. Also, traffic is estimated to be almost six times the rate of the current land use which allows for additional oils and debris

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from vehicles on the site to flow into the tributary to Chollas Creek in the rear portion of the property which will result in higher contamination to in storm water runoff from the site; and

WHEREAS, the Zoning Ordinance includes street improvement requirements per LGMC Chapter 12.10 and Section 17.24.010(H). A clear nexus is made to require street improvements because: 1) this is the highest and best use of the property from a revenue standpoint; 2) the proposed use is substantial change in mode and land use from a low intensity warehousing land use to a high intensity MMD; 3) medical marijuana dispensary means persons with disabilities are likely to need access to the facility via vehicles or as a pedestrian or bicyclist; and 4) the proposed retail use is inconsistent with the Light Industrial zone and with the General Plan Land Use Designation and was not analyzed as a part of the General Plan Master Environmental Impact Report and as a result of the traffic study proposes to increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily vehicle trips as shown in the April 11, 2018 traffic analysis (an increase in traffic volumes almost six times the current use). For reference, sidewalk and street improvements are largely supported by the General Plan Health & Wellness Element, Community Development Element and Mobility Element policies. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. The traffic study describes the operations to be a higher intensity land use which conflicts with the purpose of the zone; and

WHEREAS, this permit does not excuse any owner or operator from complying with all applicable federal, state, county or local laws, ordinances or regulations. The owner or operator is required to determine if another permit or approval from any other agency or department is necessary. The City, by issuing this permit, does not relinquish its right to enforce any violation of law; and

WHEREAS, on June 19, 2018, the City Council held a duly noticed public hearing to consider Conditional Use Permit CUP-170-0001; and

WHEREAS, Measure V requires that the City Council make the following findings required in order to approve this conditional use permit:

1. The use is compatible with the neighborhood or the community;

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The proposed use is incompatible with surrounding land uses, however, as a result of Measure V, the project is found to be consistent with the General Plan.

2. The use is not detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity;

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The proposed use is potentially detrimental to the health, safety, convenience or general welfare of persons

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residing or working in the vicinity, however, as a result of Measure V, the project is found to be consistent with the General Plan.

3. The use complies with performance standards according to Section 17.24.080;

The proposed project complies with applicable performance standards according to Section 17.24.080 of the LGMC (specifically noise, glare, traffic circulation and parking, and fire hazards). A traffic impact analysis was prepared and provides for appropriate mitigation.

4. The use is consistent with applicable provisions of the particular zoning district and with policies and standards of the general plan.

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. However, as a result of Measure V, the project is found to be consistent with the General Plan.

5. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense, process or cultivate *medical marijuana*; and separations between establishments which dispense, process or cultivate *medical marijuana* and other specific regulated or protected land uses as set forth in this chapter.

No evidence was found to the contrary.

6. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

The proposed project complies with, or conditions have been included for this project to require it to comply with the LGMC Title 17 requirements for the proposed use.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

SECTION 1. Certifies the Mitigated Negative Declaration (ND18-02) finding that Conditional Use Permit No. CUP-170-0001 will have no significant effect on the environment with the amendment that in lieu of an air quality analysis, solar panels will be installed on the property as conditioned here; and

SECTION 2. Approves Conditional Use Permit No. CUP-170-0001 and the site and architectural plans dated received May 21, 2018 (incorporated herein by reference as Exhibit A), except noted herein. This approval authorizes the establishment of a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone. Except as amended, the approval of this project shall be subject to the following conditions:

- A. Prior to issuance of a building permit for the use authorized by this Conditional Use Permit, the applicant shall comply with the following:
 1. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 2. All pre- and post construction best management practices (BMPs) shall be maintained for the duration of the project.

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3. In order to mitigate any impacts to culturally sensitive resources that ground disturbing activities may cause:
 - a. After initial investigation, a tribal representative shall be present at the pre-grading or pre-ground disturbing activities meetings to consult with the contractors.
 - b. After initial investigation, a tribal representative shall be present at all times during any ground disturbing activities.
 - c. The tribal representative shall be allowed to temporarily direct, divert or halt grading or ground disturbing activities to allow identification, recovery, archiving, and/or disposition of cultural resources.
 - d. Prior to final inspection a report shall be prepared summarizing the results of the mitigation program and the coordination efforts with the tribal representative and submitted to the City of Lemon Grove Development Services Director. This report will include a discussion of methods employed, cultural resources discovered and their disposition, geologic context of the cultural resources and the significance of the mitigation program.
4. Submit landscape plans consistent with LGMC Section 17.24.050 and Chapter 18.44 with required notes. All plantings shall be bound by a six inch curb with curb openings for drainage inlets into landscape to the satisfaction of the Development Services Director and City Engineer.
5. Where storm water runoff flows into landscape areas, landscaped areas shall be designed to retain/capture first-flush of smaller storm events but larger storms must be provided with an adequate drainage pathway with appropriate mitigation. Storm water review for compliance shall be a part of a landscape plan review and shall include details for construction BMPs.
6. Wheel stops shall be installed at all parking spaces located along the perimeter of a parking lot adjacent to landscape areas to the satisfaction of the Community Development Director.
7. The applicant shall provide a letter indicating any hazardous materials to be used or stored on site for the dispensary. This does not include normal business cleaning materials however; they must be in a limited quantity.
8. The applicant shall provide a letter detailing the security provisions for the dispensary and how the applicable Building and Fire Code requirements will be achieved for emergency ingress and egress.
9. A warehouse storage plan shall be submitted prior to building permit issuance.
10. Per Municipal Code Section 12.10.050 a minimum 86 foot right of way is required for Federal Blvd. This requires a 43 foot minimum center line to property line dimension. Based on a review of the Assessor's Map a 3 foot dedication is required. Provide a preliminary title report dated within the last 180 days. This will be used to prepare the Street Dedication (agreement). Once the City prepares the agreement, it will then need to be signed and notarized by the property owner, and returned to the City for recordation. Please allow approximately 30 calendar days for the preparation of the agreement. The signed agreement is required prior to the issuance of building or engineering permits.

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11. A Covenant not to oppose the formation of a future utility undergrounding district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 12. A Covenant not-to-oppose the formation of a future street improvement district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 13. A Covenant not-to-oppose the formation of a community facilities district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 14. Submit an application to be included into the Lemon Grove Lighting District. The property will be assessed annually.
 15. Provide an access easement or agreement and appropriate open space easement to maintain and improve the tributary to Chollas Creek including weed abatement (removal of invasives), replanting and slope stabilization and irrigation.
 16. Pay \$100 for the preparation and recordation of each document as required for the subject permit. An additional fee of \$275 will be charged for surveyor time.
 17. Street improvements and street dedication shall be required in accordance with Chapter 12.10. In lieu of immediate street improvements, utility undergrounding and weed abatement, a street improvement, utility undergrounding and weed abatement agreement shall be executed between the applicant and the City. A restricted fund shall be created and require equal installment payments from the applicant for the \$126,000 for utility undergrounding combined with the \$330,000 for street improvements and \$180,000 for weed abatement payable over a five year time period at a flat quarterly rate (equal installments) with the combined total (\$636,000.00) secured through a performance bond. This will restrict the funds: 1) to street and drainage improvements and utility undergrounding within the Federal Blvd. public right-of-way and/or 2) to weed abatement including removal invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and near and parallel to Federal Blvd.
 18. A building permit shall be required and obtained for tenant improvements proposed including electrical, plumbing and mechanical improvements proposed. Structures and access shall meet current building and fire code regulations.
 19. A State license shall be required prior to commencing operations. The license must be maintained at all times.
- B. Prior to requesting a final inspection and occupancy of the structure, the applicant shall comply with the following:
1. Comply with Conditions A-1 through A-19 of this Resolution.
 2. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 3. An HVAC system shall be installed to ensure proper interior ventilation in closed window and door condition throughout the facility. The HVAC system shall include 15 cfm of outside air per occupant for all occupied areas as well as exhaust of 4 air

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changes per hour in the stock and packaging rooms. Additionally the HVAC system will utilize carbon filters and replaced per manufacturers recommended service. Carbon filtration is required prior to air exiting any exhaust point.

4. The San Diego Air Pollution Control District Rule 55 requires compliance with standard fugitive dust control best management practices which will be required as a part of normal practices.
5. Dispensaries shall comply with the most recent adopted California Fire Codes and Standards.
6. A fire inspection is required prior to a certificate of occupancy or business license being issued. The applicant shall ensure the dispensary is set up and ready for operation prior to the fire inspection.
7. A fire alarm system may be required to be installed and mag locks tied into the fire alarm system.
8. Electrical panel shall be clearly labeled and the panel door kept close.
9. Provide a Knox box padlock for the chain link fence, or provide a Knox Box for the building and put the gate key inside for Fire Department Emergency Access.
10. All improvements shall comply with Title 15 including 2016 Building and Fire Codes and ADA accessibility requirements.
11. The subject property shall comply with current landscape regulations.
12. Parking areas and striping shall comply with current standards and damaged paving shall be repaired and maintained in a good condition. Designated parking spaces are prohibited on-site.
13. Dumpsters shall be housed within a permitted trash enclosure.
14. Rooftop mechanical equipment shall be screened so that it may not be seen from the level of adjacent streets and sidewalks to the satisfaction of the Community Development Director.
15. A City Business License shall be obtained.
16. A bicycle rack with a minimum three bicycle capacity shall be provided within the front yard setback area.
17. Provide copies of all IRS and State Franchise Board filings within 30 days of filing.
18. Lighting shall be installed to adequately light the exterior and interior of the dispensary premises while in conformance with Section 17.28.080.
19. The location of the dispensary shall include the installation of a centrally monitored alarm system.
20. Windows and glass panes shall have vandal-resistant glazing, shatter resistant film, or glass block installed equipped with appropriate access to allow exit in the event of emergency in compliance with the 2016 Fire Code.
21. All emergency exits shall be solid core doors featuring hinge-pin removable deterrence. Emergency exit doors shall have latch guards at least 12 inches in length protecting the locking bolt area. Latch guards shall be of minimum 0.125-inch thick steel, affixed to the exterior of the door with non-removable bolts, and attached so

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as to cover the gap between the door and the doorjamb for a minimum of six inches both above and below the area of the latch.

22. Windows vulnerable to intrusion by a vehicle must be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.
 23. All means of gaining unauthorized access to the roof shall be eliminated. Exterior roof ladders shall be secured with locked ladder covers.
 24. Roof hatches and skylights shall be secured so as to prevent intrusion.
 25. Recommended mitigation improvements in the traffic study shall be installed and maintained. On-site pavement markings and signage are required as recommended in the traffic study. Utility undergrounding and street improvements including pedestrian sidewalks is required to be consistent with the General Plan Mobility Element Circulation Plan for Federal Blvd.
 26. Solar panels shall be installed on the property with sufficient energy generation to power projected energy use on the subject property.
- C. Upon establishment of use in reliance with this Conditional Use Permit, the applicant shall comply with the following:
1. Comply with Conditions A-1 through A-19 and B-1 through B-26 of this Resolution.
 2. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 3. If during employment with the dispensary, a director or employee is convicted of a crime identified in California Penal Code Section 1192.7, subdivision (c), and Health and Safety Code Section 11359 shall be immediately dismissed from employment or required to resign as a corporate board member or officer. For purposes of this section, a conviction in another state that would have been a conviction equivalent under California law to those convictions specified in this section will disqualify the person from employment or volunteering at the dispensary.
 4. Dispensaries shall have at least one uniformed security guard on duty during operating hours that possess a valid Department of Consumer Affairs "Security Guard Card."
 5. Dispensaries shall designate a community relations liaison (liaison) who shall be at least eighteen years of age. The liaison may also be the director of the dispensary. To address community complaints or operational problems with the dispensaries, the individual designated as the community relations liaison shall provide his or her name, phone number and email address to the following:
 - a. Lemon Grove city manager;
 - b. San Diego County sheriff's department personnel supervising law enforcement activity in Lemon Grove; and
 - c. All neighbors within one hundred feet of the dispensary.
 6. City code enforcement officers, San Diego sheriff's department staff, and any other employee of the City requesting admission for the purpose of determining compliance with the standards set forth in this section shall be given access to the premises. City and sheriff staff shall not retain information pertaining to individual

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patient records viewed during an inspection, and information related to individual patients shall not be made public. Inspectors will give reasonable notice of a scheduled inspection. Unannounced inspections of a dispensary may occur if city or sheriff's department staff have probable cause that the collective is violating the law.

- a. Inspection Requirements. The following records must be maintained at the premises at all times and available for inspection by city code enforcement officers, San Diego sheriff's department staff, and any other employee of the city:
 - b. Client Records. The dispensary shall keep a record of its clients. The record shall include the following and shall be maintained for a seven-year period:
 - i. Qualified patient member's name, name of primary caregiver when appropriate, and name of licensed physician recommending use of medical marijuana for the member.
 - c. Medical marijuana Records. Dispensary shall keep a record of its medical marijuana transactions. The following records shall be maintained for a seven-year period and labeling shall occur as specified:
 - i. A record identifying the cultivation, manufacturing and distributor source or sources of all medical marijuana currently on the premises or that has been on the premises during the seven-year period preceding the current date. The record shall include the name of the cultivator or manufacturer and the address of the cultivation or manufacturing location.
 - ii. All medical marijuana at the premises must at all times be physically labeled in Compliance with State requirements with information that will allow for identification of the cultivation, manufacturing and distributor source of the medical marijuana.
 - iii. All medical marijuana at the premises shall be physically labeled with the monetary amount to be charged.
 - iv. Dispensaries shall maintain all necessary permits, and pay all appropriate taxes. Dispensaries shall also provide invoices to cultivators, manufacturers and distributors to ensure tax liability responsibility;
 - d. Financial Records. Dispensary shall maintain records of all transactions involving money and/or medical marijuana occurring at the premises. Records shall be maintained for a seven-year period preceding the current date.
 - e. Employee Records. Dispensary shall maintain a record of each employee/volunteer and director. The record shall include name and background check verification. Records shall be maintained for a seven-year period following the end of an employee's employment or director's relationship with the dispensary.
7. The on-site display of unprocessed marijuana plants or representations of marijuana plants in any areas visible to the public is prohibited.
 8. Dispensaries shall submit an "annual performance review report" for review and approval by the development services director. The "annual performance review report" is intended to identify effectiveness of the approved conditional use permit, operations manual, and conditions of approval, as well as any proposed modification to procedures as deemed necessary. The development services director may review and approve amendments to the approved "operations manual"; and the frequency

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of the “annual performance review report.” Medical marijuana cultivation, manufacturing and dispensing monitoring review fees pursuant to the current Master Fee Schedule shall accompany the “annual performance review report” for costs associated with the review and approval of the report.

9. All activities involving the transportation of marijuana for a dispensary shall comply with California State Regulations, restrictions and guidelines, as enumerated in Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.
10. Maintain a waste disposal plan detailing plans for disposal of chemicals and plant waste.
11. If the owners or operators of a MMD are a Limited Liability Company (LLC), corporation or trust, the names and addresses of all officers and designated signatories of the legal entities shall be provided to staff and shall be maintained in the conditional use permit project files. The City shall be notified of all changes to the property and business ownership including officers and designated signatories.
12. The portion of the tributary/drainage channel within the property shall be cleared of trash and debris on a monthly basis and the exterior site area shall be swept monthly to avoid additional trash, dirt and debris flowing into the channel.
13. The use of musical instruments and sound amplification devices on-site is prohibited at all times.
14. Prohibit the blocking or covering of egress windows.
15. Require all facilities to be reviewed by the Fire Department.
16. Nuisance odor complaints shall be filed with the Department of Environmental Health.
17. The second floor offices shall not be used for or resemble a residential use. Sleeping within the facility and residential occupancy is prohibited.
18. The dispensary shall post and maintain professional quality sign facing the parking lot(s) that reads “No loitering, no littering violators subject to arrest” in English and Spanish in accordance with LGMC. Loitering prohibitions shall be strictly enforced on-site.
19. All operational requirements of Measure V shall be adhered to at all times.
20. The business shall be subject to future local taxes and fees. If a local tax is implemented, a payment schedule may be established.
21. The rear portion of the building shall be for storage only and not leased or subleased to a separate tenant or utilized for other operations.
22. Each CUP shall be renewed every three years. The City Council can deny a CUP renewal if it’s determined that the MMD has operated contrary to the conditions of approval and the requirements of the LGMC, or if the MMD has become a public nuisance.
23. A compliance inspection shall be conducted quarterly to ensure operations are in compliance with conditions of approval and other applicable regulations.
24. The City or its designee may examine the records of licensees and inspect the premises of a licensee as the licensing authority as may be authorized by law. The

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City or its designee shall have access to any licensed medical marijuana facility for inspection of the facility, the employees and records (HIPPA compliance rules apply) during any normal business hours or at any other reasonable time. Licensees shall provide and deliver records to the licensing authority upon request (Business and Professions Code 19327(c).) Authorized regulatory staff shall be allowed access to the premises in accordance with State law (Business and Professions Code 19311 (e); 19327 (c)). Compliance inspections shall be conducted by HDL (contracted) and City staff with time expensed to the MMD operator to ensure operations are properly inspected in compliance with conditions of approval and other applicable regulations.

25. Disposal of any unused or unwanted medical marijuana shall undergo a special process and shall not be disposed of as or with routine garbage.
26. Business activities shall be limited to medical marijuana dispensaries only.
27. Deliveries from the facility shall be prohibited, except as conducted by qualified patients and/or the Primary caregiver of the qualified patient, where the quantity transported and the method, timing and distance of the transportation are reasonably related to the medical needs of the qualified patient.
28. Prohibit the cultivation of medical marijuana on-site. If cultivation is permissible, additional conditions will be required.
29. The use of generators on-site is prohibited.
30. No marked company related fleet vehicles with logo and/or business name shall be permitted within the City of Lemon Grove.
31. Loitering and outdoor events shall be prohibited on the subject property.
32. Complaints related to noise and smell shall require professional investigation and analysis and appropriate mitigation.
33. The site shall be well lit, but glare shall be prohibited onto adjacent properties or onto the public right-of-way. All light fixtures shall be maintained and adjusted to reflect light downward, away from any road or street, and away from any adjoining premises. Glare from proposed roof and siding materials and signage shall be considered and designed to minimize impacts onto adjacent properties and the public right-of-way.
34. The building façade shall be well maintained at all times.
35. All graffiti and trash and debris shall be removed daily.
36. Except for designated employees, no persons shall be allowed within the tenant space except during normal business hours.
37. All site Crime Prevention Through Environmental Design (CPTED) recommendations shall be implemented and adhered to all times.
38. Sheriff "No Trespass" authorizations to enter and conduct enforcement on the subject property shall be completed and current at all times (renewed every 30 days).
39. Consumption, sampling, smoking or ingestion of alcohol, tobacco and marijuana products is prohibited on the subject property.
40. All activities associated with the business shall be conducted indoors.
41. Landscape shall be maintained in good condition at all times.

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42. The use of barbed wire or razor ribbon on any fences, gates or walls is prohibited.
43. The hours of operation shall be restricted to 8am to 8pm seven days a week only.
44. All temporary signs are prohibited on-site.
45. A minimum of two employees and one Director is required per facility (three persons total) upon application. Live Scan background check shall be provided to the City prior to employment of all employees or a new Director and prior to commencing operations.
46. A State issued Medical Marijuana Identification Card (MMIC) shall be obtained for each qualified patient, except that qualified caregivers can provide a notarized statement that the "qualified patient is unable to obtain the Medical Marijuana Identification Card (MMIC) in person." Verification shall be provided as a part of annual renewal submittals. A log of all persons entering the facility shall be kept on-site indicating the name, mailing address, phone and MMIC numbers and if product was purchased from the facility.
47. A hazardous materials questionnaire was completed with no hazardous materials indicated. As such, no hazardous materials shall be permitted on-site except standard cleaning supplies at acceptable levels.
48. The site plan shows no outdoor storage of equipment, materials or fleet vehicles. As such, all outdoor storage is prohibited (e.g., equipment, materials and fleet vehicles).
49. The sale of alcoholic beverages, tobacco and tobacco products, and drug and tobacco paraphernalia is prohibited.
50. Dispensing medical marijuana to an individual qualified patient or primary caregiver more than once a day is prohibited;
51. Dispensaries shall only dispense medical marijuana to an individual qualified patient or primary caregiver who has a valid, verified licensed physician's recommendation, and if appropriate, a valid primary caregiver designation. The dispensary shall verify that the licensed physician's recommendation is current and valid;
52. On-site evaluation by a licensed physician for the purposes of obtaining a qualified status is prohibited;
53. Dispensaries shall maintain on the premises an on-site training curriculum capable of meeting employee, agents and volunteer training needs. The minimum training curriculum shall include professional conduct, ethics, and state and federal laws regarding patient confidentiality; specific procedural instructions for responding to an emergency, including robbery or violent incident. Dispensaries shall implement procedures as outlined in their approved operations manual. Dispensaries shall display the client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the dispensary. The client rules and/or regulations shall include, but are not limited to:
 - a. Each building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming medical marijuana on the premises or in the vicinity of the dispensary is prohibited unless specifically authorized within the governing conditional use permit.
 - b. The building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen are precluded from entering the premises.

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54. All signage for dispensaries shall require a sign permit from the city prior to installation. Signage shall not include any terminology (including slang) or symbols for marijuana.
55. Dispensaries shall maintain twenty-four-hour recorded video surveillance of the premises. Recordings shall be retained for 45 days for inspection by city staff. City staff must provide valid cause for viewing video surveillance. City staff must ensure that patient privacy is safeguarded. Video surveillance will not be shared with law enforcement except when formally requested as part of a law enforcement investigation directly involving the dispensary. On-site cameras shall be maintained and shall be tamper proof
56. All cultivation, manufacturing and distributor sources shall maintain a State license.
57. Cooking and processing of food or marijuana products is prohibited.
58. The use of vending machines is prohibited on-site. A vending machine is any device which allows access to medical marijuana without a human intermediary.
59. All temporary uses in accordance with Section 17.29.040 shall be prohibited on-site.
60. Food trucks and catering shall be prohibited on-site. Food and beverage and/or charitable offerings or solicitations to patrons shall be prohibited on-site.
61. Recreational activities and games of chance shall be prohibited on-site.
62. Prior to operation and annually thereafter, a record of Sheriff and Fire service calls shall be provided to the City of Lemon Grove for assessment.
63. The uniformed security guard on duty shall have an issued Private Patrol Operator # and a valid Department of Consumer Affairs "Security Guard Card" on their possession at all times. A copy of the security guard contract shall be reviewed and approved by the Sheriff's Department. The Security Guard uniform shall be approved by the Bureau of Security and Investigative Services (BSIS).
64. No persons under the age of eighteen are allowed at, in or at a MMD facility, unless such individual is a qualified patient and accompanied by their licensed attending physician, parent or documented legal guardian.
65. Low plant materials in the front yard setback shall be no greater than 18 inches in height and tree canopies shall be maintained greater than eight feet high.
66. All cannabis products shall be tracked, tested, sealed and labeled at a minimum by State Medical Cannabis Regulation Act and as it may be amended.
67. All records related to cannabis activity shall be maintained a minimum of seven years.
68. Vehicular gates shall remain open during operating hours, except for secured loading areas.
69. AB 52 resulted in a consultation with the Viejas Band of Kumeyaay Indians, "Viejas". As a result, Viejas requested that a Kumeyaay Cultural Monitor be on site for ground disturbing activities. This include pavement cuts and soil remediation and any demolitions removing foundations.
70. All activities involving the transportation of marijuana for a dispensary shall comply with California State Regulations, restrictions and guidelines, as enumerated in

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Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.

71. The doors and windows shall remain closed and the air conditioning system utilized during hours of operation to reduce noise and odor impacts in the surrounding neighborhood.
 72. The project shall conform to all performance standards of Municipal Code Section 17.24.080.
 73. Vehicular sight distance of all driveway entrances shall be to the satisfaction of the City Engineer.
 74. Proper drainage shall be maintained throughout this property so as to prevent ponding and/or storage of surface water.
 75. This project approval does not include signage and sign permits shall be obtained prior to installation. All signs shall conform to the Municipal Code Section 18.12.
 76. Clear and well lit addresses shall be provided on-site. Addresses contained within the subject properties shall be visible from the public street in all directions.
 77. Damaged paving shall be repaired and parking area striped consistent with LGMC Section 17.24.010.
 78. A CUP modification is required prior to transfer of ownership or change in business name.
 79. Each violation on the subject property shall be deemed a separate offense subject to daily administrative citations and fines to both the property and the business owners for each violation in accordance with LGMC Chapter 1.24. Violations of this conditional use permit may result in the noticing of a public hearing for consideration by the City Council to revoke the conditional use permit in accordance with LGMC Title 17. If considered for revocation, the City Council shall consider the impact of the violation(s) on public health and safety and the Permit Holder's ability and willingness to rectify the violation in a timely manner to minimize the impact on public health and safety.
- D. The terms and conditions of the Conditional Use Permit shall be binding upon the permittee and all persons, firms, and corporations having an interest in the property subject to this Conditional Use Permit and the heirs, executors, administrators, successors, and assigns of each of them, including municipal corporations, public agencies, and districts.
- E. This Conditional Use Permit expires June 19, 2019 (or such longer period as may be approved by the City Council of the City of Lemon Grove prior to said expiration date) unless all requirements of this Conditional Use Permit have been met prior to said expiration date.

Notice of Intent to Adopt a Mitigated Negative Declaration

To: ___ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Public Agency) CITY OF LEMON GROVE
Development Services Dept.
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3805

X County Clerk
County of San Diego
P.O. Box 1750
1600 Pacific Highway, Room 260
San Diego, CA 92101

SUBJECT: Filing of Notice of Intention to Adopt a Mitigated Negative Declaration in compliance with Section 15072 of the California Code of Regulations Title 14, Chapter 3. Conditional Use Permit CUP-170-0001, ND18-02.

On Tuesday, June 19, 2018 at 6:00 PM, the City of Lemon Grove will hold a public hearing in the City of Lemon Grove Community Center at 3146 School Lane, Lemon Grove, CA 91945, to consider a request for a Conditional Use Permit to authorize a medical marijuana dispensary on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into sales and display and security rooms in a 14,300 sf building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices. 7,700 sf of warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements, street improvements, utility undergrounding, and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The project proponents request modifications of the Municipal Code regulations as follows: 1) modifications and waivers to street improvement and utility undergrounding requirements, and 2) modifications and waivers to site landscape, maintenance and weed remediation including areas within the Tributary to Chollas Creek. The closest sidewalk connection is approximately 1,700 feet to the east. No site grading is proposed except for pavement removal and replacement with landscape. The subject property is within the Light Industrial (LI) zone. It is located at 6470 Federal Blvd., Lemon Grove, CA 91945 (APN: 478-190-20-00). Staff assigned: David De Vries.

A Draft Mitigated Negative Declaration has been prepared by the City of Lemon Grove Development Services Department.

The following determinations have been made regarding the above described project:

1. The project will not have a significant effect on the environment.
2. A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures are proposed to be implemented as part of the project.
4. The project is not a designated hazardous waste facility, hazardous waste property or hazardous waste disposal site as specified under Section 65962.5 of the Government Code.

The draft Mitigated Negative Declaration, Initial Study, and supporting documents may be reviewed, or purchased for the cost of reproduction, at the Development Services Department, 3232 Main Street, Lemon Grove, CA 91945.

For information regarding this project, contact David De Vries, Development Services Director, at (619) 825-3812.

Written comments regarding the adequacy of this Draft Mitigated Negative Declaration must be received by the Development Services Department at the above address by June 14, 2018.

A final environmental report incorporating public input will then be prepared by the decision making authorities.



Signature (David De Vries, City of Lemon Grove)

May 24, 2018

Date

Development Services Director

Title

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**INITIAL STUDY / ENVIRONMENTAL CHECKLIST
ENVIRONMENTAL ASSESSMENT NO. ND18-02
FOR CONDITIONAL USE PERMIT CUP-170-0001
LOCATED AT 6470 FEDERAL BLVD.
APN: 478-190-20-00
LEMON GROVE, CALIFORNIA**

Prepared by:

Lemon Grove Planning Division Staff
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3812

May 24, 2018

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City of Lemon Grove Initial Study / Environmental Checklist

This Initial Study / Environmental Checklist has been prepared pursuant to the California Environmental Quality Act (CEQA) [Public Resources Code §21000, et seq.] and the 2016 State CEQA Guidelines [California Code of Regulations §15000, et seq.]. This Initial Study / Environmental Checklist determines that the project will result in no impacts or less than significant impacts (with mitigation) on the environmental resources and issues evaluated herein, and hence would not have a significant impact on the environment.

This document is being made available for a 20-day public review comment period, beginning May 24, 2018 and ending June 14, 2018. Comments regarding this Initial Study/ Environmental Checklist must be made in writing to: David De Vries, Development Services Director, City of Lemon Grove, 3232 Main Street, Lemon Grove, California 91945. Comments must be received by 5:00 P.M. on the last day of the public review period.

- | | |
|--|--|
| 1. Project Title: | The Grove MMD
CUP-170-0001, ND18-02 |
| 2. Lead Agency Name and Address: | City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945 |
| 3. Contact Person and Phone Number: | David De Vries
Development Services Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3812 |
| 4. Project Location and APN: | 6470 Federal Blvd.
Lemon Grove, CA 91945

APN: 478-190-20-00 |
| 5. Project Applicant: | Sean McDermott
8141 Center Street
La Mesa, CA 91942 |
| 6. General Plan Designation: | Industrial |
| 7. Zoning Designation: | Light Industrial (LI) |
| 8. Project Description: | The project site is a rectangularly shaped lot with an existing industrial warehouse and office building located north side of Federal Blvd. The proposed project is a |

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request for a Conditional Use Permit to authorize a medical marijuana dispensary on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into sales and display and security rooms in a 14,300 sf building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices. 7,700 sf of warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements, street improvements, utility undergrounding, and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The project proponents request modifications of the Municipal Code regulations as follows: 1) modifications and waivers to street improvement and utility undergrounding requirements, and 2) modifications and waivers to site landscape, maintenance and weed remediation including areas within the Tributary to Chollas Creek. The closest sidewalk connection is approximately 1,700 feet to the east. No site grading is proposed except for pavement removal and replacement with landscape.

9. Setting and Surrounding Land Uses:

The project site is in a developed urban industrial area. It is a rectangular shaped lot located north of Federal Blvd, 1,000 feet west of San Miguel Ave., 625 feet east of MacArthur Drive and directly south of State Route 94 at the bottom of the 2:1 slope supporting the freeway improvements. Single-family residences are directly south of the project on approximately 60 feet higher on top of a slope. Industrial land uses are to the east and west. The City of San Diego community of College Grove is immediately north beyond State Route 94.

10. Approvals Required:

Conditional Use Permit CUP-170-0001.

11. Other public agencies whose approvals are required (e.g., permits, financing approval, or participation agreement):

None known.

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ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

Based upon the initial evaluation presented in the following Initial Study / Environmental Checklist, it is concluded that the Project **would** result in the following potentially significant adverse environmental impacts to the following resource areas:

- | | |
|--|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Land Use and Planning |
| <input type="checkbox"/> Agriculture & Forestry Resources | <input type="checkbox"/> Mineral Resources |
| <input checked="" type="checkbox"/> Air Quality | <input checked="" type="checkbox"/> Noise |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Population and Housing |
| <input checked="" type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Public Services |
| <input type="checkbox"/> Geology and Soils | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Greenhouse Gas Emissions | <input checked="" type="checkbox"/> Transportation / Traffic |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Hydrology and Water Quality | <input checked="" type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION:

On the basis of this initial evaluation: (To be completed by the Lead Agency)

- I find that the project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
-
- I find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (a) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (b) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT (EIR) is required, but it must analyze only the effects that remain to be addressed.
- I find that although the project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or (MITIGATED) NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or (MITIGATED) NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.



David De Vries, Development Services Director

5-24-18

Date

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EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur then, the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
4. "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses", as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or (mitigated) negative declaration pursuant to Section 15063(c)(3)(D) of the CEQA Guidelines. In this case, a brief discussion should identify the following:
 - a. Earlier Analysis Used. Identify and state where they are available for review.
 - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c. Mitigation Measures. For effects that are "Less Than Significant With Mitigation Measures Incorporated", describe the mitigation measures that were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances).

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Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a. The significance criteria or threshold, if any, used to evaluate each question; and
 - b. The mitigation measure identified, if any, to reduce the impact to less than significant.

Impact Terminology

The following terminology is used to describe the potential level of significance of impacts:

- A finding of ***no impact*** is appropriate if the analysis concludes that the project would not affect the particular resource in any way.
- An impact is considered a ***less than significant impact*** if the analysis concludes that it would not cause substantial adverse change to the environment and requires no mitigation.
- An impact is considered ***less than significant with mitigation incorporated*** if the analysis concludes that it would not cause substantial adverse change to the environment with the inclusion of environmental commitments that have been agreed to by the applicant.
- An impact is considered a ***potentially significant impact*** if the analysis concludes that it could have a substantial adverse effect on the environment and requires mitigation.

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I. AESTHETICS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a-c: No Impact. The project site is not located within or near a designated scenic vista or a State Scenic highway and no scenic resources or historic buildings exist on-site.

d: Less than Significant. The site is located in a developed urbanized area. New landscape and trees are proposed on-site and along Federal Blvd where currently no landscape exists. Tributary to Chollas Creek Remediation will be conducted under a separate permit. Night time lighting of the exterior site area and from proposed signage will occur as a result of this project. Glare onto adjacent public rights-of-ways is required to be reduced to a level of no impacts.

Source: 1, 2, 3, 4, 6

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II. AGRICULTURAL AND FOREST RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use, or a Williamson Act Contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-e: No Impact. The project site is located in an existing urbanized area with no agricultural or forest resources within the vicinity. The site was previously developed as a warehouse and office structure, and no agricultural or forestry uses are located on-site. The project site is not zoned for agricultural or forestry purposes; nor is there a Williamson

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Act Contract associated with the site or vicinity. Therefore, the project would not convert important farmland, conflict with agricultural zoning, or otherwise cause the conversion of farmland or forest land to non-agricultural/non-forest use. The project would have no agricultural resource impact.

Source: 1, 2, 3, 4, 12

III. AIR QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

c, d: No Impact. As a part of this project, there are no sensitive receptors proposed and there is no cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard.

a, b, e: Less Than Significant Impact with Mitigation Incorporated. No significant impact on air resources is likely to occur. While the proposed project will result in an

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increase in vehicular traffic and a slight increase in air quality impacts to the region, the Master Environmental Impact Report (MEIR) for the City of Lemon Grove's General Plan anticipates vehicular air quality impacts associated with the build out of Lemon Grove but not to a level of significance. The cumulative air quality impacts of buildout of the Lemon Grove General Plan will remain significant and unmitigated. However, this project is not likely to result in a cumulatively considerable net increase of any criteria pollutant. In conformance with the General Plan MEIR, all existing buildings must be tested for asbestos prior to demolition and all necessary treatment implemented if identified. Standard conditions of project approval will require the control of dust during site grading and construction. During construction, diesel equipment may generate some nuisance odors; however, due to best management practice requirements to control dust and odors, odors associated with project construction would not be significant. As a medical marijuana dispensary, all product will be prepackaged upon arrival and remain packaged through the point of sale. An HVAC system with carbon filters is also proposed to reduce odors emitted to adjacent properties. As a result, the project would not generate objectionable odors. Therefore, odor impacts would be less than significant.

Section 15125(d) of the CEQA Guidelines contains specific reference to the need to evaluate any inconsistencies between the proposed project and the applicable air quality management plan, i.e., the San Diego Regional Air Quality Strategy (RAQS). Included in the RAQS are transportation control measures (TCMs). The RAQS and TCM set forth the steps needed to accomplish attainment of state and federal ambient air quality standards. The primary concern for assessing impacts on the RAQS is whether the project is consistent with the growth assumptions used to develop the plan.

San Diego Air Pollution Control District (SDAPCD) relies on land use designations contained in local general plan documents and the San Diego Association of Governments (SANDAG) regional transportation plans to prepare air quality plans. SDAPCD refers to approved general plans to forecast, inventory, and allocate regional emissions from land use and development-related sources. These emissions budgets are used in statewide air quality attainment planning efforts. As such, a project is inherently consistent if it proposes development in conformance with a given General Plan land use designation. Projects that propose development that is greater than anticipated in the growth projections warrant further analysis to determine consistency with RAQS and the State Implementation Plan (SIP). As such, to reduce air quality and greenhouse gas impacts resulting from increased traffic, the site proposes greenhouse gas reduction measures including the removal of pavement and adding nine percent landscape on the site with 11 new trees and proposes new pedestrian paths from the street to the front entrance and along Federal Blvd. including new curb, gutter and sidewalk along Federal Blvd. Bicycle parking is also a part. Absent these mitigations, an air quality and greenhouse gas emissions analysis with appropriate mitigation shall be required prior building permit issuance to ensure impacts to air quality and greenhouse gas emissions as it relates to increased traffic on the site are appropriately mitigated. This will result in the site likely being required to install solar panels to power the facility. Factors shall include increased traffic above what is anticipated in the general plan and above the current use of the facility as warehouse and office.

Source: 1, 2, 3, 4, 7, 9, 11, 14, 15, 16

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IV. BIOLOGICAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have substantial adverse effects, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-d: Less Than Significant Impact: The site is located in a developed urbanized area. New landscape and trees are proposed on-site and along Federal Blvd where currently pavement exists (no landscape exists). Maintenance and remediation within the Tributary to Chollas Creek for weed abatement and appropriate drainage located in the rear portion of the property is required or, in-lieu of immediate remediation on-site, payment of fair share of costs for design and improvements for remediation along the entire Federal Blvd corridor or the southerly or northerly portions with scope and location determined by the Development Services Director is required. Potential sensitive plant communities or habitats in the Tributary to Chollas Creek may be prevalent. The Tributary to Chollas Creek remediation will be conducted under a separate City permit and impacts will be analyzed as a part. Prior to remediation on-site, the applicant shall prepare a biological resources assessment and a hydrology study by licensed professionals denoting the location, methods and recommended mitigation for removing invasive plant materials and an analysis of drainage flows and remediation for appropriate drainage. Include an assessment of sensitive plant and raptor species (including migratory birds) with appropriate mitigation to ensure no impacts. Appropriate State agency (include Department of Fish and Wildlife, Caltrans, State Water Quality Control Board and Army Corps of Engineers) notifications, permitting and mitigations shall be required as applicable. The portion of the tributary/drainage channel within the property shall be cleared of trash, debris and invasive plant materials. Clearing of the tributary/drainage channel shall be such that it promotes free and efficient flow of waters with no obvious impediments. Installation of native plant materials and slope stabilization may be required as recommended a licensed geotechnical engineer and biologist. A landscape permit shall be required and shall be considered a separate project for CEQA purposes. All local, State and Federal permits necessary to perform this work shall be obtained by the applicant/owner. Applicant/owner shall enter into an agreement with the City of Lemon Grove to maintain the portion of the tributary/drainage channel.

e-f: No Impact. The subject site is located in a developed urban area. The site only supports Developed and Disturbed habitat due to the historical development activities.

The MEIR for the City of Lemon Grove's General Plan conveys there are no known sensitive biological resources, riparian habitat, or wetlands on the subject property.

Source: 1, 2, 3, 4, 5, 13

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V. CULTURAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Cause a substantial adverse change in the significance of an historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Disturb human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Cause a substantial adverse change in the significance of a Tribal Cultural Resource as defined in Public Resources Code, Section 21074 as either: 1) a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, that is listed or eligible for listing on the California Register of Historical Resources, or on a local register of historical resources as defined in Public Resources Code section 5020.1(k), or 2) a resource determined by a lead agency, in its discretion and supported by substantial evidence, to be significant according to the historical register criteria in Public Resources Code section 5024.1 (c), and considering the	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
significance of the resource to a California Native American tribe.				

Explanation of Checklist:

a-d: No Impact

Neither the project site nor its contents are listed in any historical register, identified in historical surveys or are determined to be of particular historical import. There are no known cultural resources located on the property. There are no known human remains or those interred outside of formal cemeteries on the subject property or in the surrounding area. No geotechnical investigation was conducted since the project only proposes surface improvements.

e: Less than Significant Impact with Mitigation.

A Sacred Lands File (SFL) check was conducted for the project through the Native American Heritage Commission (NAHC) and resulted in no findings of Sacred Lands. Tribal consultation requests may result in consultation and tribal representation during any ground disturbing activities. As such, in order to mitigate any impacts that ground disturbing activities may cause: 1) A tribal representative may be required to be present at the pre-grading or pre-ground disturbing activities meetings to consult with the contractors. 2) A tribal representative may be required to be present at all times during the original cutting of previously undisturbed sediments. 3) The tribal representative shall be allowed to temporarily direct, divert or halt grading or ground disturbing activities to allow recovery of fossil and artifact remains. 4) Prior to final inspection a report shall be prepared summarizing the results of the mitigation program and the coordination efforts with the tribal representative and submitted to the City of Lemon Grove Development Services Director. This report will include a discussion of methods employed, fossils and artifacts recovered, geologic context of fossil and artifact remains and the significance of the mitigation program. With implementation of the mitigation measures specified above, potential impacts to cultural resources would be less than significant.

Source: 1, 2, 3, 4

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VI. GEOLOGY AND SOILS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-d: Less than Significant Impact. The site is located within the seismically active southern California region. The Rose Canyon Fault Zone is the nearest active fault system to the project site and lies approximately 8.8 miles to the west. No geotechnical evaluation was conducted because ground disturbance only includes pavement removal and minor grading for soil treatments for new trees and landscape and new base pavement materials. Given the proximity of the Rose Canyon fault system, a strong earthquake on this fault could produce severe ground shaking at the project site, but would be unlikely to produce ground rupture. Despite the potential of the Rose Canyon fault system to produce severe ground shaking at the project site, impacts to the project would be reduced through adherence to requirements specified in the Alquist-Priolo Act, the Uniform Building Code, Title 24 of the California Building Code, and all development regulations of the City. Compliance with these building standards would minimize impacts associated with seismic hazards.

e: No Impact. The project would be served by the City's wastewater system and would not require the use of septic systems. No impact related to septic system soil issues would occur.

Source: 1, 2, 3, 4, 8

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VII. GREENHOUSE GAS EMISSIONS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a. Less Than Significant with Mitigation Incorporated.

To reduce air quality and greenhouse gas impacts resulting from increased traffic, the site proposes greenhouse gas reduction measures including the removal of pavement and adding nine percent landscape on the site with 11 new trees and proposes new pedestrian paths from the street to the front entrance and along Federal Blvd. including new curb, gutter and sidewalk along Federal Blvd. Bicycle parking is also a part. Absent these mitigations, an air quality and greenhouse gas emissions analysis with appropriate mitigation shall be required prior building permit issuance to ensure impacts to air quality and greenhouse gas emissions as it relates to increased traffic on the site are appropriately mitigated. This will result in the site likely being required to install solar panels to power the facility. Factors shall include increased traffic above what is anticipated in the general plan and above the current use of the facility as warehouse and office.

During project construction, a temporary increase in operational emissions may occur. Operational emissions include mobile source emissions and building emissions. The San Diego Air Pollution Control District Rule 55 requires compliance with standard fugitive dust control best management practices which will be required as a part of normal practices.

b: Less Than Significant Impact.

The proposed project is below the threshold of significance established by the Californian Air Pollution Control Officers Association (CAPCOA) for greenhouse gas emissions. According to the CAPCOA White Paper published in January 2008, it is presumed that the construction and operational greenhouse gas emissions for retail

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projects of less than 11,000 square feet would not exceed 900 metric tons of CO₂-equivalent emissions per year, and would therefore have a less-than-cumulatively considerable impact to the environment. Pursuant to California Assembly Bill 32, the State must reduce greenhouse gas emissions by at least 16% in order to roll back the level of emissions for the year 2020 to those levels that existed in 1990. CAPCOA has determined that any project which generates less than 900 metric tons of CO₂-equivalent emissions per year is below the level necessary to achieve the 16% reduction in anticipated state-wide emissions for the year 2020 under the "business as usual" scenario. Therefore, the impact is less than significant.

Source: 1, 2, 3, 4, 7, 9, 11, 14, 15, 16

VIII. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Create a significant hazard to the public or the environment through routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a–h: No Impact. The project will not create a hazardous environment through the use or transport of hazardous materials. There are no known hazardous material sites within the City. The site is not located within an airport land use plan or within two miles of a public airport or public use airport and no such detriment should occur. The proposed project will not impair implementation of or physically interfere with any emergency response plan or evacuation plan because the project design and access has been reviewed and approved by the Fire Department. The project is located within an urbanized area and there are no wildlands located within the vicinity of the subject property. A contaminated underground storage tank case was closed in 1989. The Department of Environmental Health was notified of the proposed project in March 2018 and they determined no action is required based on the proposed commercial use and that the site will be staying as commercial use and that there will be no major soil removal so there will be no soil management

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issues. The applicant completed a Hazardous Materials Management Plan Questionnaire by Heartland Fire & Rescue on August 11, 2017 and noted no on the 16 categories related to indoor storage of hazardous materials.

Source: 1, 2, 3, 4, 10

IX. HYDROLOGY AND WATER QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Contribute to inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

c-f: Less than Significant Impact. The project does not substantially degrade groundwater supplies or interfere substantially with groundwater recharge. Existing drainage patterns are unaltered or will be directed along Federal Blvd as a result of street improvements. Some storm water will be captured in proposed landscape islands. Drainage patterns may be altered as a result of the project, but not to a level of significance.

a-b, g-j: No Impact. The project site is located within an area prone to flooding. According to Flood Insurance Rate Maps prepared by the Federal Emergency Management Agency, the subject site is located within Zone "A" subject to inundation by the one percent annual chance flood event. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply. The project site is located approximately 9.5 miles from the nearest shoreline of the Pacific Ocean at an

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elevation of 379 feet above sea level. As such there is no threat to the site from seiche, tsunami, or mudflow.

Source: 1, 2, 3, 4, 5, 8, 13

X. LAND USE AND PLANNING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a, c: No Impact. The project will not divide the community. There are no habitat conservation plans in effect within the vicinity of the project.

b: Less Than Significant Impact. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report, however, only impacts associated traffic, air quality and greenhouse gas emissions are not accounted for in the General Plan and appropriate mitigation is provided herein.

Source: 1, 2, 3, 4, 16

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XI. MINERAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-b: No Impact. There are no known mineral resources of significance or categorized as locally important on the project site or within the City. As a result, there would be no impact to mineral resources associated with implementation of the project.

Source: 1, 2, 4

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XII. NOISE

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Expose persons to or generate excessive ground borne vibration or ground borne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a: Less Than Significant Impact with Mitigation. The proposed project, which is retail in nature, will not introduce significant noise sources in the vicinity that are inconsistent

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with the existing industrial development of the area. However, State Route 94 is a noise source within close proximity of the project. Figure N-2 in the 1996 General Plan indicates that the subject property is within an area encompassing 75 dB CNEL noise levels or less. The General Plan states that commercial and office building projects with existing noise levels below 75 dB CNEL are conditionally acceptable and require closed windows and fresh air supply systems or air conditioning. An HVAC system with carbon filters is proposed and required to provide appropriate noise mitigation for interior noise levels. No additional sound attenuating noise controls are required as mitigation. Conformance with the City's Noise Abatement and Control ordinance (Chapter 9.24 of the Lemon Grove Municipal Code) is required for operation of any single or combination of powered construction equipment at any construction site.

b: Less than Significant Impact. The proposed project which is commercial in nature will not expose persons to, or generate, excessive ground borne vibration or ground borne noise levels. Construction activities may create minor ground borne vibrations during the construction process, but any such vibrations would be temporary in nature and less than significant.

c-d: Less than Significant Impact. The proposed project which is commercial in nature will not introduce significant noise sources in the vicinity that are inconsistent with the existing industrial development of the area.

e-f: No Impact. The project site is not within an airport land use plan, is more than six miles from the nearest airport, and more than nine miles from the nearest private air strip.

Source: 1, 2, 3, 4

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XIII. POPULATION AND HOUSING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-c No Impact. No new housing, housing proposed for demolition or displacement of housing is proposed as a part of the project.

Source: 1, 2, 3, 4

XIV. PUBLIC SERVICES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered				

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i. Fire protection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Police protection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv. Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
v. Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a(i-ii): Less Than Significant Impact with Mitigation Incorporated. Police protection is provided by the San Diego County Sheriff's office in Lemon Grove. In addition, the project site is served by Heartland Fire & Rescue, a joint powers authority delivering fire protection and emergency medical services to the cities of El Cajon, Lemon Grove, and La Mesa. Based on historical evidence with marijuana dispensaries, the project may create increased fire and police calls for service resulting from the proposed marijuana cash-based business. The following conditions are required to reduce risks of calls for service:

1. Maintain site conditions as proposed.
2. Comply with appropriate building and fire codes.
3. Comply with conditions of approval referenced in the Municipal Code including Measure V (Chapter 17.32).
4. Comply with inspection and reporting requirements to ensure continued compliance.
5. Other conditions as determined by the Fire Marshal and Sheriff Division Lieutenant.

a(iii-v): Less Than Significant Impact. The project is located in an urbanized community well served with sewer and water lines, streets, storm drains and other public utilities.

The proposed project will not result in a significant increase in the demand for public services and facilities. San Diego Gas & Electric, EDCO disposal service, Helix Water

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District, and the Lemon Grove Sanitation District have reviewed the proposed project and determined that existing services are adequate to serve the proposed project.

Source: 1, 2, 3, 4

XV. RECREATION

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a–b: No Impact. The proposed project will not create a significant increase in the demand on recreational services in the community. New commercial uses do not typically warrant a demand for park land and recreational services.

Source: 1, 2, 3, 4

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XVI. TRANSPORTATION / TRAFFIC

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a, e, f: Less Than Significant Impact.

The traffic study estimates that the project will increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily vehicle trips as shown in the April 11, 2018 traffic analysis with excerpt below (an increase in traffic volumes almost six times the current use). The access analysis indicates good LOS B/C operations at the access points. No access related changes along Federal Blvd. are deemed necessary. On-site pavement markings and signage are required as recommended in the traffic study. Utility undergrounding and street improvements including pedestrian sidewalks is required to be consistent with the General Plan Mobility Element Circulation Plan for Federal Blvd. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. These regulations establish development standards and conditions through which uses may be located in this zone. The MEIR for the General Plan did not account for retail uses in Industrial zones. All uses shall be subject to the applicable regulations of Title 17 including street improvement requirements for discretionary permits. Failure to provide street improvements will result in a conflict with the General Plan Circulation Plan.

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TABLE 2
 TRIP GENERATION SUMMARY

Description	Quantity	Daily Volumes		AM Peak Hour				PM Peak Hour					
		Rate	Volume	Rate	Split	In	Out	Total	Rate	Split	In	Out	Total
Mariposa Dispensary *	6,600 SF		380			11	3	14			19	19	38
Warehousing ¹	7,708 SF	5 /KSF	39	15%	20% : 30%	4	1	5	15%	40% : 60%	2	4	6
Total Project	14,308 SF		419			15	4	19			21	23	44

Footnote:

- * AM Peak Hour is based on Greater San Joaquin traffic study and PM Peak Hour is based on Greater San Joaquin traffic study. Daily trips calculated based on daily trip length 10 hours for PM peak hour.
- ¹ Estimated weekly vehicle trip generation rate for warehousing per 10,000 sq ft based on California Traffic Circulation Data Analysis for Design Region (SAC/DAG-1992).

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The project is estimated to generate an additional 419 vehicle trips per day. Based on the San Diego Traffic Engineers' Council (SANTEC) and the Institute of Transportation Engineers (ITE) document *SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region*, a Traffic Impact Study is not required because the project's trip generation is calculated to be less than 1,000 ADT and less than 100 peak hour trips. Additionally, the Trip Generation Analysis determined that the ADT and number of peak hour trips generated by the proposed project does not trigger Caltrans' threshold for a requirement to analyze State highway facilities.

The Fire Department and Engineering Department have determined that access is adequate for emergency vehicles. The proposed project meets the City's parking requirements. The project as designed complies with standard street design requirements. The subject property is not located within the vicinity of a private airstrip or public airport.

Police protection is provided by the San Diego County Sheriff's office in Lemon Grove. In addition, the project site is served by Heartland Fire & Rescue, a joint powers authority delivering fire protection and emergency medical services to the cities of El Cajon, Lemon Grove, and La Mesa. Based on historical evidence with marijuana dispensaries, the project may create increased fire and police calls for service resulting from the proposed marijuana cash-based business. The following conditions are required to reduce risks of calls for service:

1. Maintain site conditions as proposed.
2. Comply with appropriate building and fire codes.
3. Comply with conditions of approval referenced in the Municipal Code including Measure V (Chapter 17.32).
4. Comply with inspection and reporting requirements to ensure continued compliance.
5. Other conditions as determined by the Fire Marshal and Sheriff Division Lieutenant.

b-d: No Impact. The project will not conflict with an applicable congestion management program, result in a change in air traffic patterns, or increase hazards due to design features.

Source: 1, 2, 3, 4, 11, 14, 15, 16

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XVII. UTILITIES AND SERVICE SYSTEMS

Would the project

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Comply with federal, state, and local statutes and regulation related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a-g: Less than Significant Impact.

Increases in solid waste and water supply is anticipated as a result of the change from an office warehousing use to an office, warehousing and retail use.

The subject property is served by the City of Lemon Grove Sanitation District. The proposed project will not result in a substantial increase in the demand for sanitary services.

The proposed project will not result in a significant increase in demand for domestic water supplies.

The proposed project will not result in a substantial increase in the generation of solid waste. The project will be required to comply with all federal, state, and local statutes and regulations regarding solid waste. Impacts to utilities and service systems are expected to be less than significant.

Source: 1, 2, 3, 4

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XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

Does the project

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a: Less Than Significant Impact with Mitigation. Maintenance and remediation within the Tributary to Chollas Creek for weed abatement and appropriate drainage located in the rear portion of the property is required or, in-lieu of immediate remediation on-site, payment of fair share of costs for design and improvements for remediation along the

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entire Federal Blvd corridor or the southerly or northerly portions with scope and location determined by the Development Services Director is required. Potential sensitive plant communities or habitats in the Tributary to Chollas Creek may be prevalent. The Tributary to Chollas Creek remediation will be conducted under a separate City permit and impacts will be analyzed as a part. Prior to remediation on-site, the applicant shall prepare a biological resources assessment and a hydrology study by licensed professionals denoting the location, methods and recommended mitigation for removing invasive plant materials and an analysis of drainage flows and remediation for appropriate drainage. Include an assessment of sensitive plant and raptor species (including migratory birds) with appropriate mitigation to ensure no impacts. Appropriate State agency (include Department of Fish and Wildlife, Caltrans, State Water Quality Control Board and Army Corps of Engineers) notifications, permitting and mitigations shall be required as applicable. The portion of the tributary/drainage channel within the property shall be cleared of trash, debris and invasive plant materials. Clearing of the tributary/drainage channel shall be such that it promotes free and efficient flow of waters with no obvious impediments. Installation of native plant materials and slope stabilization may be required as recommended a licensed geotechnical engineer and biologist. A landscape permit shall be required and shall be considered a separate project for CEQA purposes. All local, State and Federal permits necessary to perform this work shall be obtained by the applicant/owner. Applicant/owner shall enter into an agreement with the City of Lemon Grove to maintain the portion of the tributary/drainage channel.

b, c: Less Than Significant Impact. The project results in increased exposure to and availability of medical marijuana. Associated impacts to human beings are anticipated to be less than significant. Impacts were not addressed in the General Plan MEIR.

XIX. DETERMINATION AND PREPARERS

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FEE DETERMINATION

(Fish and Game Code Section 711.4, Statutes of 2006 – SB 1535)

- It is hereby found that this project involves no potential for any adverse effect, either individual or cumulatively, on wildlife resources and that a "Certificate of Fee Exemption" shall be prepared for this project.
- It is hereby found that this project could potentially impact wildlife, individually or cumulatively, and therefore, fees in accordance with Section 711.4(d) of the Fish and Game Code shall be paid to the County Clerk.

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XX. REFERENCES

Section 15150 of the State CEQA Guidelines permits an environmental document to incorporate by reference other documents that provide relevant data. The documents listed below are hereby incorporated by reference. The pertinent material is summarized throughout this Initial Study / Environmental Checklist where that information is relevant to the analysis of impacts of the project. The following references were used in the preparation of this Initial Study / Environmental Checklist and are available for review at the City Hall located at 3232 Main Street, in Lemon Grove.

<u>Reference #</u>	<u>Document Title</u>
1.	City of Lemon Grove General Plan
2.	Master Environmental Impact Report for the Lemon Grove General Plan
3.	City of Lemon Grove Municipal Code
4.	CUP-170-0001 Application Packet
5.	Hydrology Study for The Grove MMD, by BWE (January 2018)
6.	Caltrans Scenic Highway website: http://www.dot.ca.gov/hq/LandArch/16_livability/scenic_highways/
7.	San Diego Air Pollution Control District's Regional Air Quality Standards (RAQS) available at: http://www.sdapcd.org/content/sdc/apcd/en/air-quality-planning.html
8.	Department of Conservation's Alquist-Priolo Earthquake Fault Zoning Map available at: http://www.conservation.ca.gov/cgs/rghm/ap
9.	CAPCOA White Paper, published January 2008.
10.	California Environmental Protection Agency Cortese List Data Resources available at: http://www.calepa.ca.gov/sitecleanup/corteselist/
11.	SANDAG Brief Guide of Vehicular Traffic Generation Rates available at: http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf
12.	Department of Conservation, Farmland Mapping and Monitoring Program website: http://www.conservation.ca.gov/dlrp/fmmp
13.	FEMA Flood Insurance Rate Map Panel No. 06073C1910G May 16, 2012
14.	SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region
15.	Caltrans Guide for the Preparation of Traffic Impact Studies
16.	Transportation Letter Report by Linscott Law & Greenspan for The Grove MMD (4/11/8)




Individuals and Organizations Consulted

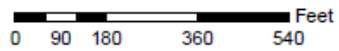
David De Vries, Development Services Director, City of Lemon Grove
Tim Gabrielson, City Engineer, City of Lemon Grove
Jeremiah Harrington, Assistant Engineer, City of Lemon Grove
Chris Jensen, Fire Marshal, Heartland Fire and Rescue
Kurt Culver, President and CEO, Esgil
Arturo Ortuno, Assistant Planner, City of Lemon Grove

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Legend

-  6470 Federal Blvd.
-  LG Parcels
-  Roads



Measure V
An Initiative to Rescind the Prohibition of Marijuana Dispensaries
and Add the Medical Marijuana Regulatory Ordinance to the
Lemon Grove Municipal Code

WHEREAS the California voters approved Proposition 215 in 1996 to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes and to encourage elected officials to implement a plan for the safe and affordable distribution of medicine; and

WHEREAS the California State Legislature adopted Senate Bill 420, the Medical Marijuana Program Act, in 2003 to help clarify and further implement Proposition 215 in part by authorizing patients and *Primary caregivers* to associate within the State of California in order to collectively or cooperatively cultivate cannabis for medical purposes; and

WHEREAS the California State Legislature adopted Assembly Bill 243, Assembly Bill 266, and Senate Bill 643, collectively known as the Medical Marijuana Regulation and Safety Act, in 2015 to establish a statewide regulatory framework and establish the Bureau of Medical Marijuana Regulation for the regulation of *medical marijuana* activity occurring in jurisdictions across California;

The People of the City of Lemon Grove and the City Council of the City of Lemon Grove hereby ordain as follows:

Section 1. Chapter 17.32 (Medical Marijuana Regulatory Ordinance - Land Use) is hereby added to the Lemon Grove Municipal Code to read as shown in Attachment "1" as though fully set forth at this point.

Section 2. Lemon Grove Municipal Code Section 5.04.220 is hereby amended to read as shown in Attachment "2" as though fully set forth at this point. This amendment adds a provision to the Lemon Grove Municipal Code for a business license tax for *Medical Marijuana Dispensaries* permitted under State law and approved under regulatory authority granted by the State to the City. No other business license tax amounts or classifications are amended, raised or adopted by this Ordinance.

Section 3. Severability. If any section, sub-section, sentence, clause, phrase, part, or other portion of this measure, or application thereof, is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the remaining portions or provisions of this measure. It is hereby declared by the people voting for this measure that this measure, and each section, sub-section, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, sub-sections, sentences, clauses, phrases, parts or portions, or the application thereof, are declared invalid or unconstitutional.

Section 4. Conflicting Ballot Measures. This measure is inconsistent with and intended as an alternative to any other initiative or measure placed on the same ballot that addresses the same subject matter as this measure. In the event that this measure and another initiative or measure addressing the same subject matter as this measure, or any part thereof, is approved by a majority of voters as the same election, and this measure receives a greater number of affirmative votes than any other such initiative or measure, then this measure shall prevail and control in its entirety and said other initiative or measure shall be rendered void and without any legal effect.

Section 5. Amendment of this Measure. This measure, except as specified herein, shall only be amended by a subsequent vote of the People. Notwithstanding any other law or provision in this measure, the City Council shall have the right and the ability to amend or modify this measure under the following circumstances:

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- a. After this measure has been in effect in the City of Lemon Grove for a period of three years, the City Council, in its sole and exclusive discretion, determines that regulations, fees, permits or penalties warrant adjustment due to inflation, unreasonable cost burdens to the City or *Dispensaries*, unreasonable regulatory burdens to the City or *Dispensaries*, or that a zoning or regulatory restriction contained in the measure has created any other unnecessary or unanticipated burden to the City or *Dispensaries*;
- b. The City Council, in its sole and exclusive discretion, determines that the regulations, penalties or fees established in this measure no longer conform to the California State regulations for marijuana activity or that the regulations established in this measure fail to conform to the local licensing requirements for marijuana *Dispensaries*, as outlined in Division 8, Chapter 3.5 of the California Business and Professions Code; or
- c. The City Council, in its sole and exclusive discretion, determines that the City or any of its subsidiary agencies, departments or other controlled legal entities will lose or receive reduced funding, including potential funds from grant eligibility, from the state or federal government for implementing and/or enforcing this measure or any related Lemon Grove law or regulation.

Section 6. Administrative Regulations. This measure specifically delegates to the Lemon Grove City Manager the ability to prepare implementing regulations that are consistent with the terms and conditions of this Ordinance and any amendments or modifications thereto. The City Council shall have the ability to review, modify and approve any implementing regulations adopted by the City Manager at its discretion.

Section 7. Implementation Date. No permit application shall be accepted for processing for a period of three (3) months after the effective date of this Ordinance to allow for the City of Lemon Grove to develop implementing policies. No use shall be permitted under this Ordinance during this three-month (3) implementation period.

Section 8. Effective Date. This Ordinance, in order to go into effect, must be approved by a two-thirds vote of the full City Council. Thereafter, this Ordinance shall not take effect unless and until approved by a majority vote of the people at the November 8, 2016, General Election. Upon approval by the people, the ordinance shall take effect in the manner allowed by law and as specified herein.

Measure V Attachment 1 LGMC Chapter 17.32

17.32.010. Purpose.

This Chapter establishes the regulations for the use of *medical marijuana*, to the extent allowed by State Law, in a way that will minimize the impacts on the community and help pay for costs associated with the usage of a controlled substance. This Ordinance does not authorize or permit any conduct not allowed by state law.

17.32.020. Applicability.

- A. The intent of this section is to regulate the cultivation, processing and dispensing of *medical marijuana* in a manner that protects the health, safety and welfare of the community. This section is not intended to interfere with a *qualified patient* or *Primary caregiver's* right to *Medical marijuana*, as provided for in California Health & Safety Code Section 11362, nor criminalize the same.
- B. *Medical marijuana* for personal use shall be in conformance with the standards set forth in this Title.

17.32.030. Release of Liability and Hold Harmless. The owner and permittee of a *Medical Marijuana Dispensary* or cultivation facility shall release the City of Lemon Grove, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of cooperative or collective or cultivation owners, operators, employees, *Primary caregiver* or *Qualified patients* for violation of state or federal laws in a form satisfactory to the Director of Development Services. In addition, the business owner and permittee of each *Medical marijuana* cooperative, collective or cultivation facility shall indemnify and hold harmless the City of Lemon Grove and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by adjacent or nearby property owners or other third parties due to the operations at the cooperative, collective or cultivation facility, and for any claims brought by any of their *Qualified patients* for problems, injuries, damages, or liabilities of any kind that may arise from the distribution, cultivation and/or on- or off-site use of *Medical marijuana* provided at the cooperative, collective or cultivation facility in a form satisfactory to the Director of Development Services.

17.32.040. Application. *Medical marijuana Dispensary* which dispense, process and cultivate medicinal marijuana shall be required to obtain a Conditional Use Permit consistent with 17.28.050 prior to operation. The fact that an applicant possesses other types of state or City permits or Licenses does not exempt the applicant from the requirement of obtaining a Conditional Use Permit to operate a *Medical marijuana Dispensary*.

17.32.050. Definitions. The following words and phrases are italicized throughout this title and shall have the meanings found in this section.

"Director" means a corporate officer, corporate board member, or employee with supervisory responsibilities of an authorized *Dispensary* business that dispenses *medical marijuana*.

"Licensed Physician" means a person educated, clinically experienced, and licensed by the Medical Board of California, or the Osteopathic Medical Board of California to practice medicine.

"Medical Marijuana" means marijuana product used for the treatment of pain and suffering caused by diseases and ailments. *Medical marijuana* does not include recreational use.

"Medical Marijuana Dispensary" (*Dispensary*) means a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, as defined by Section 19300.5 of the California Business and Professions Code.

"Medical Marijuana Identification Card" (*MMIC*) A document provided by the San Diego County *Medical Marijuana Identification Card (MMIC)* Program pursuant to the State Department of Health Services that identifies a *Qualified patient* authorized to engage in the medical use of marijuana and the person's designated *Primary caregiver*, if any as per California Health and Safety Code §11362.7, and as may be amended.

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"Operations Manual" a manual that each *Dispensary* shall develop, implement and maintain on the *Premises* which contains requirements outlined in Section 17.32.090.C.6.

"Person with an Identification Card" means an individual who is a *Qualified patient* who has applied for and received a valid identification card pursuant to this article and the California Health and Safety Code §11362.7, and as may be amended.

"Premises" means a lot, parcel, tract or plot of land, together with the buildings, structures and appurtenances thereon.

"Primary caregiver" means the individual or individuals designated by a *qualified patient* who has consistently assumed responsibility for the housing, health or safety of that *qualified patient*. As used herein, a *Primary caregiver* may only grow, administer, transport, or engage in the activities regulated hereunder on behalf of the *qualified patient* for whom they have consistently assumed responsibility for the housing, health or safety of that *qualified patient*. A *primary caregiver* may engage in other activities as specifically enumerated herein.

"Protected Uses" are for purposes of computing distance separations from any public or private preschools and schools, licensed daycare facilities, any park or playground, alcohol and substance abuse treatment centers.

"Qualified patient" means a person who has obtained a written recommendation or approval from a *licensed physician* to use marijuana for personal medical purposes.

"Regulated uses" are for purposes of computing distance separations for *medical marijuana* Cooperative or Collective businesses (with or without accessory cultivation uses) but excluding individual residential cultivation sites operated by *qualified patients* or *primary caregiver* and located solely in Single Family Residential Zones.

17.32.060. General Provisions

The following information must be submitted with an application to request *medical marijuana* use in conformance to this section and the City of Lemon Grove. All documents which relate to the general provisions and the requirements listed in the submittal requirements must be included in the *Operations Manual*.

A. Physician/Patient Confidentiality.

All processes and reviews conducted pursuant to this Ordinance shall preserve to the maximum extent possible all legal protection and privileges. Disclosure of any member information shall not be deemed a waiver of confidentiality of those records under any provision of state law.

B. Medical marijuana Cultivation Permitted by Compassionate Use Act.

All cultivation of marijuana for medical purposes shall not be declared unlawful by the City of Lemon Grove when said cultivation is conducted solely for the personal medical purposes of *qualified patients*, in accordance with the Compassionate Use Act of 1996. Such cultivation may include the cultivation and possession of both male and female plants in all stages of growth, clones, seedlings and seeds and related cultivation equipment and supplies. *Qualified patients* and/or their *primary caregivers* may cultivate individually and/or collectively as permitted by the State of California and as outlined in the following sections.

17.32.080. Findings

In addition to the findings required for the granting of a Conditional Use Permit by Section 17.28.050 of this Title, the decision making authority shall consider the following:

- A. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense, process or cultivate *Medical marijuana*; and separations between establishments which dispense, process or cultivate *Medical marijuana* and other specific regulated or protected land uses as set forth in this chapter.
- B. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

17.32.090. Medical marijuana Dispensary Regulations

A. Zones:

Dispensaries may be established by Conditional Use Permit in the Heavy Commercial (HC), Limited Commercial (LC), General Commercial (GC) and Light Industrial (LI) Zones and subject to the distance requirements. *Dispensaries* are prohibited in Mixed-Use Zones (Downtown Village Specific Plan and Central Commercial) and all residential zones (RLM, RL, RM, RMH).

B. Distance Requirements

An application may be submitted provided the proposed facility meets the required distance measurements. For purposes of measurements, all *Dispensaries* are considered *Regulated uses* and public parks as defined at Section 12.20.030 of Lemon Grove Municipal Code, playgrounds as defined at Section 18.28.020, subdivision (v), of the Lemon Grove Municipal Code, licensed day care facilities as defined at Section 17.08.030 of Lemon Grove Municipal Code, schools as defined at California Health and Safety Code section 11362.768, subdivision (h), and alcohol and substance abuse treatment centers are considered *Protected Uses*.

Measurement is made between the closest property lines of the *Premises* in which the *Regulated uses* and *Protected Uses* are located. A regulated use must not be:

1. Within 1000 feet of any other regulated use which is located either inside or outside the jurisdiction of the City,
2. Within 1000 feet from any protected use which is located either inside or outside the jurisdiction of the City.

The measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access.

C. Standards

1. **Background Check Required for Directors and Employees.** The *Director* and employees of a *Dispensary* must obtain a Live Scan background check through the California Department of Justice or the San Diego County Sheriff's Department prior to employment. *Directors* convicted of a serious felony, as defined in California Penal Code section 1192.7, subdivision (c), and Health & Safety Code Section 11359 (Possession for sale) within the previous ten years shall not be eligible for a license. Other potential collective employees and volunteers convicted of the crimes identified in this section in the previous five years are ineligible for employment or participation. If during employment with the *Dispensary*, a *Director* or employee is convicted of a crime identified in this section shall be immediately dismissed from employment or required to resign as a corporate board member or officer. For purposes of this section, a conviction in another state that would have been a conviction equivalent under California law to those convictions specified in this section will disqualify the person from employment or volunteering at the *Dispensary*.
2. **Security Personnel Required.** *Dispensaries* shall have at least one uniformed security guard on duty during operating hours that possess a valid Department of Consumer Affairs "Security Guard Card."
3. **Community Relations Liaison Required.** *Dispensaries* shall designate a community relations liaison (liaison) who shall be at least 18 years of age. The liaison may also be the *Director* of the *Dispensary*. To address community complaints or operational problems with the *Dispensaries*, the individual designated as the community relations liaison shall provide his or her name, phone number and email address to the following:
 - a. Lemon Grove City Manager,
 - b. San Diego County Sheriff's Department personnel supervising law enforcement activity in Lemon Grove

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- c. All neighbors within one hundred feet of the *Dispensary*.
4. **Inspection of Premises.** City Code Enforcement Officers, San Diego Sheriff's Department staff, and any other employee of the City requesting admission for the purpose of determining compliance with the standards set forth in this section shall be given access to the premise. City and Sheriff Staff shall not retain information pertaining to individual patient records viewed during an inspection, and information related to individual patients shall not be made public. Inspectors will give reasonable notice of a scheduled inspection. Unannounced inspections of a *Dispensary* may occur if City or Sherriff Department staff have probable cause that the collective is violating the law.
5. **Inspection Requirements.** In order to facilitate verification that a *Dispensary* operates pursuant to State and local laws, the following records must be maintained at the *Premises* at all times and available for inspection by City Code Enforcement Officers, San Diego Sheriff's Department staff, and any other employee of the City:
 - a. Client Records - The *Dispensary* shall keep a record of its clients. The record shall include the following and shall be maintained for a two-year period:
 - i. *Qualified patient* member's name, name of *primary caregiver* when appropriate, and name of *Licensed Physician* recommending use of *medical marijuana* for the member.
 - b. *Medical Marijuana* Records - *Dispensary* shall keep a record of its *medical marijuana* transactions. The following records shall be maintained for a two-year period and labeling shall occur as specified:
 - i. A record identifying the source or sources of all *Medical marijuana* currently on the *Premises* or that has been on the *Premises* during the two-year period preceding the current date. The record shall include the name of the cultivator or manufacturer and the address of the cultivation or manufacturing location.
 - ii. All *Medical marijuana* at the *Premises* must at all times be physically labeled with information that will allow for identification of the source of the *Medical marijuana*.
 - iii. All *Medical marijuana* at the *Premises* shall be physically labeled with the monetary amount to be charged.
 - c. Financial Records - *Dispensary* shall maintain records of all transactions involving money and/or *Medical marijuana* occurring at the *Premises*. Records shall be maintained for a two-year period preceding the current date.
 - d. Employee Records - *Dispensary* shall maintain a record of each employee/volunteer and *Director*. The record shall include name and background check verification. Records shall be maintained for a two- year period following the end of an employee's employment or *Director's* relationship with the *Dispensary*.
6. **Operations Manual.** The application for a Conditional Use Permit shall include a detailed *Operations Manual* including but not necessarily limited to the following information:
 - a. Authorization for the City, its agents and employees, to seek verification of the information contained within the application;
 - b. A description of the staff screening process including appropriate background checks;
 - c. The hours and days of the week the *Dispensary* will be open;
 - d. Text and graphic materials showing the site, floor plan and facilities of the *Dispensary*. The material shall also show adjacent structures and land use;
 - e. A description of the security measures located on the *Premises*, including but not limited to, lighting, alarms, and automatic law enforcement notification;
 - f. A description of the screening, registration and validation process for *qualified patients*;

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- g. A description of *qualified patient* records acquisition and retention procedures;
 - h. The process for tracking *Medical marijuana* quantities and inventory controls employed, including the source of *Medical marijuana* (on-site cultivation, processing, or plant material, or processed products, received from outside sources);
 - i. Procedures to ensure accurate record keeping, including protocols to ensure that quantities purchased do not suggest re-distribution;
 - j. Other information required by the Development Services Director.
- 7. Operating Standards.** *Dispensaries* shall comply with all of the following operating standards. In addition to these standards, the *Dispensaries* shall comply at all times with conditions outlined in the approved Conditional Use Permit and the Operational Manual.
- a. Dispensing *Medical marijuana* to an individual *qualified patient* or *primary caregiver* more than once a day is prohibited;
 - b. *Dispensaries* shall only dispense *Medical marijuana* to an individual *qualified patient* or *primary caregiver* who has a valid, verified *Licensed Physician's* recommendation, and if appropriate, a valid *Primary caregiver* designation. The *Dispensary* shall verify that the *Licensed Physician's* recommendation is current and valid;
 - c. On-site evaluation by a *Licensed Physician* for the purposes of obtaining a *qualified* status is prohibited;
 - d. *Dispensaries* shall display the client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the *Dispensary*. The client rules and/or regulations shall include, but are not limited to:
 - i. Each building entrance to a *Dispensary* shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming *Medical marijuana* on the *Premises* or in the vicinity of the *Dispensary* is prohibited unless specifically authorized within the governing Conditional Use Permit.
 - ii. The building entrance to a *Dispensary* shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the *Premises*.
 - iii. The hours of operation for an authorized *Dispensary* shall be limited to between 8:00 a.m. to 8:00 p.m. or as specified within the Conditional Use Permit.
 - iv. *Dispensaries* shall not permit the use or consumption of *medical marijuana* on-site unless specifically authorized under the Conditional Use Permit.
 - v. *Dispensaries* shall not permit the on-site display of unprocessed marijuana plants or representations of marijuana plants in any areas visible to the public;
 - vi. All signage for *Dispensaries* shall require a sign permit from the City prior to installation. Signage shall not include any terminology (including slang) or symbols for marijuana.
 - vii. *Dispensaries* shall only permit the distribution of *medical marijuana* plant material and *medical marijuana* manufactured products from licensed sources as allowed by the approved Conditional Use Permit. Such distribution shall be limited to *qualified patients* or *primary caregiver*;
 - e. *Dispensaries* shall maintain on the *Premises* an on-site training curriculum capable of meeting employee, agents and volunteer training needs. The minimum training curriculum shall include professional conduct, ethics, and state and federal laws regarding patient confidentiality; specific procedural instructions for responding to an emergency, including robbery or violent incident.

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- f. *Dispensaries* shall maintain all necessary permits, and pay all appropriate taxes. *Dispensaries* shall also provide invoices to cultivators and manufacturers to ensure tax liability responsibility;
 - g. *Dispensaries* shall implement procedures as outlined in their approved *Operations Manual*;
 - h. *Dispensaries* shall submit an "Annual Performance Review Report" for review and approval by the Development Services Director. The "Annual Performance Review Report" is intended to identify effectiveness of the approved Conditional Use Permit, *Operations Manual*, and Conditions of Approval, as well as any proposed modification to procedures as deemed necessary. The Development Services Director may review and approve amendments to the approved "*Operations Manual*"; and the frequency of the "Annual Performance Review Report." *Medical marijuana* cultivation and dispensing monitoring review fees pursuant to the current Master Fee Schedule shall accompany the "Annual Performance Review Report" for costs associated with the review and approval of the report.
 - i. *Dispensaries* shall maintain 24-hour recorded video surveillance of the *Premises*. Recordings shall be retained for 30-days for inspection by City staff. City staff must provide valid cause for viewing video surveillance. City staff must ensure that patient privacy is safeguarded. Video surveillance will not be shared with law enforcement except when formally requested as part of a law enforcement investigation directly involving the *Dispensary*.
 - j. Sales of alcoholic beverages are prohibited.
 - k. Sales of tobacco and tobacco products are prohibited.
 - l. Sales of drug paraphernalia are prohibited.
 - m. The location of the *Dispensary* shall include the installation of a centrally monitored alarm system
 - n. Lighting shall be installed to adequately light the exterior and interior of the *Dispensary Premises* while in conformance with 17.24.080E.2.
8. **Source of Medical Marijuana.** A *Dispensary* shall only dispense marijuana from the following sources and this information shall be included in the *Operations Manual*:
- a. **On-site Cultivation for Authorized *dispensary*.** If the Conditional Use Permit authorizes limited, on-site *Medical marijuana* cultivation at the *dispensary*, on-site cultivation shall be considered an accessory use and shall not exceed twenty-five (25) percent of the *dispensaries'* total floor area and in no case exceed 1,500 square feet. In addition to these area limitations, the accessory use shall conform to the specific zone regulations, Section 17.24.060 Accessory Buildings and Uses, Section 17.32.100 of this Title, and applicable Building and Fire Codes. The *Operations Manual* shall include information regarding the on-site cultivation including, but not limited to:
 - i. Description of measures taken to minimize or offset energy use from the cultivation or processing of *medical marijuana* on-site; and
 - ii. Description of chemicals stored or used; and
 - iii. Description of any effluent discharged into the City's wastewater and/or stormwater system;
 - a. **Licensed External Source.** Until one year following the date when the California State Bureau of Medical Marijuana Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, *Dispensaries* shall source their *medical marijuana* from cultivators and manufacturers that have obtained a local business license or equivalent document showing that the organization is operating in zoning and

regulatory compliance from another jurisdiction for the *Medical marijuana* cultivation or manufacturing. One year from the date that the California State Bureau of Medical Marijuana Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, all sources of *medical marijuana* or *medical marijuana* products sold in a *dispensary* must also have a state license for their *medical marijuana* activities.

17.32.100. Medical Marijuana Cultivating Regulations.

The cultivation of *medical marijuana* for personal use by a *qualified patient* shall be permitted in connection with a residence owned or leased by a *qualified patient* and meeting the minimum standards noted below.

A. Medical Marijuana Cultivation for Personal Use

1. An individual *qualified patient* shall be allowed to cultivate *Medical marijuana* within his/her private residence. If the private residence is leased or rented, a notarized authorization from the property owner must be filed with the City. A *primary caregiver* shall only cultivate *Medical marijuana* at the residence of a *qualified patient* for whom he/she is the *primary caregiver*.
- B. **Zones.** Cultivating *medical marijuana* is allowed in conforming Residential Low (RL) and Residential Medium/Low (RLIM) zones where there is an existing single family development subject to the following standards and authorized by a Zoning Clearance.

C. Standards

1. Cultivation shall only occur within an enclosed structure that can be secured and locked including the residence, new or remodeled addition to a residence, residential accessory building or a legally converted garage.
2. Garage conversions shall require a replacement in kind prior to authorizing a cultivation area.
3. The grow area shall be within a self-contained structure, with a 1-hour firewall assembly made of green board, and shall be ventilated with odor control, and shall not create a humidity or mold problem.
4. The *Qualified patient* shall reside in the residence where the *Medical marijuana* cultivation occurs;
5. The interior area dedicated to the cultivation of marijuana in an existing residence or within a proposed addition to the residence shall not exceed 50 square feet.
6. An accessory structure containing a *Medical marijuana* cultivation area shall not exceed 50 square feet and shall be consistent with the accessory structure requirements of the residential zone and Section 17.24.060.
7. *Medical marijuana* cultivation lighting shall not exceed 1200 watts;
8. Evidence of *medical marijuana* cultivation either within or outside the residence shall not be visible from outside the *Premises*.
9. The residence shall maintain kitchen, bathrooms, and primary bedrooms for their intended use and shall not be displaced by *Medical marijuana* cultivation.
10. The *medical marijuana* cultivation area shall be in compliance with the current, adopted edition of the California Building Code § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or its equivalent(s)).
11. The *medical marijuana* personal cultivation and processing shall comply with stormwater, wastewater, and applicable greenhouse gas reduction requirements;
12. Personal *medical marijuana* cultivation and processing shall not be visible from the exterior of the *Premises*;

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13. A *Qualified patient* or *Primary caregiver* shall participate in *Medical marijuana* cultivation in only one residential location within the City of Lemon Grove.

D. Prohibitions

1. The cultivation of *medical marijuana* shall not be authorized by or considered a Home Occupation and no Home Occupation permit shall be issued.
2. The use of gas products (CO2, butane, etc.) for *medical marijuana* cultivation or processing for personal use.
3. Sale or dispensing of *medical marijuana* from a residential zoned property.
4. Signage identifying any uses related to *medical marijuana* in a residential zone.

E. Deviations

1. Any proposed *medical marijuana* cultivation for personal use by an individual *qualified patient* or *primary caregiver* that does not meet the grow area standard of Section 17.32.090.8 shall require review and approval by the director of Development Services or designee. The proposed deviation from the cultivation area limitations shall be processed as a Zoning Clearance. The director of Development Services or designee shall review the submitted information and make an interpretation of need. A complete application shall include the following documentation:
 - a. *Licensed Physician's* recommendation or verification of more than one *qualified patient* living in the residence shall be submitted with the request showing why the cultivation area standard is not feasible.
 - b. Written permission from the property owner.
 - c. Show conformance to the residential zone and accessory building regulation.
 - d. The Building Official and Fire Chief may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
 - e. *Medical marijuana* cultivation area shall be enclosed in a structure with a 1-hour firewall assembly of green board.
 - f. The *medical marijuana* cultivation area shall not exceed 100 square feet.

17.32.110. Transportation of Medical Marijuana.

All activities involving the transportation of marijuana for personal patient use, to the extent permitted by The Compassionate Use Act of 1996, shall be conducted by *Qualified patients* and/or the authorized *Primary caregiver* of the *Qualified patient*, where the quantity transported and the method, timing and distance of the transportation are reasonably related to the medical needs of the *Qualified patient*. All personal transportation shall be conducted in accordance with state law.

All activities involving the transportation of marijuana for a *Dispensary* shall comply with California State Regulations, restrictions and guidelines, as enumerated in Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.

17.32.120. Procedures

A. Administrative Citation and Revocation.

1. Any violation of this ordinance occurs the City has the authority to immediately cite a *Dispensary* for the violation. The *Dispensary* is given one warning and if not corrected within seven calendar days, the City may issue an administrative citation of \$500 per violation. The citations may escalate according to the schedules identified in Section

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June 11, 2018

Via Hand Delivery and Email

David B. De Vries, AICP
Development Services Director
City of Lemon Grove
Development Services Department
3232 Main St.
Lemon Grove, CA 91945
ddevries@lemongrove.ca.gov

Re: Comments regarding conditional use permit CUP-170-0001 and associated draft mitigated negative declaration for "The Grove" medical marijuana dispensary

Dear Mr. De Vries:

This firm represents The Grove, a medical marijuana dispensary seeking a conditional use permit (CUP) and associated California Environmental Quality Act (CEQA) approvals required to operate at 6470 Federal Boulevard in the City of Lemon Grove (City), California (the Dispensary). The Grove wishes to thank City Staff for the work they have done in preparing the Draft Mitigated Negative Declaration (MND) and attendant conditions of approval. However, we believe the mitigation measures proposed for impacts to biological resources in and around Chollas Creek and air quality impacts are the result of misinterpretations of CEQA and as such are unconstitutional exactions in the form of conditions of approval of the CUP. This letter briefly explains the nature of these CEQA and constitutional issues, explains why the mitigation measures related to Chollas Creek and street improvements must be revised as conditions of approval for the Dispensary's CUP, and supports "fair share" commitments and other alternative mitigation measures suggested in the MND by which The Grove can achieve the City's goals in conformity with CEQA and the Constitution of the United States.

Misapplication of CEQA

The MND misapplies CEQA requirements in two ways. First, the analysis of impacts to biological resources to Chollas Creek fails to explain how the Project will

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result in any impacts, significant or otherwise.¹ Second, the air quality and greenhouse gas impact analysis relies on an inappropriate threshold of significance.²

The most significant flaw in the CEQA analysis is the incorrect inclusion of preexisting environmental conditions in the Dispensary's impact analysis when the Dispensary will neither cause nor exacerbate these conditions. The State Supreme Court has recently held that CEQA analysis is not required for preexisting environmental conditions if a project does not exacerbate those existing conditions.³ Issues with Chollas Creek and the surrounding land were present well before The Grove applied for this CUP, yet the Draft MND includes these existing conditions in its impact analysis and lists them as findings requiring mitigation.⁴

Unconstitutional Conditions of Approval

Although conditions of approval for CUPs are quite common, these conditions are subject to constitutional requirements.⁵ To be constitutional, these conditions must satisfy two criteria.

First, the condition must have an "essential nexus" to the project at issue, which is demonstrated by a logical connection between the state interest asserted in the condition imposed.⁶ In the CEQA context, the lead agency must demonstrate there is a significant impact before mitigation can be required. For instance, and discussed in greater detail below, the Draft MND requires significant mitigation to Chollas Creek as a condition of approval but fails to explain how the Project produces the impacts sought to be mitigated.⁷

Second, conditions of approval must be "roughly proportional" meaning "related in both the nature and extent to the impact of the proposed development."⁸ Conditions of approval significantly greater in nature and extent to the Dispensary's impacts are one of our primary concerns with the MND. For instance, in order to satisfy a less than 1% deficit in a 10% landscaping requirement, some have suggested the demolition of more

¹ City of Lemon Grove, Development Services Department "Initial Study/Environmental Checklist Environment Assessment No. 18-02 for Conditional Use Permit CUP-170-0001" (May 24, 2018) (attached to City of Lemon Grove, Development Services Department "Notice of Intent to Adopt a Mitigated Negative Declaration" (May 24, 2018) (hereinafter "MND") at pp. 19-12, 17-18, 34-35.

² MND at pp. 9-10, 17-18.

³ *California Building Industry Association v Bay Area Air Quality Management District* (2015) 62 Cal.4th 369 (hereinafter "CBLA").

⁴ MND at pp. 9-12, 34-35.

⁵ *Koontz v. St. Johns River Water Management Dist.*, 570 U.S. 595 (2013) (citing *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987)).

⁶ *Ehrlich v. City of Culver City*, 12 Cal.4th 854 (Cal. 1996) (citing *Nollan* at p. 860).

⁷ MND at pp. 11-12.

⁸ *Dolan v. City of Tigard*, 512 U.S. 374, 391 (1994).

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than 1,000 square feet of existing structure. This is an excellent example of where rough proportionality is lacking, and more are discussed below.

The mitigation measures related to the rehabilitation of Chollas Creek and frontage improvements fail to satisfy one or both of these essential requirements. Given these serious concerns, we request the City remove or revise any unconstitutional conditions before it approves the Dispensary's CUP.

Chollas Creek

A significant number of the mitigation measures being required as a condition of approval for The Grove relate to the preexisting condition of Chollas Creek. The Draft MND finds the Dispensary will have significant impacts on various biological resources.⁹ However, there is no explanation whatsoever to support these findings or even a fair argument of any new impacts, which means there is no Constitutionally required essential nexus between the Project and the condition of approval.¹⁰ Instead, the analysis appears to focus on the preexisting condition of Chollas Creek, which is a condition that in no way will be exacerbated by the Dispensary, and thus an inappropriate consideration in a CEQA analysis. Moreover, implementing the proposed mitigation measures related to Chollas Creek is estimated to take at least three years and \$1,200,000 dollars, which in the absence of any demonstrable impacts from the approval of a Dispensary clearly lacks the rough proportionality required of conditions of approval.¹¹

Air Quality and GHG Analysis and Mitigation

The street improvement requirements demonstrate how the improper application of a threshold of significance under CEQA result in the imposition of unconstitutional conditions in the form of mitigation measures that lack both a nexus to the impact and the requisite rough proportionality. These improvements would purportedly mitigate a conflict with or obstruction of the applicable air quality plan and prevent a violation of any air quality standard or substantial contribution to an existing or projected air quality violation.¹² The MND provides no substantial evidence to support these assertions. Moreover, both the City of San Diego and the County of San Diego in reliance on the California Air Pollution Control Officers guidance have concluded that retail space of less than 11,000 square feet is presumed to have construction and operational GHG emissions which does not exceed the 900 metric tons carbon dioxide equivalent thereby

⁹ MND at pp. 11-12.

¹⁰ The only evidence of anything remotely affecting Chollas Creek is what appears to be an inappropriate application of the City's ordinances related to weed abatement and demands for drainage maintenance. The Project has no impacts related to these concerns, nor does it exacerbate issues related to these preexisting conditions.

¹¹ Email from S. Wayne Rosenbaum to David De Vries (May 24, 2018) (attached hereto as "Exhibit A").

¹² MND at pp. 9-10, 17-18.

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resulting in less than a significant impact.¹³ Thus, a GHG study as suggested in the Draft MND is neither necessary nor appropriate, especially in light of The Grove's offer to install additional GHG reduction measures it is not otherwise required to do.

Even assuming a tenuous connection between the impacts of the Dispensary that exceed the air quality and GHG threshold, the undergrounding of utilities, curb and gutter improvements, installation of sidewalks and repaving of Federal Boulevard proposed fail to satisfy the rough proportionality requirement for conditions of approval. For instance, the mitigation measure calls for the undergrounding of 470 feet of utilities when the Dispensary property has only 180 feet of frontage. Costs for this mitigation measures are estimated to be in excess of \$500,000 or \$2,778 per foot as a standalone project.

The requested sidewalk fronting the property would be disconnected from any other sidewalk and is unlikely to do anything to increase pedestrian traffic in lieu of vehicular traffic. In isolation, the curb and gutter improvements would likely result in hazardous traffic conditions. The limited paving of a portion of Federal Boulevard is simply nonsensical without a more comprehensive road improvement plan. The costs of the street, sidewalk, curb and gutter improvements are estimated to exceed \$300,000 or \$1,666 per foot of frontage as a standalone project.¹⁴

Suggestions to Improve the Draft MND

Constitutional requirements preventing unconstitutional conditions in the land use approval process exist to protect property owners from "the risk that the government may use its substantial power and discretion in land use permitting to pursue governmental ends that lack an essential nexus and rough proportionality to the effects of the proposed new use of the specific property at issue."¹⁵ Out of deference to these requirements, one treatise on CEQA suggests "agencies should forego the temptation to try to force an applicant to provide a generalized public benefit unrelated to those impacts or that would do more than fully mitigate the impacts of the project."¹⁶

The Grove is not objecting to performing mitigation related to its demonstrable impacts to the environment, so long as that mitigation is based on a correct application of CEQA and is constitutional. The Grove has already memorialized its commitment to fund its fair share of improvements once the City can approve Capital Improvement Projects (CIP) and Public Facilities Finance Plans (PFFP) for improvements to Chollas Creek and Federal Boulevard which properly allocates responsibility and costs for these public

¹³ California Air Pollution Control Officers Association (CAPCOA), "CEQA & Climate Change" (January 2008) at pp. 43-44. *See also* City of San Diego, Environmental Analysis Section, "Memorandum: UPDATED Addressing Greenhouse Gas Emissions from Projects Subject to CEQA" (August 18, 2010); County of San Diego, Planning & Development Services, "2015 GHG Guidance: Recommended Approach to Addressing Climate Change in CEQA Documents" (January 21, 2015) at p. 1.

¹⁴ See Opinion of Probable Cost for Public Improvements, prepared by BWE (May 21, 2018) (attached hereto as "Exhibit B").

¹⁵ *Koontz*, at p. 614.

¹⁶ Remy et. al., "Guide to CEQA," 11th Ed. (2007) at p. 517.

Attachment F

David De Vries
June 11, 2018
Page 5

facilities. The Grove will further commit to mitigating air quality impacts commensurate with its activities through reasonable measures such as the installation of solar panels. However, any conditions of approval attached to this project must demonstrate an essential nexus, rough proportionality, and comport with the legal obligations of CEQA. In other words, they must be fair.

The Grove requests that conditions related to Chollas Creek be revised to comport with CEQA and the US Constitution. The Grove further requests that it be relieved of conditions associated with utility undergrounding, repaving of Federal Boulevard and construction of frontage improvements until such a time as an appropriate CIP and PFFP have been approved by the City. In lieu of these objectionable conditions, The Grove proposes the following conditions:

1. Upon adoption of a CIP and PFFP for improvements to Chollas Creek, the Grove will pay its fair share towards the costs of implementation.
2. Upon adoption of a CIP and PFFP for improvements to Federal Boulevard including street, gutter sidewalk, repaving and undergrounding of utilities, The Grove will pay its fair share towards the costs of implementation.
3. The Grove will install solar panels on the roof of the building sufficient to offset its power consumption to the maximum extent practicable.

Finally, we also request that this letter and associated exhibits be incorporated in the staff report for the Council's consideration.

Please feel free to contact me if you have any questions regarding this matter.

Yours very truly,

ENVIRONMENTAL LAW GROUP LLP
VARCO & ROSENBAUM



S. Wayne Rosenbaum

SWR/sw
Enclosures
cc: Lydia Romero

Attachment F

EXHIBIT A

From: [Wayne Rosenbaum](#)
To: ["David DeVries"](#)
Cc: ["Lydia Romero"](#)
Bcc: [Sean McDermott](#); ["Corey McDermott"](#); [thegrowell](#); [Ambrose Wong](#); [Michelle Landis](#)
Subject: Stream Restoration Cost Estimate for the Grove CUP
Date: Thursday, May 24, 2018 3:06:00 PM

David,

Per your request that we provide you with cost estimates for both the frontage improvements and the improvements to Chollas Creek. What follows is our best estimate for the Chollas Creek improvements. This estimate is based on both Michelle's and my experience permitting and building projects of this type. However, a final cost estimate for bonding purposes would require detailed drawings and reviews by at least five agencies including the City to determine the extent of permitting and enhancement actually required.

For the purposes of this estimate we have made the following assumptions:

1. The segment of Chollas Creek to be enhanced is approximately 180 feet long and has a change in elevation of approximately 1.3 feet.
2. Chollas Creek is a water of both the State and the United States and is a component of the City of Lemon Grove's MS4.
3. Discretionary Approvals will be required from the following agencies
 - a. Army Corps of Engineers – 404 Permit
 - b. Regional Water Quality Control Board – 401 Certification
 - c. California Department of Fish and Wildlife – 1602 Stream Bed Alteration Agreement AND California Endangered Species Act (CESA) Permit
 - d. US Fish and Wildlife Service – Endangered Species Take Permit
 - e. County flood control FEMA approvals
 - f. City of Lemon Grove grading permit
4. Because the approvals above are discretionary, the Project Proponent will also need to prepare an Environmental Impact Report per CEQA and an Environmental Impact Statement per NEPA.

Although somewhat duplicative, we estimate the cost to prepare each of the

EXHIBIT A

seven applications to be in the range of \$25,000 to \$50,000 each or \$175,000 to \$350,000 in the aggregate. Then, there are the costs associated with the preparation of the NEPA and CEQA documents which are likely to be an additional \$50,000 each. Next are the costs of responding to comments and public hearings which we expect will add an additional \$50,000 to \$100,000 given the number of interested agencies and likely third parties. Based on experience and assuming that project approvals are not contested by third parties, all of this work will likely cost in the range of \$325,000 to \$550,000. Given the complexity of permitting a restoration project of this kind, I expect the approval process to take 24 to 36 months. If any of the permits or environmental analysis are challenged (which happens in many cases) add an additional \$500,000 and two years to resolve the litigation.

Thus, just getting the necessary approvals is likely to be a \$1,000,000 five year exercise. I should note that the costs of permitting likely would not be significantly higher if the City to obtain approvals for the entire reach of Chollas Creek within its jurisdiction.

Regarding costs of construction, our preliminary estimate for cost of construction are as follows understanding that these cost do not include civil work such as gabions.

1. Design and General Conditions -- \$47,000
2. Riparian Restoration -- \$85,000
3. Establishment and 5 year Maintenance & Monitoring -- \$91,000
4. Contingency -- \$66,000
5. **Total -- \$289,000**

Together, the cost of permitting and construction is estimated to be in the range of \$1,300,000 or \$7,222 per linear foot of which the largest component is the cost of permitting. If the City were to take this on as a CIP project the cost per linear foot to permit would be amortized over a significantly longer length and thus the cost imposed on each property would be significantly less.

Please let me know if you require any further information in this regard.

Attachment F

EXHIBIT A

Wayne

I will be out of the state between June 15, 2018 and June 18, 2018 with limited access to phones or e-mail. In my absence, please contact my partner Suzanne Varco, at SVarco@envirolawyer.com or 619-231-5858 or my law clerk, Josh Rosenbaum, at jtrosenb@gmail.com or 619-920-1535 . Thank you.

S. Wayne Rosenbaum

The Environmental Law Group, LLP

Varco & Rosenbaum

225 Broadway, Suite 1900

San Diego, CA 92101

Phone: (619) 231-5858

Cell: (619) 518-6618


Fax: (619) 231-5853

SWR@Envirolawyer.com

www.envirolawyer.com

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EXHIBIT B

		DATE: 05.21.2018 PROJECT: 6470 Federal Blvd MMD BWE #: 12637U.1.00 W.O. #: _____ DRAWING #: _____		
OWNER: Sean McDermott Phone: 619.342.6500 E-mail: thegrovelco@gmail.com		PUBLIC IMPROVEMENTS (OPINION OF PROBABLE COST)		
DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL COST
DEMOLITION				
Sawcut	LF	450	\$10.00	\$4,500
Asphalt/Concrete pavement removal	SF	7722	\$3.27	\$25,251
				\$0
				\$0
GRADING/EARTHWORK				
Paving preparation of subgrade	SF	7722	\$0.44	\$3,398
Erosion control Sand/Gravel Bag	EA	100	\$3.27	\$327
				\$0
				\$0
IMPROVEMENTS				
5" Curb & Gutter (G-02)	LF	180	\$40.00	\$7,200
Driveway (G-14A)	SF	516	\$15.00	\$7,740
Trees	EA	3	\$750.00	\$2,250
Ground Cover	SF	541.75	\$2.00	\$1,084
Striping	LF	180	\$7.00	\$1,260
AC Pavement	SF	5652	\$7.00	\$39,564
Sidewalk	SF	1800	\$10.00	\$18,000
AC overlay	SF	54	\$3.00	\$162
UTILITIES				
Relocate fire hydrant	EA	1	\$2,636.14	\$2,636
Street light	EA	1	\$6,535.90	\$6,536
				\$0
				\$0
SUBTOTAL				\$119,907
A BOND IN THE AMOUNT OF \$330,616 WILL SATISFY THE PROVISIONS OF THE MUNICIPAL CODE FOR THE IMPROVEMENT OF 6470 Federal Blvd MMD ESTIMATED TIME OF COMPLETION IS		ENGINEER OF WORK IMPROVEMENT: \$119,907 10% CONTINGENCY: \$11,991 TOTAL BOND: \$131,898		
DATE	CONTROL ENGINEER	Ambrose Wong RCE 69065		
Temporary construction				\$20,000
Mobilization				\$30,000
Safety				
Manpower				\$20,000
Equipment				\$50,000
GC costs		25%		\$62,974
Escalation		5%		\$15,744
TOTAL ANTICIPATED BID				\$330,616

NOTE: UNIT PRICES ARE BASED ON THE COUNTY OF SAN DIEGO UNIT PRICE LIST, JULY 2017 AND THE CITY OF SAN DIEGO UNIT PRICE LIST, JANUARY 2009

Attachment F

David DeVries

From: Wayne Rosenbaum <swr@envirolawyer.com>
Sent: Tuesday, June 12, 2018 3:18 PM
To: David DeVries
Cc: 'Josh Rosenbaum'
Subject: The Grove CUP

David,

I have discussed your concerns with my client and in the spirit of working together, we proposed the following conditions as additional to those I proposed in my letter:

1. The Grove will pay the City \$500,000 to be used to facilitate the CIP projects previously described. Payments will be as follows in order for The Grove to develop a sufficient cash flow to address this new obligation:
 - a. Year 1 -- \$50,000
 - b. Year 2 -- \$75,000
 - c. Year 3 -- \$100,000
 - d. Year 4 -- \$125,000
 - e. Year 5 -- \$150,000
2. Annual amounts will be divided by four and paid quarterly
3. Payments will serve as a credit against The Grove's "fair share" contributions to the CIP projects previously discussed in my letter.
4. The Grove will agree not to object to the formation of any improvements districts related to the Project
5. No covenants running with the land.

If these terms are acceptable, please advise and I will prepare a follow up letter memorializing same. Will call you to discuss

Wayne

I will be out of the country between July 6, 2018 and July 28, 2018 with limited access to phones or e-mail. In my absence, please contact my partner Suzanne Varco, at SVarco@envirolawyer.com or 619-231-5858 or my law clerk, Josh Rosenbaum, at jtrosenb@gmail.com or 619-920-1535 . Thank you.

S. Wayne Rosenbaum
The Environmental Law Group, LLP
Varco & Rosenbaum

Attachment F

225 Broadway, Suite 1900
San Diego, CA 92101
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Attachment G

EXHIBIT A – PROJECT PLANS

Not Attached

Enclosed in City Council packet or available at City Hall for [Review]

City of Lemon Grove Demands Summary

1.B.

Approved as Submitted:

Molly Brennan, Finance Manager
For Council Meeting: 06/19/18

ACH/AP Checks 05/29/18-06/11/18	1,107,271.07
Payroll - 06/05/18	144,405.25
Total Demands	1,251,676.32

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	May9-May22 18	Calpers Supplemental Income 457 Plan	05/29/2018	457 Loan 5/9/18-5/22/18	6,104.46	6,104.46
ACH	May22 18	US Treasury	05/29/2018	Federal Taxes 5/22/18	28,030.49	28,030.49
ACH	Apr18	Chase	05/31/2018	Workers' Comp Claims - Apr'18	10,527.28	10,527.28
ACH	L1126133536	Employment Development Department	05/31/2018	Unemployment Insurance - Jan-Mar'18	1,495.00	1,495.00
ACH	Refill 5/30/18	Pitney Bowes Global Financial Services LLC	05/31/2018	Postage Usage 5/30/18	250.00	250.00
ACH	8384680	LEAF	05/31/2018	Ricoh C3502 Copier System-PW Yard - May'18	219.91	219.91
ACH	May18	Wage Works	05/31/2018	FSA Reimbursement - May'18	622.50	622.50
ACH	May18	Power Pay Biz/Evo	06/01/2018	Online Credit Card Processing - May'18	63.98	63.98
ACH	May18	Authorize.Net	05/02/2018	Merchant Fees In-Store & Online - May'18	46.05	46.05
ACH	May18	Dharma Merchant Services	06/04/2018	Merchant Fees - May'18	15.00	15.00
ACH	Jun 2018	Pers Health	06/04/2018	Pers Health Insurance - Jun 18	58,682.24	58,682.24
ACH	Apr12 Apr26	Southern CA Firefighters Benefit Trust	06/06/2018	LG Firefighters Benefit Trust 4/12/18 LG Firefighters Benefit Trust 4/26/18	876.85 876.85	1,753.70
ACH	Apr18	San Diego County Sheriff's Department	06/06/2018	Law Enforcement Services - Apr'18	459,924.74	459,924.74
ACH	Jun5 18	Employment Development Department	06/07/2018	State Taxes 6/5/18	8,340.86	8,340.86
ACH	May23-Jun5 18	Calpers Supplemental Income 457 Plan	06/07/2018	457 Plan 5/23/18-6/5/18	8,169.69	8,169.69
ACH	4154920380 3568860625	SDG&E	06/07/2018	Electric Usage:St Light 4/30/18-5/31/18 Electric Usage:St Light 4/30/18-5/31/18	1,876.74 1,283.77	3,160.51
ACH	682864	Aflac	06/07/2018	AFLAC Insurance 06/04/18	660.24	660.24
ACH	Refill 6/7/18	Pitney Bowes Global Financial Services LLC	06/08/2018	Postage Usage 6/7/18	250.00	250.00
ACH	Apr25-May22	California Public Empl Retirement System	06/11/2018	Pers Retirement 4/25/18-5/22/18	65,628.90	65,628.90
ACH	May18	Wells Fargo Bank	06/11/2018	Bank Service Charge - May'18	420.66	420.66
9565	11385525	AT&T	05/30/2018	Fire Backup Phone Line- 4/22/18-5/21/18	38.88	38.88
9566	5656245518	AutoZone, Inc.	05/30/2018	Diesel Exhaust Fluid - LGPW #32	26.94	26.94
9567	861672-9 861942-9 862546-9	BJ's Rentals	05/30/2018	Propane Propane Propane	13.20 5.66 15.08	33.94
9568	Casarrubias	Casarrubias, Angela	05/30/2018	Refund/Casarrubias, Angela/Deposit - LBH- 5/12/18	300.00	300.00
9569	133802	CDCE, Inc.	05/30/2018	IBR Router/Sharkee/Cables/1 Yr Enterprise Cloud & Support Agrmt	1,223.14	1,223.14
9570	ACSERV-Apr18 ACSERV-Apr18	City of Chula Vista	05/30/2018	After Hours Calls- Apr '18 Credit/Impound Fees/Animal Control Services- Apr '18	391.64 -200.00	191.64
9571	FRS0000097	City of El Cajon	05/30/2018	Overtime Reimbursement - Cameron 5/7/18	439.41	439.41
9572	20008	City of La Mesa	05/30/2018	FY17-18 Qtr 3-JPA Reconciliation- Jan-Mar '18	15,766.00	15,766.00
9573	681/371241/261	CWEA	05/30/2018	CWEA Membership FY19- Bell/Wilkens/Adams	540.00	540.00
9574	Final/EnvLand	Environmental Land Management	05/30/2018	Final Pay/Fire Fuel Mitigation CLG Job Location: APN 503-4	5,455.00	5,455.00
9575	26066	Excell Security, Inc.	05/30/2018	Senior Center Security Guards - 5/12/18	274.45	274.45

9576	Franco	Franco, Andrea	05/30/2018	Refund/Franco, Andrea/Deposit - LeeHouse 5/12/18	300.00	300.00
9577	109344482	Globalstar USA, Inc.	05/30/2018	Satellite Service 4/16/18-5/15/18	165.60	165.60
9578	INV178944	LN Curtis & Sons	05/30/2018	Glo Pull-on Structural Boots - Wilson	438.59	438.59
9579	4383926 4409621 4409622 4413908 4427017 4450566	Mallory Safety and Supply, LLC	05/30/2018	Cleated Rainboots - Irons Drivers Gloves/HiVisibility Vests/Cleated Boots Caution Tape HiVisibility Vests/Drivers Gloves/Coveralls/Cleated Boots Nitrile Gloves/Glasses Nitrile Gloves	23.71 541.67 32.11 270.90 374.76 240.29	1,483.44
9580	17008-PRO7	MJC Construction	05/30/2018	Emergency Manhole Repair/Federal Blvd	18,288.00	18,288.00
9581	13216394	Motorola Solutions, Inc.	05/30/2018	3 APX6000 Nidek 3.5 Portable Radios w TDMAs	12,975.60	12,975.60
9582	2018-173	Quality Code Publishing LLC	05/30/2018	Internet Website Updating- LG Municipal Code	526.61	526.61
9583	Sanchez,J	Sanchez, Jessica	05/30/2018	Refund/Sanchez, Jessica/Deposit - LeeHouse 5/19/18	200.00	200.00
9584	Sanchez,N	Sanchez, Nanci	05/30/2018	Refund/Sanchez, Nanci/Deposit - LeeHouse 5/5/18	200.00	200.00
9585	4/19/2018	SDG&E	05/30/2018	8119 Broadway Traffic Signal- 1/18/18-4/19/18	194.91	194.91
9586	85855413	SiteOne Landscape Supply, LLC	05/30/2018	Sprinkler Supplies	113.59	113.59
9587	47154 47155	Uniforms Plus, Inc.	05/30/2018	Uniform- Rodriguez Class A Uniform- Burkett	123.91 770.93	894.84
9588	May22 18	Vantage Point Transfer Agents-457	05/30/2018	ICMA Deferred Compensation Pay Period Ending 5/22/18	580.77	580.77
9589	71815904 71815905 71817711 71820440 71823863 71823864 71825387	Vulcan Materials Company	05/30/2018	Asphalt Asphalt Asphalt/SS1H/4.5 Gallon Bucket Asphalt/SS1H/4.5 Gallon Bucket Asphalt/SS1H/4.5 Gallon Bucket Asphalt/SS1H/4.5 Gallon Bucket Asphalt/SS1H/4.5 Gallon Bucket	152.79 258.06 177.79 187.59 188.56 378.09 381.00	1,723.88
9590	6099	Aguirre & Associates	06/06/2018	7816 Mt Vernon Street Dedication - May '18	275.00	275.00
9591	76687	Anthem Blue Cross EAP	06/06/2018	Employee Assistance Program - Jun 18	165.00	165.00
9592	5/22/2018	AT&T	06/06/2018	Backup City Hall Internet- 4/23/18-5/22/18	83.34	83.34
9593	16178L-IN 31830	Aztec Landscaping Inc.	06/06/2018	Install Lateral Line/Replace&Adjust Sprinkler/Berry St Pk4/12/18 Landscape Mgmt Svc - Apr'18	777.44 9,629.00	10,406.44
9594	4697194	Bearcom	06/06/2018	Portable Radios Monthly Contract 5/22/18-6/21/18	150.00	150.00
9595	862251-9 863352-9 863787-9 865552-9 865794-9	BJ's Rentals	06/06/2018	Propane Propane Propane Propane Propane	9.43 7.05 24.51 16.10 16.70	73.79
9596	WQSM337	Business Radio Licensing	06/06/2018	License for Irrigation Antenna/PW	120.00	120.00
9597	6/5/18	California State Disbursement Unit	06/06/2018	Wage Withholding Pay Period Ending 6/5/18	161.53	161.53
9598	18660761	Canon Financial Services Inc.	06/06/2018	Canon Copier Contract Charge 6/1/18	642.60	642.60
9599	2018-RRT-006	Chula Vista Fire Department Training Div.	06/06/2018	Training/Rope Rescue Tech/Lopez - 4/2/18-4/6/18	1,050.00	1,050.00
9600	694496398 694499411	Cintas Corporation #694	06/06/2018	Janitorial Supplies - 5/24/18 Janitorial Supplies - 5/31/18	574.89 213.06	787.95
9601	1000226110	City of San Diego	06/06/2018	Chollas Creek TMDL- Cost Share	28,865.95	28,865.95
9602	2125	Clothing International, Inc.	06/06/2018	Protective Clothing/PW Staff - Headwear	891.11	891.11
9603	FY16-17 LG	County of San Diego- Dept of Public Works	06/06/2018	District Operation & Maintenance Charges FY 2016-17	5,743.00	5,743.00
9604	18CTOFLGN11	County of San Diego- RCS	06/06/2018	800 MHZ Network - May '18	2,907.00	2,907.00
9605	SD10199FY18-2	County of San Diego- Vector Control Program	06/06/2018	Mosquito & Vector Disease Control Assessment-SD 10199 FY18-2	7.07	7.07
9606	201800452	County of San Diego/Assessor/Recorder	06/06/2018	Recording Services - 4/24/18	297.00	297.00
9607	5/19/2018 5/18/2018	Cox Communications	06/06/2018	Phone/PW Yard/2873 Skyline- 5/19/18-6/18/18 City Manager/Copy Room Fax Line- 5/18/18-6/17/18	212.03 3.76	215.79

9608	14687	Custom Auto Wrap Inc.	06/06/2018	Public Works Banner/2 Patches- PW Week	234.69	234.69
9609	4252 4253 4254 4255 4256 4257 4262	D- Max Engineering Inc.	06/06/2018	Mallard Ct Correspondence Stormwater/Inspectn Scheduling Mar 18 Center Hilltop Condos Stormwater Inspections thru 3/31/18 Ildica Stormwater Inspection thru 4/30/18 Center Hilltop Condos Stormwater Inspection thru 4/30/18 Grove Lofts Stormwater Inspections thru 4/30/18 LGA Stormwater Inspections thru 4/30/18 D-Max Stormwater Prof Svcs thru 4/30/18	55.00 381.80 278.82 145.00 366.22 452.54 11,814.82	13,494.20
9610	209110	Dell Awards	06/06/2018	Nameplates for City Council Mtgs- Finance Mgr	24.78	24.78
9611	0318.01.1684 0318.01.1684 0318.01.1684 0318.02.1685 0318.02.1685 0418.14.1705	Dexter Wilson Engineering, Inc.	06/06/2018	Eng Svc-District's Sewer System Mgmt Plan - Jan'18 Eng Svc-District's Sewer System Mgmt Plan - Feb'18 Eng Svc-District's Sewer System Mgmt Plan - Mar'18 Perm Meter Location Eval & Interconnections - Feb'18 Perm Meter Location Eval & Interconnections - Mar'18 Metro JPA Wastewater Issues - Apr'18	480.00 1,040.00 1,960.00 2,260.00 14,380.00 8,110.00	28,230.00
9612	0073160-IN	Doggie Walk Bags Inc.	06/06/2018	4,270 Doggie Walk Dispenser Bags w/Pouch	1,128.28	1,128.28
9613	9746	FailSafe Testing	06/06/2018	Ground Ladder Testing 5/22/18	722.80	722.80
9614	Garcia	Garcia, Steve	06/06/2018	Mural Painting- Final Payment - Lester Ave Breezeway	650.00	650.00
9615	INV101296 INV1013371	George Hills Company	06/06/2018	PINS Annual Software License Fee TPA Claims- Adjusting/Other Svcs- Apr 18	1,350.00 795.20	2,145.20
9616	0029187-IN 0029187-IN	Hinderliter De Llamas & Associates	06/06/2018	Sales Tax Audit Services - Qtr 4 2017 Contract Services - Sales Tax - Qtr 2	2,174.87 900.00	3,074.87
9617	052918	House of Automation	06/06/2018	Service Call- PW Yard Security Gate Sensor Repair	298.00	298.00
9618	00053049	Hudson Safe-T- Lite Rentals	06/06/2018	Reflective 18" Cones	1,077.50	1,077.50
9619	10751	Infrastructure Engineering Corporation	06/06/2018	Prof Svc: LGA Realignment 3/31/18-4/27/18	8,066.35	8,066.35
9620	1465	Janazz, LLC SD	06/06/2018	IT Services- City Hall- May '18	2,500.00	2,500.00
9621	126859	Knott's Pest Control, Inc.	06/06/2018	Monthly Bait Stations- Civic Ctr - Apr 18	60.00	60.00
9622	201804 201804	Lemon Grove Car Wash, Inc.	06/06/2018	Full Service Oil Change - LGPW#31 - 5/29/18 Full Service Car Wash - Fire #4305 - 5/25/18	71.85 9.00	80.85
9623	605033005	Nichols Consulting Engineers, CHTD	06/06/2018	Prof Svc: Pavement Mgmt Prog 2018 Update thru 4/30/18	5,620.00	5,620.00
9624	P29716	Nixon-Egli Equipment Co.	06/06/2018	Loader Repairs/Single Hose Reel- LGPW#07	878.69	878.69
9625	147752	Pacific Sweeping	06/06/2018	Street Sweeping/Parking Lot/Power Washing/Bus Shelters - Apr'18	6,655.15	6,655.15
9626	PD-38476	Plumbers Depot Inc.	06/06/2018	Plunger Packing Kits & Installation - GapVax	1,631.96	1,631.96
9627	INV022360	RapidScale Inc.	06/06/2018	Virtual Hosting 5/31/18	3,370.78	3,370.78
9628	0060359 0060662 17546F(2)	Rick Engineering Company	06/06/2018	Prof Svc: Fedl Blvd Feasibility Analysis 1/27/18-2/23/18 Prof Svc: Fedl Blvd Feasibility Analysis 2/24/18-3/30/18 Prof Svc: 2017/18 CIP Sewer Proj- 8 Locations 2/24/18-3/30/18	3,962.57 9,069.72 12,726.11	25,758.40
9629	Reimb 5/24/18	Santos Gonzalez, Joel	06/06/2018	Reimb: Class A License Renewal/Santos Gonzalez	76.00	76.00
9630	Santos	Santos, Diana	06/06/2018	Refund/Santos, Diana/Deposit - LBH- 6/2/18	200.00	200.00
9631	5/20/2018 5/20/2018 4/20/2018 5/21/2018 5/20/2018 5/21/2018	SDG&E	06/06/2018	3225 Olive- 4/19/18-5/20/18 3500 1/2 Main- 4/19/18-5/20/18 8009 Broadway/Replace Traffic Pedestal- 4/17/18-4/20/18 8009 Broadway/Replace Traffic Pedestal- 4/20/18-5/21/18 8119 Broadway TS- 4/19/18-5/20/18 LG Park- 4/22/18-5/21/18	92.71 220.34 11.94 57.80 68.32 71.71	522.82
9632	9981	Smart Cover Systems Inc.	06/06/2018	Renewal-SmartFLOE: Extended Parts Warranty - 4/30/18-5/1/19	4,772.00	4,772.00
9633	18-Jun	Standard Insurance Company	06/06/2018	Long Term Disability Insurance - Jun18	6,871.89	6,871.89
9634	Jun-18	Sun Life Financial	06/06/2018	Life Insurance - Jun18	122.13	122.13
9635	959715	Superior Ready Mix Concrete LP	06/06/2018	Asphalt	621.93	621.93
9636	15537	Telfer Pavement Technologies LLC	06/06/2018	Furnish/Deliver/Apply Tack Coat - Central Ave & Citrus Ave	2,000.00	2,000.00
9637	Tellames	Tellames, Eledorora	06/06/2018	Refund/Tellames, Eladorora/Deposit - RecCtr- 6/3/18	200.00	200.00
9638	00063802 00064309	The East County Californian	06/06/2018	Notice of Public Hearing TMO-000-0061-Mallard Time Exten 4/19/18 Public Hearing Notice - Sewer Capacity Fee 5/3/18	154.00 217.00	371.00

9639	520180389	Underground Service Alert of Southern Ca	06/06/2018	77 New Ticket Charges - May'18	137.05	137.05
9640	3333378-CA	US HealthWorks Medical Group,PC	06/06/2018	DMV BAT Medical Exam/Field Physical - 5/15/18	415.00	415.00
9641	Jun5 18	Vantage Point Transfer Agents-457	06/06/2018	ICMA Deferred Compensation Pay Period Ending 6/5/18	580.77	580.77
9642	9807131680 9807132264 9807131681	Verizon Wireless	06/06/2018	City Phone Charges- 4/13/18-5/12/18 Mobile Broadband Access- 4/13/18-5/12/18 PW Tablets- 4/13/18-5/12/18	319.14 76.02 188.78	583.94
9643	71837813 71837814	Vulcan Materials Company	06/06/2018	Asphalt/SS1H 4.5 Gallon Bucket Asphalt	141.04 135.55	276.59
9644	Webb	Webb, Darryl	06/06/2018	Refund/Webb, Darryl/Rental Fee - Berry St Pk- 5/19/18	100.00	100.00
9645	2016.04-022	West Coast General Corporation	06/06/2018	LGA Realignment Proj- 4/1/18-4/30/18	207,857.19	207,857.19
9646	060718	Mario's Family Clothing Center	06/11/2018	500 Lemon Hats for Summer Meal Program	5,926.25	5,926.25
9647	061118	Velazquez, Julio	06/11/2018	DJ Svc - Summer Kick Off Event 6/11/18, 2:45-5pm	350.00	350.00
					1,107,271.07	1,107,271.07

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 3
Mtg. Date June 19, 2018
Dept. Development Services Department

Item Title: **Public Hearing to Consider a Request for a Conditional Use Permit (CUP-170-0001) to Establish a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone**

Staff Contact: David De Vries, Development Services Director

Recommendation:

- 1) Conduct the public hearing; and
- 2) Adopt a Resolution (**Attachment B**) conditionally approving Conditional Use Permit CUP-170-0001, a request to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone (Municipal Code Chapter 17.32).

Item Summary:

The project is a request to establish a medical marijuana dispensary (MMD) at 6470 Federal Blvd. in the Light Industrial Zone on a 0.96 acre parcel. A MMD is allowed by conditional use permit in commercial and industrial zones as a result of Measure V (Codified as Municipal Code Chapter 17.32) which required a majority vote from residents in the City of Lemon Grove in November 2016. Tenant and site improvements including new landscape and trees, weed abatement, street improvements and utility undergrounding are proposed. The applicant is requesting that weed abatement, street improvement and undergrounding utility improvements be a part of an agreement for future fair share contributions in lieu of immediate improvements.

Fiscal Impact:

[No fiscal impact.]

Environmental Review:

- | | |
|--|--|
| <input type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorically Exempt, Section 15301 | <input checked="" type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> AB52 | <input type="checkbox"/> Neighborhood Meeting | <input checked="" type="checkbox"/> Notice to property owners within 500 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input checked="" type="checkbox"/> Sign Posted on Property | |

Attachments:

- | | |
|---------------------------------------|---|
| A. Staff Report | F. Comment Letter & Email Addendum (Applicant's Attorney) |
| B. Resolution of Conditional Approval | G. Exhibit A – Project Plans |
| C. CEQA Initial Study ND18-02 | |
| D. Vicinity Map | |
| E. Measure V | |

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 3

Mtg. Date June 19, 2018

Item Title: **Public Hearing to Consider a Request for a Conditional Use Permit (CUP-170-0001) to Establish a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone**

Staff Contact: David De Vries, Development Services Director

Application Summary:

APPLICANT/OWNER:	Sean McDermott
PROPERTY OWNER:	Keith Anderson, Wing Avenue Investment, LLC
PROPERTY LOCATION:	6470 Federal Blvd., APN: 478-190-20-00. The site is located on the north side of Federal Blvd. between San Miguel Ave. and MacArthur Drive.
PROJECT AREA:	0.96 acres (41,711 square feet)
EXISTING ZONE:	Light Industrial (LI) Zoning District
GENERAL PLAN:	Industrial Land Use Designation
SURROUNDING PROPERTIES:	North: State Route 94 South: Single-family residences north of Blue Ash Drive and south of Federal Blvd. (60 feet above the project site location due to the slope and elevation change); Residential Low (RL) Zoning District East: Light industrial land uses; Light Industrial (LI) Zoning District West: Light industrial land uses; Light Industrial (LI) Zoning District
ENVIRONMENTAL IMPACT:	On May 24, 2018, a Notice of Intent to Adopt a Mitigated Negative Declaration (MND) was filed with the San Diego County Clerk (ND18-02). The project could have a significant effect on the environment as it relates to air quality, biological resources, cultural resources, greenhouse gas emissions, noise, public services, transportation/traffic, and mandatory findings of significance. There will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. Mitigation measures are required. Staff acknowledges the applicant's attorney comments submitted on June 11, 2018 and recommends the installation of solar panels on the site in lieu of air quality analysis. CEQA allows for minor modifications to the mitigation measures when an equivalent mitigation may be provided. The MND will be updated accordingly. The comment letter also states that the project does not result in any impacts to biological resources. Compliance

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	<p>with Measure V requires compliance with the Zoning Ordinance and the Zoning Ordinance requires weed abatement on-site which includes the removal of invasive plant species in the tributary to Chollas Creek which is the reason why there are potential impacts to biological resources.</p> <p>The City Council can request staff to amend the MND, however, the City Council is required as a part of certification of the MND to find that there is no substantial evidence that the project will have a significant effect on the environment and the MND reflects the City's independent judgement and analysis. A lead agency is required to recirculate a MND when the MND must be substantially revised after public notice. Substantial revision includes when the lead agency determines that project revisions will not reduce potential effects to less than significance or if new measures or revisions are required that are not an equivalent substitute for existing mitigation measures. If the MND is amended, a finding must also be made that revised mitigation measures are an equivalent or more effective substitute than the existing mitigation measures.</p>
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Background

In November 2016, voters in the City of Lemon Grove passed Measure V, an initiative removing the City's prohibition of medical marijuana dispensaries and establishing performance standards and a permit process by which a medical marijuana dispensary (MMD) may be established. Measure V was subsequently codified in Chapter 17.32 of the Lemon Grove Municipal Code (LGMC) (**Attachment C**).

On March 7, 2017, staff presented a report to City Council describing the recommended draft review procedures and draft conditions of approval for requests to establish a MMD. Staff also presented the draft Medical Marijuana Zoning Map it had created. The review procedures include using the Zoning Clearance (ZC) process as the initial step in screening and reviewing of MMD applications. Complete ZC applications for sites which meet the zoning criteria and distance restrictions described in LGMC Chapter 17.32 and which include all required application materials will be deemed complete, and the applicants may then submit for conditional use permit (CUP) application to be reviewed by the City Council for approval. ZC applications for sites that do not meet the specified criteria are denied by staff. Staff's decision to deny any application is subject to appeal to the City Council, pursuant to LGMC Section 17.28.020(I). The permit process for a MMD requires approval of a conditional use permit (CUP) by the City Council, and the performance standards prohibit a MMD on properties within 1,000 feet of another MMD and certain protected uses, including licensed daycare facilities, schools and parks.

On March 20, 2017, an application was filed for a ZC request to apply for a CUP to establish a MMD at the subject property and on October 3, 2017, after several notices of incomplete, the Development Services Director found the application to be complete allowing application for a CUP. On October 4, 2017, an application was filed for this CUP and, on May 22, 2018, after one notice of incomplete, the Development Services Director found the application to be complete. Staff coordinated with the applicant to resolve several minor corrections as a part of the final submittal. Discussions also included in-lieu options for weed abatement, street improvements and utility undergrounding.

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Since January 2018, Prop 64 allowing recreational marijuana in California with local approval is in effect and the State is issuing temporary licenses for cultivation, manufacturing/processing, distribution and sale. The California Department of Public Health, not the County of San Diego, is the authority on testing and inspecting edibles to ensure public safety.

Discussion

Project Description

The proposed project is a request for a CUP to authorize a MMD on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into MMD sales and display and security rooms in a 14,300 square feet (sf) building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices for administrative purposes for the MMD operations. A 7,700 sf warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements. There is a natural drainage channel in the rear portion of the property that is a tributary to Chollas Creek where sensitive habitats may exist and be impacted if channel improvements occur. Street improvements, utility undergrounding and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property are shown on the site plan. However, the applicant requests that the City Council consider an in-lieu fair share payment for these improvements to be used for drainage, street improvements, utility undergrounding and weed abatement within the Federal Blvd. corridor as a part of an improvement agreement (**Attachment F**). No site grading is proposed except for pavement removal and replacement with landscape. No cultivation, manufacturing, processing or delivery services are proposed. The current use of the property is licensed for a roofing contractor (G&F Roof Supply) who will relocate off-site as a result of the proposed MMD.

General Plan Conformance

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report.

The project is located in the Industrial land use designation. The intended uses for this designation include a mix of manufacturing, processing, warehousing, and storage uses. The project does not conform to the General Plan, but is overridden by Measure V. Policies associated with this finding include Community Development Element Policy 1.1: Protect and enhance established neighborhoods; Policy 1.7: Promote a healthy, family-oriented community through appropriate land use and development decisions; and Policy 5.5: Promote development that enhances and is compatible with the surrounding environs.

Municipal Code Conformance

The Light Industrial (LI) zone is intended to provide for light manufacturing, warehousing, distribution and other related limited intensity activities. The proposed MMD provides services similar to a retail drugstore, but with higher intensity and does not conform to the purpose of the zone. Measure V requires a conditional use permit and full conformance with Title 17. The site complies with almost all development standards associated with the prospective MMD including lot sizing, minimum building height and setbacks, loading, landscape and screening, etc. Development standards associated with weed abatement, street improvements and utility undergrounding are requested to be a part of an in-lieu fair share payment for these improvements to be used for drainage, street improvements, utility undergrounding and weed abatement within the Federal Blvd. corridor as a part of an improvement agreement (**Attachment F**). These

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improvements are required in accordance with the Zoning Ordinance Title 17 (reference LGMC Section 17.24.010(H), Chapter 12.10 and Section 17.24.050(B)).

Department representatives from each department including Sheriff, Fire, Building, Engineering, Planning and Code Enforcement met on the site to discuss proposed improvements and provided recommendations to the applicant which have been adhered to as conditioned in the Draft resolution (**Attachment B**). In addition, Measure V requires numerous operational requirements related to the following:

1. Background checks;
2. Security personnel on-site;
3. Video surveillance on-site;
4. Community relations liaison;
5. Operating procedures including no consumption or use on-site and limited hours from 8am to 8pm;
6. Inspections on-site include client, employee, medical marijuana, and financial records; and
7. Cultivation sources shall be licensed.

Measure V also allows the MMD license to be transferable through a CUP modification; allows a CUP to be revoked; and allows for daily administrative citations and fines up to \$1,000 for each violation for non-compliance.

Street Improvements and Utility Undergrounding

There is no existing curb, gutter and sidewalk along Federal Blvd and there are overhead utility distribution lines (less than 12,000 volts) fronting the property and along the industrial district of Federal Blvd. Street improvements including utility undergrounding, curb, gutter, sidewalk, a landscape parkway with street trees and repavement of the street to the centerline to support fire apparatus will require the relocation of a fire hydrant and a street light.

Street improvements may be required as a part of a discretionary permit when there is a substantial change in mode or land use or as a part of a building permit valuation in commercial and industrial zones when the permit is valued at \$25,000 or more. Preliminary cost estimates for tenant improvements are valued to be in excess of \$250,000. The project is also a substantial change in use from a low intensity warehousing land use to a high intensity medical marijuana land use with increases in traffic volumes and there is a clear nexus or basis for requiring street improvements.

Measure V requires that a finding be made by the City Council that the proposed use complies with the Zoning Ordinance (LGMC Title 17). The Zoning Ordinance includes street improvement requirements per LGMC Chapter 12.10 and Section 17.24.010(H). A clear nexus is made to require street improvements because: 1) this is the highest and best use of the property from a revenue standpoint; 2) the proposed use is substantial change in mode and land use from a low intensity warehousing land use to a high intensity MMD; 3) medical marijuana dispensary means persons with disabilities are likely to need access to the facility via vehicles or as a pedestrian or bicyclist; and 4) the proposed retail use is inconsistent with the Light Industrial zone and with the General Plan Land Use Designation and was not analyzed as a part of the General Plan Master Environmental Impact Report and as a result of the traffic study proposes to increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily

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vehicle trips as shown in the April 11, 2018 traffic analysis (an increase in traffic volumes almost six times the current use). For reference, sidewalk and street improvements are largely supported by the General Plan Health & Wellness Element, Community Development Element and Mobility Element policies. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. The traffic study describes the operations to be a higher intensity land use which conflicts with the purpose of the zone.

The City Council cannot find the project to be in compliance with the Zoning Ordinance without requirements to install street improvements and utility undergrounding. The applicant's attorney estimates the cost of street improvements to be \$300,000 and the costs of utility undergrounding to be \$500,000. Staff requested an estimate from a professional engineer, but the applicant's attorney requested this estimate be delayed until after the City Council public hearing as a condition of approval. The estimate provided by the applicant's attorney for utility undergrounding was not prepared by a professional engineer which is required. Preliminary cost estimates prepared by the applicant's engineer show costs for street improvements to be approximately \$330,000 and the City Engineering division has not reviewed the estimate and cannot until authorization from the applicant is received for reimbursement purposes. SDG&E estimates that costs to underground the distribution lines are approximately \$300 per lineal foot or \$126,000 to underground utilities fronting the property to the nearest poles east and west of the site (approximately 470 feet). LGMC Chapter 12.10 discusses a street improvement agreement alternative in-lieu of immediate construction option when a block face is not improved with street improvements at a rate of 50 percent or more. The block face is defined as 300 feet along the public street frontage in either direction from the subject property. Since the block face is unimproved within 300 feet in either direction from the subject property, staff recommends that street improvement agreement option be initiated, which does not include utility undergrounding. Further, since the applicant's attorney recommendation includes utility undergrounding coupled with weed abatement as discussed below, staff is receptive to the applicant's attorney recommendation. However, the applicant's contribution should be equivalent to the actual costs and allow for flexibility in the improvements. Staff recommends that a restricted fund be created and allow payments from the applicant of the \$126,000 for utility undergrounding combined with the \$330,000 for street improvements over a five year time period at a flat quarterly rate with the total secured through a performance bond. This will restrict the funds to street and drainage improvements, utility undergrounding and weed abatement including removal of invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and parallel to Federal Blvd. Also, trash and debris shall be required to be removed from the channel on a monthly basis.

Landscape and Weed Abatement

The required landscape area and the landscape area proposed by the project are as follows:

Landscape Requirements	Required	Provided
Min. 10% Landscape Area	5,458 sf	3,980 sf on-site plus 7,259 sf in rear channel
Required Trees on-site	5	8

Conditions for the proposed project will require that all landscaping be well maintained and adequately watered at all times and planted in accordance with City standards.

Attachment A

LGMC Section 17.24.050(B) requires all landscaping to be installed and maintained in accordance with a landscaping plan. Landscape areas are required to be kept free of weeds and debris. Plantings shall be replaced with other plant materials to ensure continued compliance with applicable landscaping requirements. LGMC Section 17.24.050(A) describes the purpose of the landscaping and screening regulations as intended to protect individual properties from undesirable impacts generated by surrounding land uses and general urban activity, and to improve the appearance of neighborhoods in the city by providing adequate landscaping and screening. In summary, landscape requirements in the LGMC require that landscape in natural drainage channels be maintained and require weed abatement and replacement. Also, LGMC Section 1.14.010(H) requires that dead, decayed, diseased, or hazardous trees, weeds, or other vegetation that is unsightly, dangerous to public safety or welfare, detrimental to nearby property or property values, or reasonably deemed to be a fire hazard is a public nuisance and that any person owning, leasing, occupying, or controlling any premises in this city on which a public nuisance exists is responsible for the public nuisance. Also, LGMC Chapter 8.08 requires that all weeds, dry grasses, dead shrubs, dead trees, stubble, brush, sagebrush, chaparral, weeds which bear seeds of a wingy or downy nature, and any other brush or weeds which by reason of their size, manner of growth, and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which, when dry, will in reasonable probability endanger the public safety by creating a fire or other safety hazard, any of which are growing on the streets, sidewalks, or private property in the city are declared to be a public nuisance. Also, traffic is estimated to be almost six times the rate of the current land use which allows for additional oils and debris from vehicles on the site to flow into the tributary to Chollas Creek in the rear portion of the property which will result in higher contamination in storm water runoff from the site.

The general definition of “weed” is described as “a wild plant growing where it is not wanted and in competition with cultivated plants.” The Development Services Director determined as a part of this permit application that a “weed” would include non-native invasive plant species within the tributary to Chollas Creek. As a result, the City Council cannot find the project to be in compliance with the Zoning Ordinance without appropriate weed abatement. The applicant’s attorney estimates the cost of removing invasives, replanting of native plants, slope stabilization and irrigation with professional studies, design and State and local permits (remediation) to be \$1,200,000 with an estimated three year timeline. Staff requested an estimate from a professional engineer, but the applicant’s attorney requested this estimate be delayed until after the City Council public hearing as a condition of approval. The estimate provided by the applicant’s attorney was not prepared by a professional engineer which is required. Preliminary cost estimates for remediation from staff based on similar projects in the area estimate the cost for weed remediation on-site to be approximately 1,000 per lineal foot of channel or approximately \$180,000. This is based on a larger project area. Since upstream seeds float downstream creating new invasive plant species, staff is receptive to the applicant’s attorney recommendations, however, the applicant’s contribution should be equivalent to the actual estimated costs and allow for flexibility in the improvements. Staff recommends that a restricted fund be created and allow payments of the \$180,000 from the applicant over a five year time period at a flat quarterly rate with the \$180,000 secured through a performance bond. This will restrict the funds to street and drainage improvements, utility undergrounding and weed abatement including removal of invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and parallel to Federal Blvd. Also, trash and debris shall be required to be removed from the channel on a monthly basis.

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Screening

Crime Prevention Through Environmental Design (CPTED) require that shrubs be maintained low and tree canopies be maintained high to enhance visibility and staff added appropriate conditions in the resolutions. Proposed vehicular gates on-site will be open during all business hours and a new trash enclosure will secure trash on-site. In addition, there is a secured loading area inside the building for transfer of marijuana and cash from the safe room to the secured transport vehicles.

Lighting

CPTED encourages all exterior areas to be adequately lit and the project proposes adequate site lighting.

Signage

The sign ordinance permits up to three wall signs for a commercial use. The total allowable sign area permitted for this project would normally be 400 sf or less. Three wall signs are proposed and include "The GROVE" with the "V" shown as a green leaf and two signs are large green "+" signs which symbolize a MMD. Green is a color representative of marijuana and a "+" sign is a universal symbol for medical aid. A leaf, depending on its shape, is generally representative of marijuana. A condition of approval requires that signs do not include any terminology (including slang) or symbols for marijuana to avoid encouraging marijuana use to those without prescriptions to promote public health and safety. The color green is not proposed to be conditioned or restricted.

Public Information:

The Notice of Public Hearing for this item was published in the May 24, 2018 edition of the East County California and mailed to all property owners within 500 feet of the subject property. The City of Lemon Grove received no comments in response to the Notice of Public Hearing and Environmental Analysis at the time this staff report was prepared. Staff will provide the City Council at the time of the public hearing with any comments.

A Native American Tribal Government Consultation was conducted pursuant to Government Code Sections 6540.2, 65092, 65351, 65352.3, 65352.4, 65562.5 et. seq. One tribe requested consultation requesting mitigation that cultural resource monitoring be conducted on-site and appropriate mitigation is conditioned in the resolution of approval.

Conclusion:

Measure V requires that the City Council make the following findings required in order to approve this conditional use permit:

1. The use is compatible with the neighborhood or the community;
2. The use is not detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity;
3. The use complies with performance standards according to Section 17.24.080;
4. The use is consistent with applicable provisions of the particular zoning district and with policies and standards of the general plan;
5. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense,

Attachment A

process or cultivate *medical marijuana*; and separations between establishments which dispense, process or cultivate *medical marijuana* and other specific regulated or protected land uses as set forth in this chapter; and

6. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

Staff believes the above findings can be made provided the conditions in the Resolution of Approval are adhered to as further referenced in this staff report.

Staff recommends that the City Council conduct the public hearing and adopt a Resolution (**Attachment B**) conditionally approving Conditional Use Permit CUP-170-0001.

Attachment B

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE CONDITIONALLY APPROVING CONDITIONAL USE PERMIT CUP-170-0001, A REQUEST TO ALLOW A MEDICAL MARIJUANA DISPENSARY AT 6470 FEDERAL BVLD., LEMON GROVE, CALIFORNIA.

WHEREAS, the California voters approved Proposition 215 in 1996 to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes and to encourage elected officials to implement a plan for the safe and affordable distribution of medicine; and

WHEREAS, the California State Legislature adopted Senate Bill 420, the Medical Marijuana Program Act, in 2003 to help clarify and further implement Proposition 215 in part by authorizing patients and *Primary caregivers* to associate within the State of California in order to collectively or cooperatively cultivate cannabis for medical purposes; and

WHEREAS, the California State Legislature adopted Assembly Bill 243, Assembly Bill 266, and Senate Bill 643, collectively known as the Medical Marijuana Regulation and Safety Act, in 2015 to establish a statewide regulatory framework and establish the Bureau of Medical Marijuana Regulation for the regulation of *medical marijuana* activity occurring in jurisdictions across California; and

WHEREAS, on November 8, 2016, voters in the City of Lemon Grove passed Measure V, an initiative removing the City's prohibition of medical marijuana dispensaries and establishing performance standards and a permit process by which medical marijuana dispensaries may be established; and

WHEREAS, Measure V includes the adoption of Lemon Grove Municipal Code (LGMC) Chapter 17.32 which prohibits the establishment of medical marijuana dispensaries within 1,000 feet of certain protected uses, including schools and licensed daycare facilities; and

WHEREAS, Measure V states "measurement is made between the closest property lines of the premises in which the regulated uses and protected uses are located." Measure V further states "the measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access." Measure V only references freeways and flood control channels as examples of constructed barriers. A freeway is defined as "an express highway, especially one with controlled access." Flood control is defined as "the act or technique of controlling river flow with dams, dikes, artificial channels, etc., so as to minimize the occurrence of floods." Examples of constructed barriers only include major linear obstructions traversing for miles where pedestrian access is prohibited or severely limited; and

WHEREAS, on March 20, 2017, an application was filed for Zoning Clearance ZC1-700-0004 and, on October 3, 2017, the Development Services Director found the application for to be complete; a request to apply for a conditional use permit to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone; and

WHEREAS, on October 4, 2017, an application was filed for Conditional Use Permit CUP-170-0001 and, on May 22, 2018, the Development Services Director found the application to be

Attachment B

complete; a request to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone; and

WHEREAS, no protected uses or marijuana dispensaries exist within 1,000 of the subject property in accordance with LGMC Chapter 17.32; and

WHEREAS, the Notice of Public Hearing for this item was published in the May 24, 2018 edition of the East County California and mailed to all property owners within 500 feet of the subject property. A large sign was posted on the property notifying the neighborhood of the forthcoming public hearing. A Native American Tribal Government Consultation was conducted pursuant to Government Code Sections 6540.2, 65092, 65351, 65352.3, 65352.4, 65562.5 et. seq. One tribe requested consultation requesting mitigation that cultural resource monitoring be conducted on-site during grading activities and appropriated conditions are included herein; and

WHEREAS, On May 24, 2018, a Notice of Intent to Adopt a Mitigated Negative Declaration (MND) was filed with the San Diego County Clerk (ND18-02). The project could have a significant effect on the environment as it relates to air quality, biological resources, cultural resources, greenhouse gas emissions, noise, public services, transportation/traffic, and mandatory findings of significance. There will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. On the basis of the whole record, there is no substantial evidence that the project will have a significant effect on the environment and the MND reflects the City's independent judgement and analysis; and

WHEREAS, revised mitigation measures requiring the installation of solar panels on-site in-lieu of an air quality analysis are an equivalent or more effective substitute than the existing mitigation measures; and

WHEREAS, LGMC Section 17.24.050(B) requires all landscaping to be installed and maintained in accordance with a landscaping plan. Landscape areas are required to be kept free of weeds and debris. Plantings shall be replaced with other plant materials to ensure continued compliance with applicable landscaping requirements. LGMC Section 17.24.050(A) describes the purpose of the landscaping and screening regulations as intended to protect individual properties from undesirable impacts generated by surrounding land uses and general urban activity, and to improve the appearance of neighborhoods in the city by providing adequate landscaping and screening. In summary, landscape requirements in the LGMC require that landscape in natural drainage channels be maintained and require weed abatement and replacement. Also, LGMC Section 1.14.010(H) requires that dead, decayed, diseased, or hazardous trees, weeds, or other vegetation that is unsightly, dangerous to public safety or welfare, detrimental to nearby property or property values, or reasonably deemed to be a fire hazard is a public nuisance and that any person owning, leasing, occupying, or controlling any premises in this city on which a public nuisance exists is responsible for the public nuisance. Also, LGMC Chapter 8.08 requires that all weeds, dry grasses, dead shrubs, dead trees, stubble, brush, sagebrush, chaparral, weeds which bear seeds of a wingy or downy nature, and any other brush or weeds which by reason of their size, manner of growth, and location constitute a fire hazard to any building, improvements, crops or other property, and weeds and grasses which, when dry, will in reasonable probability endanger the public safety by creating a fire or other safety hazard, any of which are growing on the streets, sidewalks, or private property in the city are declared to be a public nuisance. The general definition of "weed" is described as "a wild plant growing where it is not wanted and in competition with cultivated plants." A "weed" would include non-native invasive plant species within the tributary to Chollas Creek. Also, traffic is estimated to be almost six times the rate of the current land use which allows for additional oils and debris

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from vehicles on the site to flow into the tributary to Chollas Creek in the rear portion of the property which will result in higher contamination to in storm water runoff from the site; and

WHEREAS, the Zoning Ordinance includes street improvement requirements per LGMC Chapter 12.10 and Section 17.24.010(H). A clear nexus is made to require street improvements because: 1) this is the highest and best use of the property from a revenue standpoint; 2) the proposed use is substantial change in mode and land use from a low intensity warehousing land use to a high intensity MMD; 3) medical marijuana dispensary means persons with disabilities are likely to need access to the facility via vehicles or as a pedestrian or bicyclist; and 4) the proposed retail use is inconsistent with the Light Industrial zone and with the General Plan Land Use Designation and was not analyzed as a part of the General Plan Master Environmental Impact Report and as a result of the traffic study proposes to increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily vehicle trips as shown in the April 11, 2018 traffic analysis (an increase in traffic volumes almost six times the current use). For reference, sidewalk and street improvements are largely supported by the General Plan Health & Wellness Element, Community Development Element and Mobility Element policies. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. The traffic study describes the operations to be a higher intensity land use which conflicts with the purpose of the zone; and

WHEREAS, this permit does not excuse any owner or operator from complying with all applicable federal, state, county or local laws, ordinances or regulations. The owner or operator is required to determine if another permit or approval from any other agency or department is necessary. The City, by issuing this permit, does not relinquish its right to enforce any violation of law; and

WHEREAS, on June 19, 2018, the City Council held a duly noticed public hearing to consider Conditional Use Permit CUP-170-0001; and

WHEREAS, Measure V requires that the City Council make the following findings required in order to approve this conditional use permit:

1. The use is compatible with the neighborhood or the community;

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The proposed use is incompatible with surrounding land uses, however, as a result of Measure V, the project is found to be consistent with the General Plan.

2. The use is not detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity;

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The proposed use is potentially detrimental to the health, safety, convenience or general welfare of persons

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residing or working in the vicinity, however, as a result of Measure V, the project is found to be consistent with the General Plan.

3. The use complies with performance standards according to Section 17.24.080;

The proposed project complies with applicable performance standards according to Section 17.24.080 of the LGMC (specifically noise, glare, traffic circulation and parking, and fire hazards). A traffic impact analysis was prepared and provides for appropriate mitigation.

4. The use is consistent with applicable provisions of the particular zoning district and with policies and standards of the general plan.

This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and Community Development Element policies 1.1, 1.5 and 5.4 and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. However, as a result of Measure V, the project is found to be consistent with the General Plan.

5. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense, process or cultivate *medical marijuana*; and separations between establishments which dispense, process or cultivate *medical marijuana* and other specific regulated or protected land uses as set forth in this chapter.

No evidence was found to the contrary.

6. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

The proposed project complies with, or conditions have been included for this project to require it to comply with the LGMC Title 17 requirements for the proposed use.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

SECTION 1. Certifies the Mitigated Negative Declaration (ND18-02) finding that Conditional Use Permit No. CUP-170-0001 will have no significant effect on the environment with the amendment that in lieu of an air quality analysis, solar panels will be installed on the property as conditioned here; and

SECTION 2. Approves Conditional Use Permit No. CUP-170-0001 and the site and architectural plans dated received May 21, 2018 (incorporated herein by reference as Exhibit A), except noted herein. This approval authorizes the establishment of a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone. Except as amended, the approval of this project shall be subject to the following conditions:

- A. Prior to issuance of a building permit for the use authorized by this Conditional Use Permit, the applicant shall comply with the following:
 1. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 2. All pre- and post construction best management practices (BMPs) shall be maintained for the duration of the project.

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3. In order to mitigate any impacts to culturally sensitive resources that ground disturbing activities may cause:
 - a. After initial investigation, a tribal representative shall be present at the pre-grading or pre-ground disturbing activities meetings to consult with the contractors.
 - b. After initial investigation, a tribal representative shall be present at all times during any ground disturbing activities.
 - c. The tribal representative shall be allowed to temporarily direct, divert or halt grading or ground disturbing activities to allow identification, recovery, archiving, and/or disposition of cultural resources.
 - d. Prior to final inspection a report shall be prepared summarizing the results of the mitigation program and the coordination efforts with the tribal representative and submitted to the City of Lemon Grove Development Services Director. This report will include a discussion of methods employed, cultural resources discovered and their disposition, geologic context of the cultural resources and the significance of the mitigation program.
4. Submit landscape plans consistent with LGMC Section 17.24.050 and Chapter 18.44 with required notes. All plantings shall be bound by a six inch curb with curb openings for drainage inlets into landscape to the satisfaction of the Development Services Director and City Engineer.
5. Where storm water runoff flows into landscape areas, landscaped areas shall be designed to retain/capture first-flush of smaller storm events but larger storms must be provided with an adequate drainage pathway with appropriate mitigation. Storm water review for compliance shall be a part of a landscape plan review and shall include details for construction BMPs.
6. Wheel stops shall be installed at all parking spaces located along the perimeter of a parking lot adjacent to landscape areas to the satisfaction of the Community Development Director.
7. The applicant shall provide a letter indicating any hazardous materials to be used or stored on site for the dispensary. This does not include normal business cleaning materials however; they must be in a limited quantity.
8. The applicant shall provide a letter detailing the security provisions for the dispensary and how the applicable Building and Fire Code requirements will be achieved for emergency ingress and egress.
9. A warehouse storage plan shall be submitted prior to building permit issuance.
10. Per Municipal Code Section 12.10.050 a minimum 86 foot right of way is required for Federal Blvd. This requires a 43 foot minimum center line to property line dimension. Based on a review of the Assessor's Map a 3 foot dedication is required. Provide a preliminary title report dated within the last 180 days. This will be used to prepare the Street Dedication (agreement). Once the City prepares the agreement, it will then need to be signed and notarized by the property owner, and returned to the City for recordation. Please allow approximately 30 calendar days for the preparation of the agreement. The signed agreement is required prior to the issuance of building or engineering permits.

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11. A Covenant not to oppose the formation of a future utility undergrounding district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 12. A Covenant not-to-oppose the formation of a future street improvement district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 13. A Covenant not-to-oppose the formation of a community facilities district shall be required. The City will prepare the agreement and will require the owner to sign and notarize.
 14. Submit an application to be included into the Lemon Grove Lighting District. The property will be assessed annually.
 15. Provide an access easement or agreement and appropriate open space easement to maintain and improve the tributary to Chollas Creek including weed abatement (removal of invasives), replanting and slope stabilization and irrigation.
 16. Pay \$100 for the preparation and recordation of each document as required for the subject permit. An additional fee of \$275 will be charged for surveyor time.
 17. Street improvements and street dedication shall be required in accordance with Chapter 12.10. In lieu of immediate street improvements, utility undergrounding and weed abatement, a street improvement, utility undergrounding and weed abatement agreement shall be executed between the applicant and the City. A restricted fund shall be created and require equal installment payments from the applicant for the \$126,000 for utility undergrounding combined with the \$330,000 for street improvements and \$180,000 for weed abatement payable over a five year time period at a flat quarterly rate (equal installments) with the combined total (\$636,000.00) secured through a performance bond. This will restrict the funds: 1) to street and drainage improvements and utility undergrounding within the Federal Blvd. public right-of-way and/or 2) to weed abatement including removal invasives, replanting of native plant materials, slope stabilization and irrigation within the tributary to Chollas Creek along and near and parallel to Federal Blvd.
 18. A building permit shall be required and obtained for tenant improvements proposed including electrical, plumbing and mechanical improvements proposed. Structures and access shall meet current building and fire code regulations.
 19. A State license shall be required prior to commencing operations. The license must be maintained at all times.
- B. Prior to requesting a final inspection and occupancy of the structure, the applicant shall comply with the following:
1. Comply with Conditions A-1 through A-19 of this Resolution.
 2. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 3. An HVAC system shall be installed to ensure proper interior ventilation in closed window and door condition throughout the facility. The HVAC system shall include 15 cfm of outside air per occupant for all occupied areas as well as exhaust of 4 air

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changes per hour in the stock and packaging rooms. Additionally the HVAC system will utilize carbon filters and replaced per manufacturers recommended service. Carbon filtration is required prior to air exiting any exhaust point.

4. The San Diego Air Pollution Control District Rule 55 requires compliance with standard fugitive dust control best management practices which will be required as a part of normal practices.
5. Dispensaries shall comply with the most recent adopted California Fire Codes and Standards.
6. A fire inspection is required prior to a certificate of occupancy or business license being issued. The applicant shall ensure the dispensary is set up and ready for operation prior to the fire inspection.
7. A fire alarm system may be required to be installed and mag locks tied into the fire alarm system.
8. Electrical panel shall be clearly labeled and the panel door kept close.
9. Provide a Knox box padlock for the chain link fence, or provide a Knox Box for the building and put the gate key inside for Fire Department Emergency Access.
10. All improvements shall comply with Title 15 including 2016 Building and Fire Codes and ADA accessibility requirements.
11. The subject property shall comply with current landscape regulations.
12. Parking areas and striping shall comply with current standards and damaged paving shall be repaired and maintained in a good condition. Designated parking spaces are prohibited on-site.
13. Dumpsters shall be housed within a permitted trash enclosure.
14. Rooftop mechanical equipment shall be screened so that it may not be seen from the level of adjacent streets and sidewalks to the satisfaction of the Community Development Director.
15. A City Business License shall be obtained.
16. A bicycle rack with a minimum three bicycle capacity shall be provided within the front yard setback area.
17. Provide copies of all IRS and State Franchise Board filings within 30 days of filing.
18. Lighting shall be installed to adequately light the exterior and interior of the dispensary premises while in conformance with Section 17.28.080.
19. The location of the dispensary shall include the installation of a centrally monitored alarm system.
20. Windows and glass panes shall have vandal-resistant glazing, shatter resistant film, or glass block installed equipped with appropriate access to allow exit in the event of emergency in compliance with the 2016 Fire Code.
21. All emergency exits shall be solid core doors featuring hinge-pin removable deterrence. Emergency exit doors shall have latch guards at least 12 inches in length protecting the locking bolt area. Latch guards shall be of minimum 0.125-inch thick steel, affixed to the exterior of the door with non-removable bolts, and attached so

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as to cover the gap between the door and the doorjamb for a minimum of six inches both above and below the area of the latch.

22. Windows vulnerable to intrusion by a vehicle must be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.
 23. All means of gaining unauthorized access to the roof shall be eliminated. Exterior roof ladders shall be secured with locked ladder covers.
 24. Roof hatches and skylights shall be secured so as to prevent intrusion.
 25. Recommended mitigation improvements in the traffic study shall be installed and maintained. On-site pavement markings and signage are required as recommended in the traffic study. Utility undergrounding and street improvements including pedestrian sidewalks is required to be consistent with the General Plan Mobility Element Circulation Plan for Federal Blvd.
 26. Solar panels shall be installed on the property with sufficient energy generation to power projected energy use on the subject property.
- C. Upon establishment of use in reliance with this Conditional Use Permit, the applicant shall comply with the following:
1. Comply with Conditions A-1 through A-19 and B-1 through B-26 of this Resolution.
 2. All physical elements of the proposed project shown on the approved plans dated May 21, 2018, except as noted herein, shall be located, constructed and maintained substantially where they are shown in accordance with applicable Lemon Grove City Codes to the satisfaction of the Development Services Director and City Engineer.
 3. If during employment with the dispensary, a director or employee is convicted of a crime identified in California Penal Code Section 1192.7, subdivision (c), and Health and Safety Code Section 11359 shall be immediately dismissed from employment or required to resign as a corporate board member or officer. For purposes of this section, a conviction in another state that would have been a conviction equivalent under California law to those convictions specified in this section will disqualify the person from employment or volunteering at the dispensary.
 4. Dispensaries shall have at least one uniformed security guard on duty during operating hours that possess a valid Department of Consumer Affairs "Security Guard Card."
 5. Dispensaries shall designate a community relations liaison (liaison) who shall be at least eighteen years of age. The liaison may also be the director of the dispensary. To address community complaints or operational problems with the dispensaries, the individual designated as the community relations liaison shall provide his or her name, phone number and email address to the following:
 - a. Lemon Grove city manager;
 - b. San Diego County sheriff's department personnel supervising law enforcement activity in Lemon Grove; and
 - c. All neighbors within one hundred feet of the dispensary.
 6. City code enforcement officers, San Diego sheriff's department staff, and any other employee of the City requesting admission for the purpose of determining compliance with the standards set forth in this section shall be given access to the premises. City and sheriff staff shall not retain information pertaining to individual

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patient records viewed during an inspection, and information related to individual patients shall not be made public. Inspectors will give reasonable notice of a scheduled inspection. Unannounced inspections of a dispensary may occur if city or sheriff's department staff have probable cause that the collective is violating the law.

- a. Inspection Requirements. The following records must be maintained at the premises at all times and available for inspection by city code enforcement officers, San Diego sheriff's department staff, and any other employee of the city:
 - b. Client Records. The dispensary shall keep a record of its clients. The record shall include the following and shall be maintained for a seven-year period:
 - i. Qualified patient member's name, name of primary caregiver when appropriate, and name of licensed physician recommending use of medical marijuana for the member.
 - c. Medical marijuana Records. Dispensary shall keep a record of its medical marijuana transactions. The following records shall be maintained for a seven-year period and labeling shall occur as specified:
 - i. A record identifying the cultivation, manufacturing and distributor source or sources of all medical marijuana currently on the premises or that has been on the premises during the seven-year period preceding the current date. The record shall include the name of the cultivator or manufacturer and the address of the cultivation or manufacturing location.
 - ii. All medical marijuana at the premises must at all times be physically labeled in Compliance with State requirements with information that will allow for identification of the cultivation, manufacturing and distributor source of the medical marijuana.
 - iii. All medical marijuana at the premises shall be physically labeled with the monetary amount to be charged.
 - iv. Dispensaries shall maintain all necessary permits, and pay all appropriate taxes. Dispensaries shall also provide invoices to cultivators, manufacturers and distributors to ensure tax liability responsibility;
 - d. Financial Records. Dispensary shall maintain records of all transactions involving money and/or medical marijuana occurring at the premises. Records shall be maintained for a seven-year period preceding the current date.
 - e. Employee Records. Dispensary shall maintain a record of each employee/volunteer and director. The record shall include name and background check verification. Records shall be maintained for a seven-year period following the end of an employee's employment or director's relationship with the dispensary.
7. The on-site display of unprocessed marijuana plants or representations of marijuana plants in any areas visible to the public is prohibited.
 8. Dispensaries shall submit an "annual performance review report" for review and approval by the development services director. The "annual performance review report" is intended to identify effectiveness of the approved conditional use permit, operations manual, and conditions of approval, as well as any proposed modification to procedures as deemed necessary. The development services director may review and approve amendments to the approved "operations manual"; and the frequency

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of the “annual performance review report.” Medical marijuana cultivation, manufacturing and dispensing monitoring review fees pursuant to the current Master Fee Schedule shall accompany the “annual performance review report” for costs associated with the review and approval of the report.

9. All activities involving the transportation of marijuana for a dispensary shall comply with California State Regulations, restrictions and guidelines, as enumerated in Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.
10. Maintain a waste disposal plan detailing plans for disposal of chemicals and plant waste.
11. If the owners or operators of a MMD are a Limited Liability Company (LLC), corporation or trust, the names and addresses of all officers and designated signatories of the legal entities shall be provided to staff and shall be maintained in the conditional use permit project files. The City shall be notified of all changes to the property and business ownership including officers and designated signatories.
12. The portion of the tributary/drainage channel within the property shall be cleared of trash and debris on a monthly basis and the exterior site area shall be swept monthly to avoid additional trash, dirt and debris flowing into the channel.
13. The use of musical instruments and sound amplification devices on-site is prohibited at all times.
14. Prohibit the blocking or covering of egress windows.
15. Require all facilities to be reviewed by the Fire Department.
16. Nuisance odor complaints shall be filed with the Department of Environmental Health.
17. The second floor offices shall not be used for or resemble a residential use. Sleeping within the facility and residential occupancy is prohibited.
18. The dispensary shall post and maintain professional quality sign facing the parking lot(s) that reads “No loitering, no littering violators subject to arrest” in English and Spanish in accordance with LGMC. Loitering prohibitions shall be strictly enforced on-site.
19. All operational requirements of Measure V shall be adhered to at all times.
20. The business shall be subject to future local taxes and fees. If a local tax is implemented, a payment schedule may be established.
21. The rear portion of the building shall be for storage only and not leased or subleased to a separate tenant or utilized for other operations.
22. Each CUP shall be renewed every three years. The City Council can deny a CUP renewal if it’s determined that the MMD has operated contrary to the conditions of approval and the requirements of the LGMC, or if the MMD has become a public nuisance.
23. A compliance inspection shall be conducted quarterly to ensure operations are in compliance with conditions of approval and other applicable regulations.
24. The City or its designee may examine the records of licensees and inspect the premises of a licensee as the licensing authority as may be authorized by law. The

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City or its designee shall have access to any licensed medical marijuana facility for inspection of the facility, the employees and records (HIPPA compliance rules apply) during any normal business hours or at any other reasonable time. Licensees shall provide and deliver records to the licensing authority upon request (Business and Professions Code 19327(c).) Authorized regulatory staff shall be allowed access to the premises in accordance with State law (Business and Professions Code 19311 (e); 19327 (c)). Compliance inspections shall be conducted by HDL (contracted) and City staff with time expensed to the MMD operator to ensure operations are properly inspected in compliance with conditions of approval and other applicable regulations.

25. Disposal of any unused or unwanted medical marijuana shall undergo a special process and shall not be disposed of as or with routine garbage.
26. Business activities shall be limited to medical marijuana dispensaries only.
27. Deliveries from the facility shall be prohibited, except as conducted by qualified patients and/or the Primary caregiver of the qualified patient, where the quantity transported and the method, timing and distance of the transportation are reasonably related to the medical needs of the qualified patient.
28. Prohibit the cultivation of medical marijuana on-site. If cultivation is permissible, additional conditions will be required.
29. The use of generators on-site is prohibited.
30. No marked company related fleet vehicles with logo and/or business name shall be permitted within the City of Lemon Grove.
31. Loitering and outdoor events shall be prohibited on the subject property.
32. Complaints related to noise and smell shall require professional investigation and analysis and appropriate mitigation.
33. The site shall be well lit, but glare shall be prohibited onto adjacent properties or onto the public right-of-way. All light fixtures shall be maintained and adjusted to reflect light downward, away from any road or street, and away from any adjoining premises. Glare from proposed roof and siding materials and signage shall be considered and designed to minimize impacts onto adjacent properties and the public right-of-way.
34. The building façade shall be well maintained at all times.
35. All graffiti and trash and debris shall be removed daily.
36. Except for designated employees, no persons shall be allowed within the tenant space except during normal business hours.
37. All site Crime Prevention Through Environmental Design (CPTED) recommendations shall be implemented and adhered to all times.
38. Sheriff "No Trespass" authorizations to enter and conduct enforcement on the subject property shall be completed and current at all times (renewed every 30 days).
39. Consumption, sampling, smoking or ingestion of alcohol, tobacco and marijuana products is prohibited on the subject property.
40. All activities associated with the business shall be conducted indoors.
41. Landscape shall be maintained in good condition at all times.

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42. The use of barbed wire or razor ribbon on any fences, gates or walls is prohibited.
43. The hours of operation shall be restricted to 8am to 8pm seven days a week only.
44. All temporary signs are prohibited on-site.
45. A minimum of two employees and one Director is required per facility (three persons total) upon application. Live Scan background check shall be provided to the City prior to employment of all employees or a new Director and prior to commencing operations.
46. A State issued Medical Marijuana Identification Card (MMIC) shall be obtained for each qualified patient, except that qualified caregivers can provide a notarized statement that the "qualified patient is unable to obtain the Medical Marijuana Identification Card (MMIC) in person." Verification shall be provided as a part of annual renewal submittals. A log of all persons entering the facility shall be kept on-site indicating the name, mailing address, phone and MMIC numbers and if product was purchased from the facility.
47. A hazardous materials questionnaire was completed with no hazardous materials indicated. As such, no hazardous materials shall be permitted on-site except standard cleaning supplies at acceptable levels.
48. The site plan shows no outdoor storage of equipment, materials or fleet vehicles. As such, all outdoor storage is prohibited (e.g., equipment, materials and fleet vehicles).
49. The sale of alcoholic beverages, tobacco and tobacco products, and drug and tobacco paraphernalia is prohibited.
50. Dispensing medical marijuana to an individual qualified patient or primary caregiver more than once a day is prohibited;
51. Dispensaries shall only dispense medical marijuana to an individual qualified patient or primary caregiver who has a valid, verified licensed physician's recommendation, and if appropriate, a valid primary caregiver designation. The dispensary shall verify that the licensed physician's recommendation is current and valid;
52. On-site evaluation by a licensed physician for the purposes of obtaining a qualified status is prohibited;
53. Dispensaries shall maintain on the premises an on-site training curriculum capable of meeting employee, agents and volunteer training needs. The minimum training curriculum shall include professional conduct, ethics, and state and federal laws regarding patient confidentiality; specific procedural instructions for responding to an emergency, including robbery or violent incident. Dispensaries shall implement procedures as outlined in their approved operations manual. Dispensaries shall display the client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the dispensary. The client rules and/or regulations shall include, but are not limited to:
 - a. Each building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming medical marijuana on the premises or in the vicinity of the dispensary is prohibited unless specifically authorized within the governing conditional use permit.
 - b. The building entrance to a dispensary shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen are precluded from entering the premises.

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54. All signage for dispensaries shall require a sign permit from the city prior to installation. Signage shall not include any terminology (including slang) or symbols for marijuana.
55. Dispensaries shall maintain twenty-four-hour recorded video surveillance of the premises. Recordings shall be retained for 45 days for inspection by city staff. City staff must provide valid cause for viewing video surveillance. City staff must ensure that patient privacy is safeguarded. Video surveillance will not be shared with law enforcement except when formally requested as part of a law enforcement investigation directly involving the dispensary. On-site cameras shall be maintained and shall be tamper proof
56. All cultivation, manufacturing and distributor sources shall maintain a State license.
57. Cooking and processing of food or marijuana products is prohibited.
58. The use of vending machines is prohibited on-site. A vending machine is any device which allows access to medical marijuana without a human intermediary.
59. All temporary uses in accordance with Section 17.29.040 shall be prohibited on-site.
60. Food trucks and catering shall be prohibited on-site. Food and beverage and/or charitable offerings or solicitations to patrons shall be prohibited on-site.
61. Recreational activities and games of chance shall be prohibited on-site.
62. Prior to operation and annually thereafter, a record of Sheriff and Fire service calls shall be provided to the City of Lemon Grove for assessment.
63. The uniformed security guard on duty shall have an issued Private Patrol Operator # and a valid Department of Consumer Affairs "Security Guard Card" on their possession at all times. A copy of the security guard contract shall be reviewed and approved by the Sheriff's Department. The Security Guard uniform shall be approved by the Bureau of Security and Investigative Services (BSIS).
64. No persons under the age of eighteen are allowed at, in or at a MMD facility, unless such individual is a qualified patient and accompanied by their licensed attending physician, parent or documented legal guardian.
65. Low plant materials in the front yard setback shall be no greater than 18 inches in height and tree canopies shall be maintained greater than eight feet high.
66. All cannabis products shall be tracked, tested, sealed and labeled at a minimum by State Medical Cannabis Regulation Act and as it may be amended.
67. All records related to cannabis activity shall be maintained a minimum of seven years.
68. Vehicular gates shall remain open during operating hours, except for secured loading areas.
69. AB 52 resulted in a consultation with the Viejas Band of Kumeyaay Indians, "Viejas". As a result, Viejas requested that a Kumeyaay Cultural Monitor be on site for ground disturbing activities. This include pavement cuts and soil remediation and any demolitions removing foundations.
70. All activities involving the transportation of marijuana for a dispensary shall comply with California State Regulations, restrictions and guidelines, as enumerated in

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Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.

71. The doors and windows shall remain closed and the air conditioning system utilized during hours of operation to reduce noise and odor impacts in the surrounding neighborhood.
 72. The project shall conform to all performance standards of Municipal Code Section 17.24.080.
 73. Vehicular sight distance of all driveway entrances shall be to the satisfaction of the City Engineer.
 74. Proper drainage shall be maintained throughout this property so as to prevent ponding and/or storage of surface water.
 75. This project approval does not include signage and sign permits shall be obtained prior to installation. All signs shall conform to the Municipal Code Section 18.12.
 76. Clear and well lit addresses shall be provided on-site. Addresses contained within the subject properties shall be visible from the public street in all directions.
 77. Damaged paving shall be repaired and parking area striped consistent with LGMC Section 17.24.010.
 78. A CUP modification is required prior to transfer of ownership or change in business name.
 79. Each violation on the subject property shall be deemed a separate offense subject to daily administrative citations and fines to both the property and the business owners for each violation in accordance with LGMC Chapter 1.24. Violations of this conditional use permit may result in the noticing of a public hearing for consideration by the City Council to revoke the conditional use permit in accordance with LGMC Title 17. If considered for revocation, the City Council shall consider the impact of the violation(s) on public health and safety and the Permit Holder's ability and willingness to rectify the violation in a timely manner to minimize the impact on public health and safety.
- D. The terms and conditions of the Conditional Use Permit shall be binding upon the permittee and all persons, firms, and corporations having an interest in the property subject to this Conditional Use Permit and the heirs, executors, administrators, successors, and assigns of each of them, including municipal corporations, public agencies, and districts.
- E. This Conditional Use Permit expires June 19, 2019 (or such longer period as may be approved by the City Council of the City of Lemon Grove prior to said expiration date) unless all requirements of this Conditional Use Permit have been met prior to said expiration date.

Notice of Intent to Adopt a Mitigated Negative Declaration

To: ___ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Public Agency) CITY OF LEMON GROVE
Development Services Dept.
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3805

X County Clerk
County of San Diego
P.O. Box 1750
1600 Pacific Highway, Room 260
San Diego, CA 92101

SUBJECT: Filing of Notice of Intention to Adopt a Mitigated Negative Declaration in compliance with Section 15072 of the California Code of Regulations Title 14, Chapter 3. Conditional Use Permit CUP-170-0001, ND18-02.

On Tuesday, June 19, 2018 at 6:00 PM, the City of Lemon Grove will hold a public hearing in the City of Lemon Grove Community Center at 3146 School Lane, Lemon Grove, CA 91945, to consider a request for a Conditional Use Permit to authorize a medical marijuana dispensary on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into sales and display and security rooms in a 14,300 sf building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices. 7,700 sf of warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements, street improvements, utility undergrounding, and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The project proponents request modifications of the Municipal Code regulations as follows: 1) modifications and waivers to street improvement and utility undergrounding requirements, and 2) modifications and waivers to site landscape, maintenance and weed remediation including areas within the Tributary to Chollas Creek. The closest sidewalk connection is approximately 1,700 feet to the east. No site grading is proposed except for pavement removal and replacement with landscape. The subject property is within the Light Industrial (LI) zone. It is located at 6470 Federal Blvd., Lemon Grove, CA 91945 (APN: 478-190-20-00). Staff assigned: David De Vries.

A Draft Mitigated Negative Declaration has been prepared by the City of Lemon Grove Development Services Department.

The following determinations have been made regarding the above described project:

1. The project will not have a significant effect on the environment.
2. A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures are proposed to be implemented as part of the project.
4. The project is not a designated hazardous waste facility, hazardous waste property or hazardous waste disposal site as specified under Section 65962.5 of the Government Code.

The draft Mitigated Negative Declaration, Initial Study, and supporting documents may be reviewed, or purchased for the cost of reproduction, at the Development Services Department, 3232 Main Street, Lemon Grove, CA 91945.

For information regarding this project, contact David De Vries, Development Services Director, at (619) 825-3812.

Written comments regarding the adequacy of this Draft Mitigated Negative Declaration must be received by the Development Services Department at the above address by June 14, 2018.

A final environmental report incorporating public input will then be prepared by the decision making authorities.



Signature (David De Vries, City of Lemon Grove)

May 24, 2018

Date

Development Services Director

Title

Attachment C

**INITIAL STUDY / ENVIRONMENTAL CHECKLIST
ENVIRONMENTAL ASSESSMENT NO. ND18-02
FOR CONDITIONAL USE PERMIT CUP-170-0001
LOCATED AT 6470 FEDERAL BLVD.
APN: 478-190-20-00
LEMON GROVE, CALIFORNIA**

Prepared by:

Lemon Grove Planning Division Staff
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3812

May 24, 2018

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City of Lemon Grove Initial Study / Environmental Checklist

This Initial Study / Environmental Checklist has been prepared pursuant to the California Environmental Quality Act (CEQA) [Public Resources Code §21000, et seq.] and the 2016 State CEQA Guidelines [California Code of Regulations §15000, et seq.]. This Initial Study / Environmental Checklist determines that the project will result in no impacts or less than significant impacts (with mitigation) on the environmental resources and issues evaluated herein, and hence would not have a significant impact on the environment.

This document is being made available for a 20-day public review comment period, beginning May 24, 2018 and ending June 14, 2018. Comments regarding this Initial Study/ Environmental Checklist must be made in writing to: David De Vries, Development Services Director, City of Lemon Grove, 3232 Main Street, Lemon Grove, California 91945. Comments must be received by 5:00 P.M. on the last day of the public review period.

- | | |
|--|--|
| 1. Project Title: | The Grove MMD
CUP-170-0001, ND18-02 |
| 2. Lead Agency Name and Address: | City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945 |
| 3. Contact Person and Phone Number: | David De Vries
Development Services Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3812 |
| 4. Project Location and APN: | 6470 Federal Blvd.
Lemon Grove, CA 91945

APN: 478-190-20-00 |
| 5. Project Applicant: | Sean McDermott
8141 Center Street
La Mesa, CA 91942 |
| 6. General Plan Designation: | Industrial |
| 7. Zoning Designation: | Light Industrial (LI) |
| 8. Project Description: | The project site is a rectangularly shaped lot with an existing industrial warehouse and office building located north side of Federal Blvd. The proposed project is a |

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request for a Conditional Use Permit to authorize a medical marijuana dispensary on a 0.96 acre parcel which includes tenant interior improvements converting office and warehousing space into sales and display and security rooms in a 14,300 sf building. A 2,300 sf unpermitted mezzanine is proposed to be permitted and converted to offices. 7,700 sf of warehouse space will remain. Exterior improvements include screening, landscape and trees and parking improvements, street improvements, utility undergrounding, and maintenance and remediation within the Tributary to Chollas Creek for weed abatement and drainage improvements located in the rear portion of the property. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report. The project proponents request modifications of the Municipal Code regulations as follows: 1) modifications and waivers to street improvement and utility undergrounding requirements, and 2) modifications and waivers to site landscape, maintenance and weed remediation including areas within the Tributary to Chollas Creek. The closest sidewalk connection is approximately 1,700 feet to the east. No site grading is proposed except for pavement removal and replacement with landscape.

9. Setting and Surrounding Land Uses:

The project site is in a developed urban industrial area. It is a rectangular shaped lot located north of Federal Blvd, 1,000 feet west of San Miguel Ave., 625 feet east of MacArthur Drive and directly south of State Route 94 at the bottom of the 2:1 slope supporting the freeway improvements. Single-family residences are directly south of the project on approximately 60 feet higher on top of a slope. Industrial land uses are to the east and west. The City of San Diego community of College Grove is immediately north beyond State Route 94.

10. Approvals Required:

Conditional Use Permit CUP-170-0001.

11. Other public agencies whose approvals are required (e.g., permits, financing approval, or participation agreement):

None known.

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ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

Based upon the initial evaluation presented in the following Initial Study / Environmental Checklist, it is concluded that the Project **would** result in the following potentially significant adverse environmental impacts to the following resource areas:

- | | |
|--|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Land Use and Planning |
| <input type="checkbox"/> Agriculture & Forestry Resources | <input type="checkbox"/> Mineral Resources |
| <input checked="" type="checkbox"/> Air Quality | <input checked="" type="checkbox"/> Noise |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Population and Housing |
| <input checked="" type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Public Services |
| <input type="checkbox"/> Geology and Soils | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Greenhouse Gas Emissions | <input checked="" type="checkbox"/> Transportation / Traffic |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Hydrology and Water Quality | <input checked="" type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION:

On the basis of this initial evaluation: (To be completed by the Lead Agency)

- I find that the project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
-
- I find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (a) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (b) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT (EIR) is required, but it must analyze only the effects that remain to be addressed.
- I find that although the project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or (MITIGATED) NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or (MITIGATED) NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.



David De Vries, Development Services Director

5-24-18

Date

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EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur then, the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
4. "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses", as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or (mitigated) negative declaration pursuant to Section 15063(c)(3)(D) of the CEQA Guidelines. In this case, a brief discussion should identify the following:
 - a. Earlier Analysis Used. Identify and state where they are available for review.
 - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c. Mitigation Measures. For effects that are "Less Than Significant With Mitigation Measures Incorporated", describe the mitigation measures that were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances).

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Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a. The significance criteria or threshold, if any, used to evaluate each question; and
 - b. The mitigation measure identified, if any, to reduce the impact to less than significant.

Impact Terminology

The following terminology is used to describe the potential level of significance of impacts:

- A finding of ***no impact*** is appropriate if the analysis concludes that the project would not affect the particular resource in any way.
- An impact is considered a ***less than significant impact*** if the analysis concludes that it would not cause substantial adverse change to the environment and requires no mitigation.
- An impact is considered ***less than significant with mitigation incorporated*** if the analysis concludes that it would not cause substantial adverse change to the environment with the inclusion of environmental commitments that have been agreed to by the applicant.
- An impact is considered a ***potentially significant impact*** if the analysis concludes that it could have a substantial adverse effect on the environment and requires mitigation.

Attachment C

I. AESTHETICS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a-c: No Impact. The project site is not located within or near a designated scenic vista or a State Scenic highway and no scenic resources or historic buildings exist on-site.

d: Less than Significant. The site is located in a developed urbanized area. New landscape and trees are proposed on-site and along Federal Blvd where currently no landscape exists. Tributary to Chollas Creek Remediation will be conducted under a separate permit. Night time lighting of the exterior site area and from proposed signage will occur as a result of this project. Glare onto adjacent public rights-of-ways is required to be reduced to a level of no impacts.

Source: 1, 2, 3, 4, 6

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II. AGRICULTURAL AND FOREST RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use, or a Williamson Act Contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a–e: No Impact. The project site is located in an existing urbanized area with no agricultural or forest resources within the vicinity. The site was previously developed as a warehouse and office structure, and no agricultural or forestry uses are located on-site. The project site is not zoned for agricultural or forestry purposes; nor is there a Williamson

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Act Contract associated with the site or vicinity. Therefore, the project would not convert important farmland, conflict with agricultural zoning, or otherwise cause the conversion of farmland or forest land to non-agricultural/non-forest use. The project would have no agricultural resource impact.

Source: 1, 2, 3, 4, 12

III. AIR QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

c, d: No Impact. As a part of this project, there are no sensitive receptors proposed and there is no cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard.

a, b, e: Less Than Significant Impact with Mitigation Incorporated. No significant impact on air resources is likely to occur. While the proposed project will result in an

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increase in vehicular traffic and a slight increase in air quality impacts to the region, the Master Environmental Impact Report (MEIR) for the City of Lemon Grove's General Plan anticipates vehicular air quality impacts associated with the build out of Lemon Grove but not to a level of significance. The cumulative air quality impacts of buildout of the Lemon Grove General Plan will remain significant and unmitigated. However, this project is not likely to result in a cumulatively considerable net increase of any criteria pollutant. In conformance with the General Plan MEIR, all existing buildings must be tested for asbestos prior to demolition and all necessary treatment implemented if identified. Standard conditions of project approval will require the control of dust during site grading and construction. During construction, diesel equipment may generate some nuisance odors; however, due to best management practice requirements to control dust and odors, odors associated with project construction would not be significant. As a medical marijuana dispensary, all product will be prepackaged upon arrival and remain packaged through the point of sale. An HVAC system with carbon filters is also proposed to reduce odors emitted to adjacent properties. As a result, the project would not generate objectionable odors. Therefore, odor impacts would be less than significant.

Section 15125(d) of the CEQA Guidelines contains specific reference to the need to evaluate any inconsistencies between the proposed project and the applicable air quality management plan, i.e., the San Diego Regional Air Quality Strategy (RAQS). Included in the RAQS are transportation control measures (TCMs). The RAQS and TCM set forth the steps needed to accomplish attainment of state and federal ambient air quality standards. The primary concern for assessing impacts on the RAQS is whether the project is consistent with the growth assumptions used to develop the plan.

San Diego Air Pollution Control District (SDAPCD) relies on land use designations contained in local general plan documents and the San Diego Association of Governments (SANDAG) regional transportation plans to prepare air quality plans. SDAPCD refers to approved general plans to forecast, inventory, and allocate regional emissions from land use and development-related sources. These emissions budgets are used in statewide air quality attainment planning efforts. As such, a project is inherently consistent if it proposes development in conformance with a given General Plan land use designation. Projects that propose development that is greater than anticipated in the growth projections warrant further analysis to determine consistency with RAQS and the State Implementation Plan (SIP). As such, to reduce air quality and greenhouse gas impacts resulting from increased traffic, the site proposes greenhouse gas reduction measures including the removal of pavement and adding nine percent landscape on the site with 11 new trees and proposes new pedestrian paths from the street to the front entrance and along Federal Blvd. including new curb, gutter and sidewalk along Federal Blvd. Bicycle parking is also a part. Absent these mitigations, an air quality and greenhouse gas emissions analysis with appropriate mitigation shall be required prior building permit issuance to ensure impacts to air quality and greenhouse gas emissions as it relates to increased traffic on the site are appropriately mitigated. This will result in the site likely being required to install solar panels to power the facility. Factors shall include increased traffic above what is anticipated in the general plan and above the current use of the facility as warehouse and office.

Source: 1, 2, 3, 4, 7, 9, 11, 14, 15, 16

IV. BIOLOGICAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have substantial adverse effects, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-d: Less Than Significant Impact: The site is located in a developed urbanized area. New landscape and trees are proposed on-site and along Federal Blvd where currently pavement exists (no landscape exists). Maintenance and remediation within the Tributary to Chollas Creek for weed abatement and appropriate drainage located in the rear portion of the property is required or, in-lieu of immediate remediation on-site, payment of fair share of costs for design and improvements for remediation along the entire Federal Blvd corridor or the southerly or northerly portions with scope and location determined by the Development Services Director is required. Potential sensitive plant communities or habitats in the Tributary to Chollas Creek may be prevalent. The Tributary to Chollas Creek remediation will be conducted under a separate City permit and impacts will be analyzed as a part. Prior to remediation on-site, the applicant shall prepare a biological resources assessment and a hydrology study by licensed professionals denoting the location, methods and recommended mitigation for removing invasive plant materials and an analysis of drainage flows and remediation for appropriate drainage. Include an assessment of sensitive plant and raptor species (including migratory birds) with appropriate mitigation to ensure no impacts. Appropriate State agency (include Department of Fish and Wildlife, Caltrans, State Water Quality Control Board and Army Corps of Engineers) notifications, permitting and mitigations shall be required as applicable. The portion of the tributary/drainage channel within the property shall be cleared of trash, debris and invasive plant materials. Clearing of the tributary/drainage channel shall be such that it promotes free and efficient flow of waters with no obvious impediments. Installation of native plant materials and slope stabilization may be required as recommended a licensed geotechnical engineer and biologist. A landscape permit shall be required and shall be considered a separate project for CEQA purposes. All local, State and Federal permits necessary to perform this work shall be obtained by the applicant/owner. Applicant/owner shall enter into an agreement with the City of Lemon Grove to maintain the portion of the tributary/drainage channel.

e-f: No Impact. The subject site is located in a developed urban area. The site only supports Developed and Disturbed habitat due to the historical development activities.

The MEIR for the City of Lemon Grove's General Plan conveys there are no known sensitive biological resources, riparian habitat, or wetlands on the subject property.

Source: 1, 2, 3, 4, 5, 13

Attachment C

V. CULTURAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Cause a substantial adverse change in the significance of an historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Disturb human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Cause a substantial adverse change in the significance of a Tribal Cultural Resource as defined in Public Resources Code, Section 21074 as either: 1) a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, that is listed or eligible for listing on the California Register of Historical Resources, or on a local register of historical resources as defined in Public Resources Code section 5020.1(k), or 2) a resource determined by a lead agency, in its discretion and supported by substantial evidence, to be significant according to the historical register criteria in Public Resources Code section 5024.1 (c), and considering the	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
significance of the resource to a California Native American tribe.				

Explanation of Checklist:

a-d: No Impact

Neither the project site nor its contents are listed in any historical register, identified in historical surveys or are determined to be of particular historical import. There are no known cultural resources located on the property. There are no known human remains or those interred outside of formal cemeteries on the subject property or in the surrounding area. No geotechnical investigation was conducted since the project only proposes surface improvements.

e: Less than Significant Impact with Mitigation.

A Sacred Lands File (SFL) check was conducted for the project through the Native American Heritage Commission (NAHC) and resulted in no findings of Sacred Lands. Tribal consultation requests may result in consultation and tribal representation during any ground disturbing activities. As such, in order to mitigate any impacts that ground disturbing activities may cause: 1) A tribal representative may be required to be present at the pre-grading or pre-ground disturbing activities meetings to consult with the contractors. 2) A tribal representative may be required to be present at all times during the original cutting of previously undisturbed sediments. 3) The tribal representative shall be allowed to temporarily direct, divert or halt grading or ground disturbing activities to allow recovery of fossil and artifact remains. 4) Prior to final inspection a report shall be prepared summarizing the results of the mitigation program and the coordination efforts with the tribal representative and submitted to the City of Lemon Grove Development Services Director. This report will include a discussion of methods employed, fossils and artifacts recovered, geologic context of fossil and artifact remains and the significance of the mitigation program. With implementation of the mitigation measures specified above, potential impacts to cultural resources would be less than significant.

Source: 1, 2, 3, 4

Attachment C

VI. GEOLOGY AND SOILS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-d: Less than Significant Impact. The site is located within the seismically active southern California region. The Rose Canyon Fault Zone is the nearest active fault system to the project site and lies approximately 8.8 miles to the west. No geotechnical evaluation was conducted because ground disturbance only includes pavement removal and minor grading for soil treatments for new trees and landscape and new base pavement materials. Given the proximity of the Rose Canyon fault system, a strong earthquake on this fault could produce severe ground shaking at the project site, but would be unlikely to produce ground rupture. Despite the potential of the Rose Canyon fault system to produce severe ground shaking at the project site, impacts to the project would be reduced through adherence to requirements specified in the Alquist-Priolo Act, the Uniform Building Code, Title 24 of the California Building Code, and all development regulations of the City. Compliance with these building standards would minimize impacts associated with seismic hazards.

e: No Impact. The project would be served by the City's wastewater system and would not require the use of septic systems. No impact related to septic system soil issues would occur.

Source: 1, 2, 3, 4, 8

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VII. GREENHOUSE GAS EMISSIONS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a. Less Than Significant with Mitigation Incorporated.

To reduce air quality and greenhouse gas impacts resulting from increased traffic, the site proposes greenhouse gas reduction measures including the removal of pavement and adding nine percent landscape on the site with 11 new trees and proposes new pedestrian paths from the street to the front entrance and along Federal Blvd. including new curb, gutter and sidewalk along Federal Blvd. Bicycle parking is also a part. Absent these mitigations, an air quality and greenhouse gas emissions analysis with appropriate mitigation shall be required prior building permit issuance to ensure impacts to air quality and greenhouse gas emissions as it relates to increased traffic on the site are appropriately mitigated. This will result in the site likely being required to install solar panels to power the facility. Factors shall include increased traffic above what is anticipated in the general plan and above the current use of the facility as warehouse and office.

During project construction, a temporary increase in operational emissions may occur. Operational emissions include mobile source emissions and building emissions. The San Diego Air Pollution Control District Rule 55 requires compliance with standard fugitive dust control best management practices which will be required as a part of normal practices.

b: Less Than Significant Impact.

The proposed project is below the threshold of significance established by the Californian Air Pollution Control Officers Association (CAPCOA) for greenhouse gas emissions. According to the CAPCOA White Paper published in January 2008, it is presumed that the construction and operational greenhouse gas emissions for retail

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projects of less than 11,000 square feet would not exceed 900 metric tons of CO₂-equivalent emissions per year, and would therefore have a less-than-cumulatively considerable impact to the environment. Pursuant to California Assembly Bill 32, the State must reduce greenhouse gas emissions by at least 16% in order to roll back the level of emissions for the year 2020 to those levels that existed in 1990. CAPCOA has determined that any project which generates less than 900 metric tons of CO₂-equivalent emissions per year is below the level necessary to achieve the 16% reduction in anticipated state-wide emissions for the year 2020 under the "business as usual" scenario. Therefore, the impact is less than significant.

Source: 1, 2, 3, 4, 7, 9, 11, 14, 15, 16

VIII. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Create a significant hazard to the public or the environment through routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a–h: No Impact. The project will not create a hazardous environment through the use or transport of hazardous materials. There are no known hazardous material sites within the City. The site is not located within an airport land use plan or within two miles of a public airport or public use airport and no such detriment should occur. The proposed project will not impair implementation of or physically interfere with any emergency response plan or evacuation plan because the project design and access has been reviewed and approved by the Fire Department. The project is located within an urbanized area and there are no wildlands located within the vicinity of the subject property. A contaminated underground storage tank case was closed in 1989. The Department of Environmental Health was notified of the proposed project in March 2018 and they determined no action is required based on the proposed commercial use and that the site will be staying as commercial use and that there will be no major soil removal so there will be no soil management

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issues. The applicant completed a Hazardous Materials Management Plan Questionnaire by Heartland Fire & Rescue on August 11, 2017 and noted no on the 16 categories related to indoor storage of hazardous materials.

Source: 1, 2, 3, 4, 10

IX. HYDROLOGY AND WATER QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Contribute to inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

c-f: Less than Significant Impact. The project does not substantially degrade groundwater supplies or interfere substantially with groundwater recharge. Existing drainage patterns are unaltered or will be directed along Federal Blvd as a result of street improvements. Some storm water will be captured in proposed landscape islands. Drainage patterns may be altered as a result of the project, but not to a level of significance.

a-b, g-j: No Impact. The project site is located within an area prone to flooding. According to Flood Insurance Rate Maps prepared by the Federal Emergency Management Agency, the subject site is located within Zone "A" subject to inundation by the one percent annual chance flood event. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply. The project site is located approximately 9.5 miles from the nearest shoreline of the Pacific Ocean at an

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elevation of 379 feet above sea level. As such there is no threat to the site from seiche, tsunami, or mudflow.

Source: 1, 2, 3, 4, 5, 8, 13

X. LAND USE AND PLANNING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a, c: No Impact. The project will not divide the community. There are no habitat conservation plans in effect within the vicinity of the project.

b: Less Than Significant Impact. This project is the result of a citizen's initiative (Measure V) which did not include CEQA analysis and conflicts with the General Plan Industrial Land Use Designation and was not analyzed as part of the 1996 General Plan Master Environmental Impact Report, however, only impacts associated traffic, air quality and greenhouse gas emissions are not accounted for in the General Plan and appropriate mitigation is provided herein.

Source: 1, 2, 3, 4, 16

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XI. MINERAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-b: No Impact. There are no known mineral resources of significance or categorized as locally important on the project site or within the City. As a result, there would be no impact to mineral resources associated with implementation of the project.

Source: 1, 2, 4

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XII. NOISE

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Expose persons to or generate excessive ground borne vibration or ground borne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a: Less Than Significant Impact with Mitigation. The proposed project, which is retail in nature, will not introduce significant noise sources in the vicinity that are inconsistent

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with the existing industrial development of the area. However, State Route 94 is a noise source within close proximity of the project. Figure N-2 in the 1996 General Plan indicates that the subject property is within an area encompassing 75 dB CNEL noise levels or less. The General Plan states that commercial and office building projects with existing noise levels below 75 dB CNEL are conditionally acceptable and require closed windows and fresh air supply systems or air conditioning. An HVAC system with carbon filters is proposed and required to provide appropriate noise mitigation for interior noise levels. No additional sound attenuating noise controls are required as mitigation. Conformance with the City's Noise Abatement and Control ordinance (Chapter 9.24 of the Lemon Grove Municipal Code) is required for operation of any single or combination of powered construction equipment at any construction site.

b: Less than Significant Impact. The proposed project which is commercial in nature will not expose persons to, or generate, excessive ground borne vibration or ground borne noise levels. Construction activities may create minor ground borne vibrations during the construction process, but any such vibrations would be temporary in nature and less than significant.

c-d: Less than Significant Impact. The proposed project which is commercial in nature will not introduce significant noise sources in the vicinity that are inconsistent with the existing industrial development of the area.

e-f: No Impact. The project site is not within an airport land use plan, is more than six miles from the nearest airport, and more than nine miles from the nearest private air strip.

Source: 1, 2, 3, 4

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XIII. POPULATION AND HOUSING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a-c No Impact. No new housing, housing proposed for demolition or displacement of housing is proposed as a part of the project.

Source: 1, 2, 3, 4

XIV. PUBLIC SERVICES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered				

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i. Fire protection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Police protection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv. Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
v. Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a(i-ii): Less Than Significant Impact with Mitigation Incorporated. Police protection is provided by the San Diego County Sheriff's office in Lemon Grove. In addition, the project site is served by Heartland Fire & Rescue, a joint powers authority delivering fire protection and emergency medical services to the cities of El Cajon, Lemon Grove, and La Mesa. Based on historical evidence with marijuana dispensaries, the project may create increased fire and police calls for service resulting from the proposed marijuana cash-based business. The following conditions are required to reduce risks of calls for service:

1. Maintain site conditions as proposed.
2. Comply with appropriate building and fire codes.
3. Comply with conditions of approval referenced in the Municipal Code including Measure V (Chapter 17.32).
4. Comply with inspection and reporting requirements to ensure continued compliance.
5. Other conditions as determined by the Fire Marshal and Sheriff Division Lieutenant.

a(iii-v): Less Than Significant Impact. The project is located in an urbanized community well served with sewer and water lines, streets, storm drains and other public utilities.

The proposed project will not result in a significant increase in the demand for public services and facilities. San Diego Gas & Electric, EDCO disposal service, Helix Water

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District, and the Lemon Grove Sanitation District have reviewed the proposed project and determined that existing services are adequate to serve the proposed project.

Source: 1, 2, 3, 4

XV. RECREATION

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation of Checklist:

a–b: No Impact. The proposed project will not create a significant increase in the demand on recreational services in the community. New commercial uses do not typically warrant a demand for park land and recreational services.

Source: 1, 2, 3, 4

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XVI. TRANSPORTATION / TRAFFIC

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a, e, f: Less Than Significant Impact.

The traffic study estimates that the project will increase the average daily vehicle trips to the site from 5 weekday trips per 1,000 square feet or 72 average daily vehicle trips to the site for a warehousing industrial use (ref. http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf) to 419 average daily vehicle trips as shown in the April 11, 2018 traffic analysis with excerpt below (an increase in traffic volumes almost six times the current use). The access analysis indicates good LOS B/C operations at the access points. No access related changes along Federal Blvd. are deemed necessary. On-site pavement markings and signage are required as recommended in the traffic study. Utility undergrounding and street improvements including pedestrian sidewalks is required to be consistent with the General Plan Mobility Element Circulation Plan for Federal Blvd. The purpose of the light industrial (LI) zone is for light manufacturing, warehousing, distribution, or other related limited intensity activities. These regulations establish development standards and conditions through which uses may be located in this zone. The MEIR for the General Plan did not account for retail uses in Industrial zones. All uses shall be subject to the applicable regulations of Title 17 including street improvement requirements for discretionary permits. Failure to provide street improvements will result in a conflict with the General Plan Circulation Plan.

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TABLE 2
TRIP GENERATION SUMMARY

Description	Quantity	Daily Volumes		AM Peak Hour				PM Peak Hour					
		Rate	Volume	Rate	Split	In	Out	Total	Rate	Split	In	Out	Total
Mariposa Dispensary *	6,600 SF		380			11	3	14			19	19	38
Warehousing ¹	7,708 SF	5 /KSF	39	15%	20% : 30%	4	1	5	15%	40% : 60%	2	4	6
Total Project	14,308 SF		419			15	4	19			21	23	44

Footnote:

- 1. AM Peak Hour is based on Greater San Joaquin traffic study and PM Peak Hour is based on Greater San Joaquin traffic study. Daily trips calculated based on daily trip length 10 hours for PM Peak Hour.
- 2. Estimated weekly vehicle trip generation rate for warehousing per 10,000 sq ft based on California Traffic Data Survey Data for the San Diego Region (SADTDG-1992).

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The project is estimated to generate an additional 419 vehicle trips per day. Based on the San Diego Traffic Engineers' Council (SANTEC) and the Institute of Transportation Engineers (ITE) document *SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region*, a Traffic Impact Study is not required because the project's trip generation is calculated to be less than 1,000 ADT and less than 100 peak hour trips. Additionally, the Trip Generation Analysis determined that the ADT and number of peak hour trips generated by the proposed project does not trigger Caltrans' threshold for a requirement to analyze State highway facilities.

The Fire Department and Engineering Department have determined that access is adequate for emergency vehicles. The proposed project meets the City's parking requirements. The project as designed complies with standard street design requirements. The subject property is not located within the vicinity of a private airstrip or public airport.

Police protection is provided by the San Diego County Sheriff's office in Lemon Grove. In addition, the project site is served by Heartland Fire & Rescue, a joint powers authority delivering fire protection and emergency medical services to the cities of El Cajon, Lemon Grove, and La Mesa. Based on historical evidence with marijuana dispensaries, the project may create increased fire and police calls for service resulting from the proposed marijuana cash-based business. The following conditions are required to reduce risks of calls for service:

1. Maintain site conditions as proposed.
2. Comply with appropriate building and fire codes.
3. Comply with conditions of approval referenced in the Municipal Code including Measure V (Chapter 17.32).
4. Comply with inspection and reporting requirements to ensure continued compliance.
5. Other conditions as determined by the Fire Marshal and Sheriff Division Lieutenant.

b-d: No Impact. The project will not conflict with an applicable congestion management program, result in a change in air traffic patterns, or increase hazards due to design features.

Source: 1, 2, 3, 4, 11, 14, 15, 16

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XVII. UTILITIES AND SERVICE SYSTEMS

Would the project

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Comply with federal, state, and local statutes and regulation related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a–g: Less than Significant Impact.

Increases in solid waste and water supply is anticipated as a result of the change from an office warehousing use to an office, warehousing and retail use.

The subject property is served by the City of Lemon Grove Sanitation District. The proposed project will not result in a substantial increase in the demand for sanitary services.

The proposed project will not result in a significant increase in demand for domestic water supplies.

The proposed project will not result in a substantial increase in the generation of solid waste. The project will be required to comply with all federal, state, and local statutes and regulations regarding solid waste. Impacts to utilities and service systems are expected to be less than significant.

Source: 1, 2, 3, 4

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XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

Does the project

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Explanation of Checklist:

a: Less Than Significant Impact with Mitigation. Maintenance and remediation within the Tributary to Chollas Creek for weed abatement and appropriate drainage located in the rear portion of the property is required or, in-lieu of immediate remediation on-site, payment of fair share of costs for design and improvements for remediation along the

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entire Federal Blvd corridor or the southerly or northerly portions with scope and location determined by the Development Services Director is required. Potential sensitive plant communities or habitats in the Tributary to Chollas Creek may be prevalent. The Tributary to Chollas Creek remediation will be conducted under a separate City permit and impacts will be analyzed as a part. Prior to remediation on-site, the applicant shall prepare a biological resources assessment and a hydrology study by licensed professionals denoting the location, methods and recommended mitigation for removing invasive plant materials and an analysis of drainage flows and remediation for appropriate drainage. Include an assessment of sensitive plant and raptor species (including migratory birds) with appropriate mitigation to ensure no impacts. Appropriate State agency (include Department of Fish and Wildlife, Caltrans, State Water Quality Control Board and Army Corps of Engineers) notifications, permitting and mitigations shall be required as applicable. The portion of the tributary/drainage channel within the property shall be cleared of trash, debris and invasive plant materials. Clearing of the tributary/drainage channel shall be such that it promotes free and efficient flow of waters with no obvious impediments. Installation of native plant materials and slope stabilization may be required as recommended a licensed geotechnical engineer and biologist. A landscape permit shall be required and shall be considered a separate project for CEQA purposes. All local, State and Federal permits necessary to perform this work shall be obtained by the applicant/owner. Applicant/owner shall enter into an agreement with the City of Lemon Grove to maintain the portion of the tributary/drainage channel.

b, c: Less Than Significant Impact. The project results in increased exposure to and availability of medical marijuana. Associated impacts to human beings are anticipated to be less than significant. Impacts were not addressed in the General Plan MEIR.

XIX. DETERMINATION AND PREPARERS

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FEE DETERMINATION

(Fish and Game Code Section 711.4, Statutes of 2006 – SB 1535)

- It is hereby found that this project involves no potential for any adverse effect, either individual or cumulatively, on wildlife resources and that a "Certificate of Fee Exemption" shall be prepared for this project.
- It is hereby found that this project could potentially impact wildlife, individually or cumulatively, and therefore, fees in accordance with Section 711.4(d) of the Fish and Game Code shall be paid to the County Clerk.

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XX. REFERENCES

Section 15150 of the State CEQA Guidelines permits an environmental document to incorporate by reference other documents that provide relevant data. The documents listed below are hereby incorporated by reference. The pertinent material is summarized throughout this Initial Study / Environmental Checklist where that information is relevant to the analysis of impacts of the project. The following references were used in the preparation of this Initial Study / Environmental Checklist and are available for review at the City Hall located at 3232 Main Street, in Lemon Grove.

<u>Reference #</u>	<u>Document Title</u>
1.	City of Lemon Grove General Plan
2.	Master Environmental Impact Report for the Lemon Grove General Plan
3.	City of Lemon Grove Municipal Code
4.	CUP-170-0001 Application Packet
5.	Hydrology Study for The Grove MMD, by BWE (January 2018)
6.	Caltrans Scenic Highway website: http://www.dot.ca.gov/hq/LandArch/16_livability/scenic_highways/
7.	San Diego Air Pollution Control District's Regional Air Quality Standards (RAQS) available at: http://www.sdapcd.org/content/sdc/apcd/en/air-quality-planning.html
8.	Department of Conservation's Alquist-Priolo Earthquake Fault Zoning Map available at: http://www.conservation.ca.gov/cgs/rghm/ap
9.	CAPCOA White Paper, published January 2008.
10.	California Environmental Protection Agency Cortese List Data Resources available at: http://www.calepa.ca.gov/sitecleanup/corteselist/
11.	SANDAG Brief Guide of Vehicular Traffic Generation Rates available at: http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf
12.	Department of Conservation, Farmland Mapping and Monitoring Program website: http://www.conservation.ca.gov/dlrp/fmmp
13.	FEMA Flood Insurance Rate Map Panel No. 06073C1910G May 16, 2012
14.	SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region
15.	Caltrans Guide for the Preparation of Traffic Impact Studies
16.	Transportation Letter Report by Linscott Law & Greenspan for The Grove MMD (4/11/8)




Individuals and Organizations Consulted

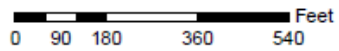
David De Vries, Development Services Director, City of Lemon Grove
Tim Gabrielson, City Engineer, City of Lemon Grove
Jeremiah Harrington, Assistant Engineer, City of Lemon Grove
Chris Jensen, Fire Marshal, Heartland Fire and Rescue
Kurt Culver, President and CEO, Esgil
Arturo Ortuno, Assistant Planner, City of Lemon Grove

CUP-170-0001



Legend

-  6470 Federal Blvd.
-  LG Parcels
-  Roads



Measure V
An Initiative to Rescind the Prohibition of Marijuana Dispensaries
and Add the Medical Marijuana Regulatory Ordinance to the
Lemon Grove Municipal Code

WHEREAS the California voters approved Proposition 215 in 1996 to ensure that seriously ill Californians have the right to obtain and use cannabis for medical purposes and to encourage elected officials to implement a plan for the safe and affordable distribution of medicine; and

WHEREAS the California State Legislature adopted Senate Bill 420, the Medical Marijuana Program Act, in 2003 to help clarify and further implement Proposition 215 in part by authorizing patients and *Primary caregivers* to associate within the State of California in order to collectively or cooperatively cultivate cannabis for medical purposes; and

WHEREAS the California State Legislature adopted Assembly Bill 243, Assembly Bill 266, and Senate Bill 643, collectively known as the Medical Marijuana Regulation and Safety Act, in 2015 to establish a statewide regulatory framework and establish the Bureau of Medical Marijuana Regulation for the regulation of *medical marijuana* activity occurring in jurisdictions across California;

The People of the City of Lemon Grove and the City Council of the City of Lemon Grove hereby ordain as follows:

Section 1. Chapter 17.32 (Medical Marijuana Regulatory Ordinance - Land Use) is hereby added to the Lemon Grove Municipal Code to read as shown in Attachment "1" as though fully set forth at this point.

Section 2. Lemon Grove Municipal Code Section 5.04.220 is hereby amended to read as shown in Attachment "2" as though fully set forth at this point. This amendment adds a provision to the Lemon Grove Municipal Code for a business license tax for *Medical Marijuana Dispensaries* permitted under State law and approved under regulatory authority granted by the State to the City. No other business license tax amounts or classifications are amended, raised or adopted by this Ordinance.

Section 3. Severability. If any section, sub-section, sentence, clause, phrase, part, or other portion of this measure, or application thereof, is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the remaining portions or provisions of this measure. It is hereby declared by the people voting for this measure that this measure, and each section, sub-section, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, sub-sections, sentences, clauses, phrases, parts or portions, or the application thereof, are declared invalid or unconstitutional.

Section 4. Conflicting Ballot Measures. This measure is inconsistent with and intended as an alternative to any other initiative or measure placed on the same ballot that addresses the same subject matter as this measure. In the event that this measure and another initiative or measure addressing the same subject matter as this measure, or any part thereof, is approved by a majority of voters as the same election, and this measure receives a greater number of affirmative votes than any other such initiative or measure, then this measure shall prevail and control in its entirety and said other initiative or measure shall be rendered void and without any legal effect.

Section 5. Amendment of this Measure. This measure, except as specified herein, shall only be amended by a subsequent vote of the People. Notwithstanding any other law or provision in this measure, the City Council shall have the right and the ability to amend or modify this measure under the following circumstances:

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- a. After this measure has been in effect in the City of Lemon Grove for a period of three years, the City Council, in its sole and exclusive discretion, determines that regulations, fees, permits or penalties warrant adjustment due to inflation, unreasonable cost burdens to the City or *Dispensaries*, unreasonable regulatory burdens to the City or *Dispensaries*, or that a zoning or regulatory restriction contained in the measure has created any other unnecessary or unanticipated burden to the City or *Dispensaries*;
- b. The City Council, in its sole and exclusive discretion, determines that the regulations, penalties or fees established in this measure no longer conform to the California State regulations for marijuana activity or that the regulations established in this measure fail to conform to the local licensing requirements for marijuana *Dispensaries*, as outlined in Division 8, Chapter 3.5 of the California Business and Professions Code; or
- c. The City Council, in its sole and exclusive discretion, determines that the City or any of its subsidiary agencies, departments or other controlled legal entities will lose or receive reduced funding, including potential funds from grant eligibility, from the state or federal government for implementing and/or enforcing this measure or any related Lemon Grove law or regulation.

Section 6. Administrative Regulations. This measure specifically delegates to the Lemon Grove City Manager the ability to prepare implementing regulations that are consistent with the terms and conditions of this Ordinance and any amendments or modifications thereto. The City Council shall have the ability to review, modify and approve any implementing regulations adopted by the City Manager at its discretion.

Section 7. Implementation Date. No permit application shall be accepted for processing for a period of three (3) months after the effective date of this Ordinance to allow for the City of Lemon Grove to develop implementing policies. No use shall be permitted under this Ordinance during this three-month (3) implementation period.

Section 8. Effective Date. This Ordinance, in order to go into effect, must be approved by a two-thirds vote of the full City Council. Thereafter, this Ordinance shall not take effect unless and until approved by a majority vote of the people at the November 8, 2016, General Election. Upon approval by the people, the ordinance shall take effect in the manner allowed by law and as specified herein.

Measure V Attachment 1 LGMC Chapter 17.32

17.32.010. Purpose.

This Chapter establishes the regulations for the use of *medical marijuana*, to the extent allowed by State Law, in a way that will minimize the impacts on the community and help pay for costs associated with the usage of a controlled substance. This Ordinance does not authorize or permit any conduct not allowed by state law.

17.32.020. Applicability.

- A. The intent of this section is to regulate the cultivation, processing and dispensing of *medical marijuana* in a manner that protects the health, safety and welfare of the community. This section is not intended to interfere with a *qualified patient* or *Primary caregiver's* right to *Medical marijuana*, as provided for in California Health & Safety Code Section 11362, nor criminalize the same.
- B. *Medical marijuana* for personal use shall be in conformance with the standards set forth in this Title.

17.32.030. Release of Liability and Hold Harmless. The owner and permittee of a *Medical Marijuana Dispensary* or cultivation facility shall release the City of Lemon Grove, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of cooperative or collective or cultivation owners, operators, employees, *Primary caregiver* or *Qualified patients* for violation of state or federal laws in a form satisfactory to the Director of Development Services. In addition, the business owner and permittee of each *Medical marijuana* cooperative, collective or cultivation facility shall indemnify and hold harmless the City of Lemon Grove and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by adjacent or nearby property owners or other third parties due to the operations at the cooperative, collective or cultivation facility, and for any claims brought by any of their *Qualified patients* for problems, injuries, damages, or liabilities of any kind that may arise from the distribution, cultivation and/or on- or off-site use of *Medical marijuana* provided at the cooperative, collective or cultivation facility in a form satisfactory to the Director of Development Services.

17.32.040. Application. *Medical marijuana Dispensary* which dispense, process and cultivate medicinal marijuana shall be required to obtain a Conditional Use Permit consistent with 17.28.050 prior to operation. The fact that an applicant possesses other types of state or City permits or Licenses does not exempt the applicant from the requirement of obtaining a Conditional Use Permit to operate a *Medical marijuana Dispensary*.

17.32.050. Definitions. The following words and phrases are italicized throughout this title and shall have the meanings found in this section.

"Director" means a corporate officer, corporate board member, or employee with supervisory responsibilities of an authorized *Dispensary* business that dispenses *medical marijuana*.

"Licensed Physician" means a person educated, clinically experienced, and licensed by the Medical Board of California, or the Osteopathic Medical Board of California to practice medicine.

"Medical Marijuana" means marijuana product used for the treatment of pain and suffering caused by diseases and ailments. *Medical marijuana* does not include recreational use.

"Medical Marijuana Dispensary" (*Dispensary*) means a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, as defined by Section 19300.5 of the California Business and Professions Code.

"Medical Marijuana Identification Card" (*MMIC*) A document provided by the San Diego County *Medical Marijuana Identification Card (MMIC)* Program pursuant to the State Department of Health Services that identifies a *Qualified patient* authorized to engage in the medical use of marijuana and the person's designated *Primary caregiver*, if any as per California Health and Safety Code §11362.7, and as may be amended.

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"Operations Manual" a manual that each *Dispensary* shall develop, implement and maintain on the *Premises* which contains requirements outlined in Section 17.32.090.C.6.

"Person with an Identification Card" means an individual who is a *Qualified patient* who has applied for and received a valid identification card pursuant to this article and the California Health and Safety Code §11362.7, and as may be amended.

"Premises" means a lot, parcel, tract or plot of land, together with the buildings, structures and appurtenances thereon.

"Primary caregiver" means the individual or individuals designated by a *qualified patient* who has consistently assumed responsibility for the housing, health or safety of that *qualified patient*. As used herein, a *Primary caregiver* may only grow, administer, transport, or engage in the activities regulated hereunder on behalf of the *qualified patient* for whom they have consistently assumed responsibility for the housing, health or safety of that *qualified patient*. A *primary caregiver* may engage in other activities as specifically enumerated herein.

"Protected Uses" are for purposes of computing distance separations from any public or private preschools and schools, licensed daycare facilities, any park or playground, alcohol and substance abuse treatment centers.

"Qualified patient" means a person who has obtained a written recommendation or approval from a *licensed physician* to use marijuana for personal medical purposes.

"Regulated uses" are for purposes of computing distance separations for *medical marijuana* Cooperative or Collective businesses (with or without accessory cultivation uses) but excluding individual residential cultivation sites operated by *qualified patients* or *primary caregiver* and located solely in Single Family Residential Zones.

17.32.060. General Provisions

The following information must be submitted with an application to request *medical marijuana* use in conformance to this section and the City of Lemon Grove. All documents which relate to the general provisions and the requirements listed in the submittal requirements must be included in the *Operations Manual*.

A. Physician/Patient Confidentiality.

All processes and reviews conducted pursuant to this Ordinance shall preserve to the maximum extent possible all legal protection and privileges. Disclosure of any member information shall not be deemed a waiver of confidentiality of those records under any provision of state law.

B. Medical marijuana Cultivation Permitted by Compassionate Use Act.

All cultivation of marijuana for medical purposes shall not be declared unlawful by the City of Lemon Grove when said cultivation is conducted solely for the personal medical purposes of *qualified patients*, in accordance with the Compassionate Use Act of 1996. Such cultivation may include the cultivation and possession of both male and female plants in all stages of growth, clones, seedlings and seeds and related cultivation equipment and supplies. *Qualified patients* and/or their *primary caregivers* may cultivate individually and/or collectively as permitted by the State of California and as outlined in the following sections.

17.32.080. Findings

In addition to the findings required for the granting of a Conditional Use Permit by Section 17.28.050 of this Title, the decision making authority shall consider the following:

- A. Whether the approval of the proposed use will violate the minimum requirements set forth in this chapter for distance separations between establishments which dispense, process or cultivate *Medical marijuana*; and separations between establishments which dispense, process or cultivate *Medical marijuana* and other specific regulated or protected land uses as set forth in this chapter.
- B. Whether the proposed use complies with Title 17 of the Lemon Grove Municipal Code.

17.32.090. Medical marijuana Dispensary Regulations

A. Zones:

Dispensaries may be established by Conditional Use Permit in the Heavy Commercial (HC), Limited Commercial (LC), General Commercial (GC) and Light Industrial (LI) Zones and subject to the distance requirements. *Dispensaries* are prohibited in Mixed-Use Zones (Downtown Village Specific Plan and Central Commercial) and all residential zones (RLM, RL, RM, RMH).

B. Distance Requirements

An application may be submitted provided the proposed facility meets the required distance measurements. For purposes of measurements, all *Dispensaries* are considered *Regulated uses* and public parks as defined at Section 12.20.030 of Lemon Grove Municipal Code, playgrounds as defined at Section 18.28.020, subdivision (v), of the Lemon Grove Municipal Code, licensed day care facilities as defined at Section 17.08.030 of Lemon Grove Municipal Code, schools as defined at California Health and Safety Code section 11362.768, subdivision (h), and alcohol and substance abuse treatment centers are considered *Protected Uses*. Measurement is made between the closest property lines of the *Premises* in which the *Regulated uses* and *Protected Uses* are located. A regulated use must not be:

1. Within 1000 feet of any other regulated use which is located either inside or outside the jurisdiction of the City,
2. Within 1000 feet from any protected use which is located either inside or outside the jurisdiction of the City.

The measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access.

C. Standards

1. **Background Check Required for Directors and Employees.** The *Director* and employees of a *Dispensary* must obtain a Live Scan background check through the California Department of Justice or the San Diego County Sheriff's Department prior to employment. *Directors* convicted of a serious felony, as defined in California Penal Code section 1192.7, subdivision (c), and Health & Safety Code Section 11359 (Possession for sale) within the previous ten years shall not be eligible for a license. Other potential collective employees and volunteers convicted of the crimes identified in this section in the previous five years are ineligible for employment or participation. If during employment with the *Dispensary*, a *Director* or employee is convicted of a crime identified in this section shall be immediately dismissed from employment or required to resign as a corporate board member or officer. For purposes of this section, a conviction in another state that would have been a conviction equivalent under California law to those convictions specified in this section will disqualify the person from employment or volunteering at the *Dispensary*.
2. **Security Personnel Required.** *Dispensaries* shall have at least one uniformed security guard on duty during operating hours that possess a valid Department of Consumer Affairs "Security Guard Card."
3. **Community Relations Liaison Required.** *Dispensaries* shall designate a community relations liaison (liaison) who shall be at least 18 years of age. The liaison may also be the *Director* of the *Dispensary*. To address community complaints or operational problems with the *Dispensaries*, the individual designated as the community relations liaison shall provide his or her name, phone number and email address to the following:
 - a. Lemon Grove City Manager,
 - b. San Diego County Sheriff's Department personnel supervising law enforcement activity in Lemon Grove

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- c. All neighbors within one hundred feet of the *Dispensary*.
4. **Inspection of Premises.** City Code Enforcement Officers, San Diego Sheriff's Department staff, and any other employee of the City requesting admission for the purpose of determining compliance with the standards set forth in this section shall be given access to the premise. City and Sheriff Staff shall not retain information pertaining to individual patient records viewed during an inspection, and information related to individual patients shall not be made public. Inspectors will give reasonable notice of a scheduled inspection. Unannounced inspections of a *Dispensary* may occur if City or Sheriff Department staff have probable cause that the collective is violating the law.
5. **Inspection Requirements.** In order to facilitate verification that a *Dispensary* operates pursuant to State and local laws, the following records must be maintained at the *Premises* at all times and available for inspection by City Code Enforcement Officers, San Diego Sheriff's Department staff, and any other employee of the City:
 - a. Client Records - The *Dispensary* shall keep a record of its clients. The record shall include the following and shall be maintained for a two-year period:
 - i. *Qualified patient* member's name, name of *primary caregiver* when appropriate, and name of *Licensed Physician* recommending use of *medical marijuana* for the member.
 - b. *Medical Marijuana* Records - *Dispensary* shall keep a record of its *medical marijuana* transactions. The following records shall be maintained for a two-year period and labeling shall occur as specified:
 - i. A record identifying the source or sources of all *Medical marijuana* currently on the *Premises* or that has been on the *Premises* during the two-year period preceding the current date. The record shall include the name of the cultivator or manufacturer and the address of the cultivation or manufacturing location.
 - ii. All *Medical marijuana* at the *Premises* must at all times be physically labeled with information that will allow for identification of the source of the *Medical marijuana*.
 - iii. All *Medical marijuana* at the *Premises* shall be physically labeled with the monetary amount to be charged.
 - c. Financial Records - *Dispensary* shall maintain records of all transactions involving money and/or *Medical marijuana* occurring at the *Premises*. Records shall be maintained for a two-year period preceding the current date.
 - d. Employee Records - *Dispensary* shall maintain a record of each employee/volunteer and *Director*. The record shall include name and background check verification. Records shall be maintained for a two- year period following the end of an employee's employment or *Director's* relationship with the *Dispensary*.
6. **Operations Manual.** The application for a Conditional Use Permit shall include a detailed *Operations Manual* including but not necessarily limited to the following information:
 - a. Authorization for the City, its agents and employees, to seek verification of the information contained within the application;
 - b. A description of the staff screening process including appropriate background checks;
 - c. The hours and days of the week the *Dispensary* will be open;
 - d. Text and graphic materials showing the site, floor plan and facilities of the *Dispensary*. The material shall also show adjacent structures and land use;
 - e. A description of the security measures located on the *Premises*, including but not limited to, lighting, alarms, and automatic law enforcement notification;
 - f. A description of the screening, registration and validation process for *qualified patients*;

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- g. A description of *qualified patient* records acquisition and retention procedures;
 - h. The process for tracking *Medical marijuana* quantities and inventory controls employed, including the source of *Medical marijuana* (on-site cultivation, processing, or plant material, or processed products, received from outside sources);
 - i. Procedures to ensure accurate record keeping, including protocols to ensure that quantities purchased do not suggest re-distribution;
 - j. Other information required by the Development Services Director.
- 7. Operating Standards.** *Dispensaries* shall comply with all of the following operating standards. In addition to these standards, the *Dispensaries* shall comply at all times with conditions outlined in the approved Conditional Use Permit and the Operational Manual.
- a. Dispensing *Medical marijuana* to an individual *qualified patient* or *primary caregiver* more than once a day is prohibited;
 - b. *Dispensaries* shall only dispense *Medical marijuana* to an individual *qualified patient* or *primary caregiver* who has a valid, verified *Licensed Physician's* recommendation, and if appropriate, a valid *Primary caregiver* designation. The *Dispensary* shall verify that the *Licensed Physician's* recommendation is current and valid;
 - c. On-site evaluation by a *Licensed Physician* for the purposes of obtaining a *qualified* status is prohibited;
 - d. *Dispensaries* shall display the client rules and/or regulations in a conspicuous place that is readily seen by all persons entering the *Dispensary*. The client rules and/or regulations shall include, but are not limited to:
 - i. Each building entrance to a *Dispensary* shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming *Medical marijuana* on the *Premises* or in the vicinity of the *Dispensary* is prohibited unless specifically authorized within the governing Conditional Use Permit.
 - ii. The building entrance to a *Dispensary* shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the *Premises*.
 - iii. The hours of operation for an authorized *Dispensary* shall be limited to between 8:00 a.m. to 8:00 p.m. or as specified within the Conditional Use Permit.
 - iv. *Dispensaries* shall not permit the use or consumption of *medical marijuana* on-site unless specifically authorized under the Conditional Use Permit.
 - v. *Dispensaries* shall not permit the on-site display of unprocessed marijuana plants or representations of marijuana plants in any areas visible to the public;
 - vi. All signage for *Dispensaries* shall require a sign permit from the City prior to installation. Signage shall not include any terminology (including slang) or symbols for marijuana.
 - vii. *Dispensaries* shall only permit the distribution of *medical marijuana* plant material and *medical marijuana* manufactured products from licensed sources as allowed by the approved Conditional Use Permit. Such distribution shall be limited to *qualified patients* or *primary caregiver*;
 - e. *Dispensaries* shall maintain on the *Premises* an on-site training curriculum capable of meeting employee, agents and volunteer training needs. The minimum training curriculum shall include professional conduct, ethics, and state and federal laws regarding patient confidentiality; specific procedural instructions for responding to an emergency, including robbery or violent incident.

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- f. *Dispensaries* shall maintain all necessary permits, and pay all appropriate taxes. *Dispensaries* shall also provide invoices to cultivators and manufacturers to ensure tax liability responsibility;
 - g. *Dispensaries* shall implement procedures as outlined in their approved *Operations Manual*;
 - h. *Dispensaries* shall submit an "Annual Performance Review Report" for review and approval by the Development Services Director. The "Annual Performance Review Report" is intended to identify effectiveness of the approved Conditional Use Permit, *Operations Manual*, and Conditions of Approval, as well as any proposed modification to procedures as deemed necessary. The Development Services Director may review and approve amendments to the approved "*Operations Manual*"; and the frequency of the "Annual Performance Review Report." *Medical marijuana* cultivation and dispensing monitoring review fees pursuant to the current Master Fee Schedule shall accompany the "Annual Performance Review Report" for costs associated with the review and approval of the report.
 - i. *Dispensaries* shall maintain 24-hour recorded video surveillance of the *Premises*. Recordings shall be retained for 30-days for inspection by City staff. City staff must provide valid cause for viewing video surveillance. City staff must ensure that patient privacy is safeguarded. Video surveillance will not be shared with law enforcement except when formally requested as part of a law enforcement investigation directly involving the *Dispensary*.
 - j. Sales of alcoholic beverages are prohibited.
 - k. Sales of tobacco and tobacco products are prohibited.
 - l. Sales of drug paraphernalia are prohibited.
 - m. The location of the *Dispensary* shall include the installation of a centrally monitored alarm system
 - n. Lighting shall be installed to adequately light the exterior and interior of the *Dispensary Premises* while in conformance with 17.24.080E.2.
8. **Source of Medical Marijuana.** A *Dispensary* shall only dispense marijuana from the following sources and this information shall be included in the *Operations Manual*:
- a. **On-site Cultivation for Authorized *dispensary*.** If the Conditional Use Permit authorizes limited, on-site *Medical marijuana* cultivation at the *dispensary*, on-site cultivation shall be considered an accessory use and shall not exceed twenty-five (25) percent of the *dispensaries'* total floor area and in no case exceed 1,500 square feet. In addition to these area limitations, the accessory use shall conform to the specific zone regulations, Section 17.24.060 Accessory Buildings and Uses, Section 17.32.100 of this Title, and applicable Building and Fire Codes. The *Operations Manual* shall include information regarding the on-site cultivation including, but not limited to:
 - i. Description of measures taken to minimize or offset energy use from the cultivation or processing of *medical marijuana* on-site; and
 - ii. Description of chemicals stored or used; and
 - iii. Description of any effluent discharged into the City's wastewater and/or stormwater system;
 - a. **Licensed External Source.** Until one year following the date when the California State Bureau of Medical Marijuana Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, *Dispensaries* shall source their *medical marijuana* from cultivators and manufacturers that have obtained a local business license or equivalent document showing that the organization is operating in zoning and

regulatory compliance from another jurisdiction for the *Medical marijuana* cultivation or manufacturing. One year from the date that the California State Bureau of Medical Marijuana Regulation begins accepting applications for licenses, or sooner, if such a deadline is set by the Bureau, all sources of *medical marijuana* or *medical marijuana* products sold in a *dispensary* must also have a state license for their *medical marijuana* activities.

17.32.100. Medical Marijuana Cultivating Regulations.

The cultivation of *medical marijuana* for personal use by a *qualified patient* shall be permitted in connection with a residence owned or leased by a *qualified patient* and meeting the minimum standards noted below.

A. Medical Marijuana Cultivation for Personal Use

1. An individual *qualified patient* shall be allowed to cultivate *Medical marijuana* within his/her private residence. If the private residence is leased or rented, a notarized authorization from the property owner must be filed with the City. A *primary caregiver* shall only cultivate *Medical marijuana* at the residence of a *qualified patient* for whom he/she is the *primary caregiver*.
- B. **Zones.** Cultivating *medical marijuana* is allowed in conforming Residential Low (RL) and Residential Medium/Low (RLIM) zones where there is an existing single family development subject to the following standards and authorized by a Zoning Clearance.

C. Standards

1. Cultivation shall only occur within an enclosed structure that can be secured and locked including the residence, new or remodeled addition to a residence, residential accessory building or a legally converted garage.
2. Garage conversions shall require a replacement in kind prior to authorizing a cultivation area.
3. The grow area shall be within a self-contained structure, with a 1-hour firewall assembly made of green board, and shall be ventilated with odor control, and shall not create a humidity or mold problem
4. The *Qualified patient* shall reside in the residence where the *Medical marijuana* cultivation occurs;
5. The interior area dedicated to the cultivation of marijuana in an existing residence or within a proposed addition to the residence shall not exceed 50 square feet.
6. An accessory structure containing a *Medical marijuana* cultivation area shall not exceed 50 square feet and shall be consistent with the accessory structure requirements of the residential zone and Section 17.24.060.
7. *Medical marijuana* cultivation lighting shall not exceed 1200 watts;
8. Evidence of *medical marijuana* cultivation either within or outside the residence shall not be visible from outside the *Premises*.
9. The residence shall maintain kitchen, bathrooms, and primary bedrooms for their intended use and shall not be displaced by *Medical marijuana* cultivation.
10. The *medical marijuana* cultivation area shall be in compliance with the current, adopted edition of the California Building Code § 1203.4 Natural Ventilation or § 402.3 Mechanical Ventilation (or its equivalent(s)).
11. The *medical marijuana* personal cultivation and processing shall comply with stormwater, wastewater, and applicable greenhouse gas reduction requirements;
12. Personal *medical marijuana* cultivation and processing shall not be visible from the exterior of the *Premises*;

Attachment E

13. A *Qualified patient* or *Primary caregiver* shall participate in *Medical marijuana* cultivation in only one residential location within the City of Lemon Grove.

D. Prohibitions

1. The cultivation of *medical marijuana* shall not be authorized by or considered a Home Occupation and no Home Occupation permit shall be issued.
2. The use of gas products (CO2, butane, etc.) for *medical marijuana* cultivation or processing for personal use.
3. Sale or dispensing of *medical marijuana* from a residential zoned property.
4. Signage identifying any uses related to *medical marijuana* in a residential zone.

E. Deviations

1. Any proposed *medical marijuana* cultivation for personal use by an individual *qualified patient* or *primary caregiver* that does not meet the grow area standard of Section 17.32.090.8 shall require review and approval by the director of Development Services or designee. The proposed deviation from the cultivation area limitations shall be processed as a Zoning Clearance. The director of Development Services or designee shall review the submitted information and make an interpretation of need. A complete application shall include the following documentation:
 - a. *Licensed Physician's* recommendation or verification of more than one *qualified patient* living in the residence shall be submitted with the request showing why the cultivation area standard is not feasible.
 - b. Written permission from the property owner.
 - c. Show conformance to the residential zone and accessory building regulation.
 - d. The Building Official and Fire Chief may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
 - e. *Medical marijuana* cultivation area shall be enclosed in a structure with a 1-hour firewall assembly of green board.
 - f. The *medical marijuana* cultivation area shall not exceed 100 square feet.

17.32.110. Transportation of Medical Marijuana.

All activities involving the transportation of marijuana for personal patient use, to the extent permitted by The Compassionate Use Act of 1996, shall be conducted by *Qualified patients* and/or the authorized *Primary caregiver* of the *Qualified patient*, where the quantity transported and the method, timing and distance of the transportation are reasonably related to the medical needs of the *Qualified patient*. All personal transportation shall be conducted in accordance with state law.

All activities involving the transportation of marijuana for a *Dispensary* shall comply with California State Regulations, restrictions and guidelines, as enumerated in Division 8, Chapter 3.5 of the California Business and Professions Code, and established by the Bureau of Medical Marijuana Regulations.

17.32.120. Procedures

A. Administrative Citation and Revocation.

1. Any violation of this ordinance occurs the City has the authority to immediately cite a *Dispensary* for the violation. The *Dispensary* is given one warning and if not corrected within seven calendar days, the City may issue an administrative citation of \$500 per violation. The citations may escalate according to the schedules identified in Section

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JANA MICKOVA WILL
jwill@envirolawyer.com

ENVIRONMENTAL
LAW GROUP LLP
Varco & Rosenbaum

June 11, 2018

Via Hand Delivery and Email

David B. De Vries, AICP
Development Services Director
City of Lemon Grove
Development Services Department
3232 Main St.
Lemon Grove, CA 91945
ddevries@lemongrove.ca.gov

Re: Comments regarding conditional use permit CUP-170-0001 and associated draft mitigated negative declaration for "The Grove" medical marijuana dispensary

Dear Mr. De Vries:

This firm represents The Grove, a medical marijuana dispensary seeking a conditional use permit (CUP) and associated California Environmental Quality Act (CEQA) approvals required to operate at 6470 Federal Boulevard in the City of Lemon Grove (City), California (the Dispensary). The Grove wishes to thank City Staff for the work they have done in preparing the Draft Mitigated Negative Declaration (MND) and attendant conditions of approval. However, we believe the mitigation measures proposed for impacts to biological resources in and around Chollas Creek and air quality impacts are the result of misinterpretations of CEQA and as such are unconstitutional exactions in the form of conditions of approval of the CUP. This letter briefly explains the nature of these CEQA and constitutional issues, explains why the mitigation measures related to Chollas Creek and street improvements must be revised as conditions of approval for the Dispensary's CUP, and supports "fair share" commitments and other alternative mitigation measures suggested in the MND by which The Grove can achieve the City's goals in conformity with CEQA and the Constitution of the United States.

Misapplication of CEQA

The MND misapplies CEQA requirements in two ways. First, the analysis of impacts to biological resources to Chollas Creek fails to explain how the Project will

Attachment F

David De Vries
June 11, 2018
Page 2

result in any impacts, significant or otherwise.¹ Second, the air quality and greenhouse gas impact analysis relies on an inappropriate threshold of significance.²

The most significant flaw in the CEQA analysis is the incorrect inclusion of preexisting environmental conditions in the Dispensary's impact analysis when the Dispensary will neither cause nor exacerbate these conditions. The State Supreme Court has recently held that CEQA analysis is not required for preexisting environmental conditions if a project does not exacerbate those existing conditions.³ Issues with Chollas Creek and the surrounding land were present well before The Grove applied for this CUP, yet the Draft MND includes these existing conditions in its impact analysis and lists them as findings requiring mitigation.⁴

Unconstitutional Conditions of Approval

Although conditions of approval for CUPs are quite common, these conditions are subject to constitutional requirements.⁵ To be constitutional, these conditions must satisfy two criteria.

First, the condition must have an "essential nexus" to the project at issue, which is demonstrated by a logical connection between the state interest asserted in the condition imposed.⁶ In the CEQA context, the lead agency must demonstrate there is a significant impact before mitigation can be required. For instance, and discussed in greater detail below, the Draft MND requires significant mitigation to Chollas Creek as a condition of approval but fails to explain how the Project produces the impacts sought to be mitigated.⁷

Second, conditions of approval must be "roughly proportional" meaning "related in both the nature and extent to the impact of the proposed development."⁸ Conditions of approval significantly greater in nature and extent to the Dispensary's impacts are one of our primary concerns with the MND. For instance, in order to satisfy a less than 1% deficit in a 10% landscaping requirement, some have suggested the demolition of more

¹ City of Lemon Grove, Development Services Department "Initial Study/Environmental Checklist Environment Assessment No. 18-02 for Conditional Use Permit CUP-170-0001" (May 24, 2018) (attached to City of Lemon Grove, Development Services Department "Notice of Intent to Adopt a Mitigated Negative Declaration" (May 24, 2018) (hereinafter "MND") at pp. 19-12, 17-18, 34-35.

² MND at pp. 9-10, 17-18.

³ *California Building Industry Association v Bay Area Air Quality Management District* (2015) 62 Cal.4th 369 (hereinafter "CBLA").

⁴ MND at pp. 9-12, 34-35.

⁵ *Koontz v. St. Johns River Water Management Dist.*, 570 U.S. 595 (2013) (citing *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987)).

⁶ *Ehrlich v. City of Culver City*, 12 Cal.4th 854 (Cal. 1996) (citing *Nollan* at p. 860).

⁷ MND at pp. 11-12.

⁸ *Dolan v. City of Tigard*, 512 U.S. 374, 391 (1994).

David De Vries
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than 1,000 square feet of existing structure. This is an excellent example of where rough proportionality is lacking, and more are discussed below.

The mitigation measures related to the rehabilitation of Chollas Creek and frontage improvements fail to satisfy one or both of these essential requirements. Given these serious concerns, we request the City remove or revise any unconstitutional conditions before it approves the Dispensary's CUP.

Chollas Creek

A significant number of the mitigation measures being required as a condition of approval for The Grove relate to the preexisting condition of Chollas Creek. The Draft MND finds the Dispensary will have significant impacts on various biological resources.⁹ However, there is no explanation whatsoever to support these findings or even a fair argument of any new impacts, which means there is no Constitutionally required essential nexus between the Project and the condition of approval.¹⁰ Instead, the analysis appears to focus on the preexisting condition of Chollas Creek, which is a condition that in no way will be exacerbated by the Dispensary, and thus an inappropriate consideration in a CEQA analysis. Moreover, implementing the proposed mitigation measures related to Chollas Creek is estimated to take at least three years and \$1,200,000 dollars, which in the absence of any demonstrable impacts from the approval of a Dispensary clearly lacks the rough proportionality required of conditions of approval.¹¹

Air Quality and GHG Analysis and Mitigation

The street improvement requirements demonstrate how the improper application of a threshold of significance under CEQA result in the imposition of unconstitutional conditions in the form of mitigation measures that lack both a nexus to the impact and the requisite rough proportionality. These improvements would purportedly mitigate a conflict with or obstruction of the applicable air quality plan and prevent a violation of any air quality standard or substantial contribution to an existing or projected air quality violation.¹² The MND provides no substantial evidence to support these assertions. Moreover, both the City of San Diego and the County of San Diego in reliance on the California Air Pollution Control Officers guidance have concluded that retail space of less than 11,000 square feet is presumed to have construction and operational GHG emissions which does not exceed the 900 metric tons carbon dioxide equivalent thereby

⁹ MND at pp. 11-12.

¹⁰ The only evidence of anything remotely affecting Chollas Creek is what appears to be an inappropriate application of the City's ordinances related to weed abatement and demands for drainage maintenance. The Project has no impacts related to these concerns, nor does it exacerbate issues related to these preexisting conditions.

¹¹ Email from S. Wayne Rosenbaum to David De Vries (May 24, 2018) (attached hereto as "Exhibit A").

¹² MND at pp. 9-10, 17-18.

Attachment F

David De Vries
June 11, 2018
Page 4

resulting in less than a significant impact.¹³ Thus, a GHG study as suggested in the Draft MND is neither necessary nor appropriate, especially in light of The Grove's offer to install additional GHG reduction measures it is not otherwise required to do.

Even assuming a tenuous connection between the impacts of the Dispensary that exceed the air quality and GHG threshold, the undergrounding of utilities, curb and gutter improvements, installation of sidewalks and repaving of Federal Boulevard proposed fail to satisfy the rough proportionality requirement for conditions of approval. For instance, the mitigation measure calls for the undergrounding of 470 feet of utilities when the Dispensary property has only 180 feet of frontage. Costs for this mitigation measures are estimated to be in excess of \$500,000 or \$2,778 per foot as a standalone project.

The requested sidewalk fronting the property would be disconnected from any other sidewalk and is unlikely to do anything to increase pedestrian traffic in lieu of vehicular traffic. In isolation, the curb and gutter improvements would likely result in hazardous traffic conditions. The limited paving of a portion of Federal Boulevard is simply nonsensical without a more comprehensive road improvement plan. The costs of the street, sidewalk, curb and gutter improvements are estimated to exceed \$300,000 or \$1,666 per foot of frontage as a standalone project.¹⁴

Suggestions to Improve the Draft MND

Constitutional requirements preventing unconstitutional conditions in the land use approval process exist to protect property owners from "the risk that the government may use its substantial power and discretion in land use permitting to pursue governmental ends that lack an essential nexus and rough proportionality to the effects of the proposed new use of the specific property at issue."¹⁵ Out of deference to these requirements, one treatise on CEQA suggests "agencies should forego the temptation to try to force an applicant to provide a generalized public benefit unrelated to those impacts or that would do more than fully mitigate the impacts of the project."¹⁶

The Grove is not objecting to performing mitigation related to its demonstrable impacts to the environment, so long as that mitigation is based on a correct application of CEQA and is constitutional. The Grove has already memorialized its commitment to fund its fair share of improvements once the City can approve Capital Improvement Projects (CIP) and Public Facilities Finance Plans (PFFP) for improvements to Chollas Creek and Federal Boulevard which properly allocates responsibility and costs for these public

¹³ California Air Pollution Control Officers Association (CAPCOA), "CEQA & Climate Change" (January 2008) at pp. 43-44. *See also* City of San Diego, Environmental Analysis Section, "Memorandum: UPDATED Addressing Greenhouse Gas Emissions from Projects Subject to CEQA" (August 18, 2010); County of San Diego, Planning & Development Services, "2015 GHG Guidance: Recommended Approach to Addressing Climate Change in CEQA Documents" (January 21, 2015) at p. 1.

¹⁴ See Opinion of Probable Cost for Public Improvements, prepared by BWE (May 21, 2018) (attached hereto as "Exhibit B").

¹⁵ *Koontz*, at p. 614.

¹⁶ Remy et. al., "Guide to CEQA," 11th Ed. (2007) at p. 517.

Attachment F

David De Vries
June 11, 2018
Page 5

facilities. The Grove will further commit to mitigating air quality impacts commensurate with its activities through reasonable measures such as the installation of solar panels. However, any conditions of approval attached to this project must demonstrate an essential nexus, rough proportionality, and comport with the legal obligations of CEQA. In other words, they must be fair.

The Grove requests that conditions related to Chollas Creek be revised to comport with CEQA and the US Constitution. The Grove further requests that it be relieved of conditions associated with utility undergrounding, repaving of Federal Boulevard and construction of frontage improvements until such a time as an appropriate CIP and PFFP have been approved by the City. In lieu of these objectionable conditions, The Grove proposes the following conditions:

1. Upon adoption of a CIP and PFFP for improvements to Chollas Creek, the Grove will pay its fair share towards the costs of implementation.
2. Upon adoption of a CIP and PFFP for improvements to Federal Boulevard including street, gutter sidewalk, repaving and undergrounding of utilities, The Grove will pay its fair share towards the costs of implementation.
3. The Grove will install solar panels on the roof of the building sufficient to offset its power consumption to the maximum extent practicable.

Finally, we also request that this letter and associated exhibits be incorporated in the staff report for the Council's consideration.

Please feel free to contact me if you have any questions regarding this matter.

Yours very truly,

ENVIRONMENTAL LAW GROUP LLP
VARCO & ROSENBAUM



S. Wayne Rosenbaum

SWR/sw
Enclosures
cc: Lydia Romero

Attachment F

EXHIBIT A

From: [Wayne Rosenbaum](#)
To: ["David DeVries"](#)
Cc: ["Lydia Romero"](#)
Bcc: [Sean McDermott](#); ["Corey McDermott"](#); [Ihegwele](#); [Ambrose Wong](#); [Michelle Landis](#)
Subject: Stream Restoration Cost Estimate for the Grove CUP
Date: Thursday, May 24, 2018 3:06:00 PM

David,

Per your request that we provide you with cost estimates for both the frontage improvements and the improvements to Chollas Creek. What follows is our best estimate for the Chollas Creek improvements. This estimate is based on both Michelle's and my experience permitting and building projects of this type. However, a final cost estimate for bonding purposes would require detailed drawings and reviews by at least five agencies including the City to determine the extent of permitting and enhancement actually required.

For the purposes of this estimate we have made the following assumptions:

1. The segment of Chollas Creek to be enhanced is approximately 180 feet long and has a change in elevation of approximately 1.3 feet.
2. Chollas Creek is a water of both the State and the United States and is a component of the City of Lemon Grove's MS4.
3. Discretionary Approvals will be required from the following agencies
 - a. Army Corps of Engineers – 404 Permit
 - b. Regional Water Quality Control Board – 401 Certification
 - c. California Department of Fish and Wildlife – 1602 Stream Bed Alteration Agreement AND California Endangered Species Act (CESA) Permit
 - d. US Fish and Wildlife Service – Endangered Species Take Permit
 - e. County flood control FEMA approvals
 - f. City of Lemon Grove grading permit
4. Because the approvals above are discretionary, the Project Proponent will also need to prepare an Environmental Impact Report per CEQA and an Environmental Impact Statement per NEPA.

Although somewhat duplicative, we estimate the cost to prepare each of the

EXHIBIT A

seven applications to be in the range of \$25,000 to \$50,000 each or \$175,000 to \$350,000 in the aggregate. Then, there are the costs associated with the preparation of the NEPA and CEQA documents which are likely to be an additional \$50,000 each. Next are the costs of responding to comments and public hearings which we expect will add an additional \$50,000 to \$100,000 given the number of interested agencies and likely third parties. Based on experience and assuming that project approvals are not contested by third parties, all of this work will likely cost in the range of \$325,000 to \$550,000. Given the complexity of permitting a restoration project of this kind, I expect the approval process to take 24 to 36 months. If any of the permits or environmental analysis are challenged (which happens in many cases) add an additional \$500,000 and two years to resolve the litigation.

Thus, just getting the necessary approvals is likely to be a \$1,000,000 five year exercise. I should note that the costs of permitting likely would not be significantly higher if the City to obtain approvals for the entire reach of Chollas Creek within its jurisdiction.

Regarding costs of construction, our preliminary estimate for cost of construction are as follows understanding that these cost do not include civil work such as gabions.

1. Design and General Conditions -- \$47,000
2. Riparian Restoration -- \$85,000
3. Establishment and 5 year Maintenance & Monitoring -- \$91,000
4. Contingency -- \$66,000
5. **Total -- \$289,000**

Together, the cost of permitting and construction is estimated to be in the range of \$1,300,000 or \$7,222 per linear foot of which the largest component is the cost of permitting. If the City were to take this on as a CIP project the cost per linear foot to permit would be amortized over a significantly longer length and thus the cost imposed on each property would be significantly less.

Please let me know if you require any further information in this regard.

Attachment F

EXHIBIT A

Wayne

I will be out of the state between June 15, 2018 and June 18, 2018 with limited access to phones or e-mail. In my absence, please contact my partner Suzanne Varco, at SVarco@envirolawyer.com or 619-231-5858 or my law clerk, Josh Rosenbaum, at jtrosenb@gmail.com or 619-920-1535 . Thank you.

S. Wayne Rosenbaum

The Environmental Law Group, LLP

Varco & Rosenbaum

225 Broadway, Suite 1900

San Diego, CA 92101

Phone: (619) 231-5858

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www.envirolawyer.com

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EXHIBIT B

		DATE: 05.21.2018 PROJECT: 6470 Federal Blvd MMD BWE #: 12837U.1.00 W.O. #: _____ DRAWING #: _____		
OWNER: Sean McDermott Phone: 619.342.6500 E-mail: thegrovelco@gmail.com		PUBLIC IMPROVEMENTS (OPINION OF PROBABLE COST)		
DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL COST
DEMOLITION				
Sawcut	LF	450	\$10.00	\$4,500
Asphalt/Concrete pavement removal	SF	7722	\$3.27	\$25,251
				\$0
				\$0
GRADING/EARTHWORK				
Paving preparation of subgrade	SF	7722	\$0.44	\$3,398
Erosion control Sand/Gravel Bag	EA	100	\$3.27	\$327
				\$0
				\$0
IMPROVEMENTS				
6" Curb & Gutter (G-02)	LF	180	\$40.00	\$7,200
Driveway (G-14A)	SF	516	\$15.00	\$7,740
Trees	EA	3	\$750.00	\$2,250
Ground Cover	SF	541.75	\$2.00	\$1,084
Striping	LF	180	\$7.00	\$1,260
AC Pavement	SF	5652	\$7.00	\$39,564
Sidewalk	SF	1800	\$10.00	\$18,000
AC overlay	SF	54	\$3.00	\$162
UTILITIES				
Relocate fire hydrant	EA	1	\$2,635.14	\$2,636
Street light	EA	1	\$6,535.90	\$6,536
				\$0
				\$0
SUBTOTAL				\$119,907
A BOND IN THE AMOUNT OF \$330,616 WILL SATISFY THE PROVISIONS OF THE MUNICIPAL CODE FOR THE IMPROVEMENT OF 6470 Federal Blvd MMD ESTIMATED TIME OF COMPLETION IS		ENGINEER OF WORK IMPROVEMENT: \$119,907 10% CONTINGENCY: \$11,991 TOTAL BOND: \$131,898		
DATE	CONTROL ENGINEER	Ambrose Wong RCE 69065		
Temporary construction				\$20,000
Mobilization				\$30,000
Safety				
Manpower				\$20,000
Equipment				\$50,000
GC costs		25%		\$62,974
Escalation		5%		\$15,744
TOTAL ANTICIPATED BID				\$330,616

NOTE: UNIT PRICES ARE BASED ON THE COUNTY OF SAN DIEGO UNIT PRICE LIST, JULY 2017 AND THE CITY OF SAN DIEGO UNIT PRICE LIST, JANUARY 2009

Attachment F

David DeVries

From: Wayne Rosenbaum <swr@envirolawyer.com>
Sent: Tuesday, June 12, 2018 3:18 PM
To: David DeVries
Cc: 'Josh Rosenbaum'
Subject: The Grove CUP

David,

I have discussed your concerns with my client and in the spirit of working together, we proposed the following conditions as additional to those I proposed in my letter:

1. The Grove will pay the City \$500,000 to be used to facilitate the CIP projects previously described. Payments will be as follows in order for The Grove to develop a sufficient cash flow to address this new obligation:
 - a. Year 1 -- \$50,000
 - b. Year 2 -- \$75,000
 - c. Year 3 -- \$100,000
 - d. Year 4 -- \$125,000
 - e. Year 5 -- \$150,000
2. Annual amounts will be divided by four and paid quarterly
3. Payments will serve as a credit against The Grove's "fair share" contributions to the CIP projects previously discussed in my letter.
4. The Grove will agree not to object to the formation of any improvements districts related to the Project
5. No covenants running with the land.

If these terms are acceptable, please advise and I will prepare a follow up letter memorializing same. Will call you to discuss

Wayne

I will be out of the country between July 6, 2018 and July 28, 2018 with limited access to phones or e-mail. In my absence, please contact my partner Suzanne Varco, at SVarco@envirolawyer.com or 619-231-5858 or my law clerk, Josh Rosenbaum, at jtrosenb@gmail.com or 619-920-1535 . Thank you.

S. Wayne Rosenbaum
The Environmental Law Group, LLP
Varco & Rosenbaum

Attachment F

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Phone: (619) 231-5858
Cell: (619) 518-6618
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Attachment G

EXHIBIT A – PROJECT PLANS

Not Attached

Enclosed in City Council packet or available at City Hall for [Review]

Attachment B

Business License General Information

All businesses operating in the City of Lemon Grove are required to have a business license. If your business is based in Lemon Grove, a review and approval from two City departments will be required before a license is issued. Our intent is to determine zoning compliance and to determine whether hazardous materials are being stored at a business in the City. If your business is based outside of Lemon Grove, a license can be issued upon receipt of a completed application and applicable fees.

All licenses expire on December 31 and must be renewed annually. Reminder notices are mailed in the first week of December and are due in our offices by January 30. Payments received in February will be assessed a 25% penalty and payments received after February will be assessed a 100% penalty.

You can complete a business license application form online, however, all applications must be delivered to the City as applications are not accepted via the Internet. Click here to obtain a blank [Business License Application](#).

Business license fees for city based businesses:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 15.00	\$ 11.25	\$ 7.50	\$ 3.75
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 38.00	\$ 28.50	\$ 19.00	\$ 9.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00

Business license fees for Out of City businesses:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 40.00	\$ 30.00	\$ 20.00	\$ 10.00
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 38.00	\$ 28.50	\$ 19.00	\$ 9.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00

Business license fees for contractors:

	JAN-MAR	APRIL-JUNE	JULY-SEPT	OCT-DEC
Business License	\$ 15.00	\$ 11.25	\$ 7.50	\$ 3.75
Employee fee	\$ 2.00	\$ 1.50	\$ 1.00	\$.50
Storm Water fee	\$ 26.00	\$ 19.50	\$ 13.00	\$ 6.50
Processing fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00



CITY OF LEMON GROVE

3232 Main Street • Lemon Grove, CA 91945
Attn: Business License • (619) 825-3800

BUSINESS LICENSE APPLICATION

 New Application
 Change of Business Name

Business Name _____	Enter number of Employees _____	Enter number of Vehicles _____
Business Location (Not P.O. Box) City _____ State _____ Zip _____	Articles of Incorporation <input type="checkbox"/> YES <input type="checkbox"/> NO	
Mailing Address (if Different) City _____ State _____ Zip _____	Fictitious Name Filed <input type="checkbox"/> YES <input type="checkbox"/> NO	
Bus. Phone () _____ Bus. Fax () _____	Business In Operation Preceding year <input type="checkbox"/> YES <input type="checkbox"/> NO	
E-Mail Address _____	<input type="checkbox"/> In-City <input type="checkbox"/> Out of City <input type="checkbox"/> Home Occupation	

Start Date _____	Description of Business _____
-------------------------	--------------------------------------

Ownership Corporation Ltd Liability Corp Partnership Sole Proprietor Trust

State Lic. No. _____ **License Type** _____ **Expiration Date** _____

Resale No. _____ **Federal I. D. No.** _____ **State I. D. No.** _____

Enter below names of Owners, Partners, or Corporate Officers. Use additional sheets as necessary.

Owner Name _____	Title _____	Phone () _____
Home Address _____	City _____ State _____ Zip _____	Cell Phone () _____
Owner Name _____	Title _____	Phone () _____
Home Address _____	City _____ State _____ Zip _____	Cell Phone () _____

In case of emergency, please contact:

Name _____ **Title** _____ **Phone** () _____

Address _____ **Cell Phone** () _____

Alarm Company (if applicable)

Name _____ **Phone No.** () _____

Address _____ **License No.** _____

I declare under penalty of perjury that to the best of my knowledge and belief the statements made herein are true and correct.

Date: _____ **Signature of Owner or Representative:** _____

OFFICIAL USE ONLY		License Reviewed & Approved By:		Base Fee \$ _____
Business License No. _____	Planning Dept. _____ / _____	Employee Fee \$ _____		Per Item Fee \$ _____
Receipt # _____	Code Enforcement _____ / _____	Processing Fee \$ _____	30.00	Storm Water Fee \$ _____
Date Paid _____	Fire Dept. _____ / _____	Fire Fee \$ _____		TOTAL AMOUNT DUE \$ _____
<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> MC / VISA	COMMENTS: _____	MAKE CHECK PAYABLE TO THE CITY OF LEMON GROVE		
Name as it appears on Credit Card: _____				
Account # _____				
Expiration Date: _____				
Amount Authorized: \$ _____				
Authorized Signature: _____				

**CITY OF LEMON GROVE
SCHEDULE OF ANNUAL BUSINESS LICENSE FEES**

FIXED LOCATION IN CITY (IN-CITY)	BILLBOARD ADVERTISING	PROFESSION
Base Fee \$ 15.00	Base Fee \$ 100.00	Base Fee \$ 25.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	Three (3) or more \$ 10.00 each	Employee Charge \$ 2.00 each (Maximum Employee Charge=\$100.00)
APARTMENTS	BOWLING ALLEY	REAL ESTATE BROKER
Per Unit (Min. fee = \$10) \$ 3.00 each	Base Fee \$ 15.00	Base Fee \$ 15.00
NO FIX LOCATION IN CITY (OUT-OF-CITY)	Per Lane \$ 10.00	Per Salesman \$ 10.00
Wholesalers/Licensed Contractors	CIRCUS/CARNIVAL	SHOOTING GALLERIES/ARCADE
Base Fee \$ 15.00	\$ 250.00	Amusement Center \$100.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	COIN OPERATED VENDING MACHINES	TAXI CABS/VEHICLES FOR HIRE
All Other Services	Base Fee \$ 25.00	In City \$ 50.00
Base Fee \$ 40.00	Per Machine \$ 2.00	Outside City \$100.00
Employee Charge \$ 2.00 each (Maximum Employee Charge =\$100.00)	ICE CREAM CARTS, WAGONS/ FOOD VENDING VEHICLES	TRAILER PARK
RETAIL ROUTE DELIVERIES	Per Vehicle \$ 200.00	Base Fee \$ 15.00
Base Fee Per Vehicle \$ 40.00	PAWNBROKERS	Per Space \$ 2.00 each
AMUSEMENT/MECHANICAL/MUSIC	\$ 100.00	OTHER CHARGES
Each Machine \$ 25.00	PEDDLERS, SOLICITORS, TRANSIENT MERCHANT	PROCESSING FEE
AUCTION	Fixed Location On Tax Roll \$ 10.00	Annual for All Businesses \$ 30.00
ACTIONEER	No Fixed Location On Tax Roll \$ 15.00	STORM WATER FEE
\$ 150.00	POOL ROOMS, BILLARD	Varies - see "Storm Water Fee Schedule"
\$ 75.00	Base Fee \$ 15.00	FIRE INSPECTION FEE
	Per Table \$ 10.00	Varies - see "Fire Fee Schedule"
		DUPLICATE LICENSE \$ 2.00
		BUSINESS NAME CHANGE \$ 2.00

HOME OCCUPATION - GENERAL INFORMATION

Description of Proposed Business:

- a) Describe any product to be manufactured or assembled. _____
- b) Describe materials or supplies to be stored in or at your home. _____
- c) Describe any service you will provide. _____
- d) Describe any machinery or equipment to be used (type, size, number, horsepower.) _____
- e) Please give any additional details to fully describe the nature of the proposed business. Attach an additional page if necessary.

- f) Approximately what percentage of the floor area of your home will be used in the home occupation. _____
- g) During what hours of the day will the home occupation be conducted. _____
- h) If any vehicles will be used in the conduct of your home occupation, please describe them (number, size, capacity, intended use, etc.) _____
- i) If you anticipate commercial deliveries or pick-up of items produced on the premises, please describe the type of commercial carrier and the frequency of deliveries and pick-ups.

Do all the persons who are employed in the home occupation live in your home? YES NO

Will there be any visible evidence that you are conducting a home occupation which can be seen from a public street, sidewalk or adjoining nearby properties? YES NO

Will the home occupation generate sounds which can be heard outside the walls of your home? YES NO

If the answer to the above question is yes, will such sounds be audible between the hours of 8 PM and 8 AM? YES NO

Will equipment used by you have the potential to disrupt or adversely effect radio and television reception in the neighborhood? YES NO

Will the home occupation change the appearance of your home and will there be any indication the dwelling is being used for anything other than a residential purpose? YES NO

Do you intend to conduct sales or offer some service in your home or within your residential property? YES NO

Will you offer any items for rent? YES NO

Do you intend to advertise your home occupation? YES NO

IF YOU ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS, PLEASE EXPLAIN IN DETAIL YOUR REASONS FOR YOUR AFFIRMATIVE RESPONSE(S). PLEASE USE AN ADDITIONAL PAGE

I declare under the penalty of perjury that the foregoing information is true and correct

Signature of Applicant _____

Date _____

The Rise of Local Add-On Sales (Transactions and Use) Taxes in California

The Transactions and Use Tax Law was adopted in 1969 authorizing the adoption of local “transactions and use tax” add-ons to the combined state and local sales tax rate. Over the years the law was amended to provide specific authorizations for various particular cities, counties, special districts and countywide authorities. Prior to 2003, the most common transactions and use tax measures were those for a specific countywide need, most commonly transportation. But since a 2003 change in the law, add-on taxes by cities and some counties for general purposes have become more frequent.

“Transactions and Use Tax” Versus “Sales and Use Tax”¹

Under California law, transactions and use taxes may be approved locally and added to the combined state and local sales and use tax rate. The base statewide sales and use tax, currently at 7.25 percent, includes portions that go to the state general fund, to several specific state funds including some for local allocation and use, and to the cities and counties essentially based on the location of the purchase.²

Transactions and Use Taxes generally apply to merchandise that is delivered in a jurisdiction which imposes such a tax. In practice the tax application and allocation for most retail sales will not differ from the sales and use tax. But there are some differences. Importantly, in the case of a sale or lease of a vehicle, vessel, or aircraft, a transactions and use tax is charged and allocated base on the location in which the property will be registered.

So if the city Jane lives in has a transactions and use tax, she will pay that tax if she purchases a car, even if she makes the purchase in a neighboring county that has no transactions and use tax. If Jane purchases a book in that neighboring county, she would not pay any transactions and use tax, but if she buys the book in her city she would pay her city’s tax.

City and County Transactions and Use Taxes.

In 2003, Governor Gray Davis signed SB566 (Scott)³ which gave every county and every city the ability to seek voter approval of a local transactions and use tax increase under the following conditions:

- the transactions and use tax may be imposed at a rate of 0.125 percent or a multiple thereof,⁴
- the ordinance proposing the tax must be approved by a two-thirds vote of all members of the governing body,
- ~~if for general purposes, the tax must be approved by a majority vote of the voters in the city or county,~~
- if for specific purposes, the tax must be approved by a two-thirds vote of the voters in the city or county, and
- the maximum combined rate of transactions and use taxes in any location may not exceed 2 percent except in the counties of Los Angeles, Alameda and Contra Costa where the maximum may not exceed 2.5 percent.⁵

Prior to SB566, with the exception that counties could form special agencies to seek taxes for transportation improvements, a city or county had to seek special legislation in order to adopt a transactions and use tax measure. More than twenty local agencies had received such special authorization.

There are currently 176 cities and 32 counties (including San Francisco City/County) with voter approved transactions and use tax rates. Although most are general purpose, majority approval rates, 27 cities have special purpose, two-thirds approval rates. Greenfield in Monterey County has the highest combination of city rates, 1.75 percent, including a 1 percent general purpose rate originally approved in 2012 and a 0.75 percent additional rate approved in November 2015.

Table 1 **Cities with Transactions and Use Taxes**

Effective as of 1 April 2017
176 Cities with Approved Transactions and Use Taxes

Rate	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
General/Special	13	84	18	53	2	5	1

Table 2 **Special (Earmarked) Transactions and Use Taxes in Cities**

Effective as of 1 April 2017 - - 33 Approved Rates in 27 Cities

Rate	0.25%	0.375%	0.50%	0.75%	1.00%
Police &/or Fire / EMS	4	1	9	2	1
Streets/Roads/Transit			7		2
Hospital/Medical			1		
Parks/Recreation/OpenSpace			1		
Libraries	2				
Community Center			1		
Sewers			1		
Wastewater Treatment		1			
Total	7	1	20	2	3

Table 3 **Countywide Transactions and Use Taxes**
effective as of 1 April 2017

Rate	0.10%	0.125%	0.25%	0.375%	0.50%	1.00%
General		1			3	
Transportation			1	1	20	2*
Transit		2	2		7	
Libraries		5	2			
Hospital/Medical					2	
OpenSpace			1		1	
Fire / EMS					1	
Fairgrounds			1			
School Facilities			1			
Zoo	1					
Total	1	8	8	1	34	2

*Los Angeles and Alameda Counties each have two 0.5% rates for transportation.

In addition to the city rates, there are 57 countywide county or special district rates in 32 counties. Humboldt (1/2 percent), Inyo (1/2 percent), Santa Clara (1/8 percent), and San Mateo (1/2 percent) have general purpose rates. All others are special taxes for specific purposes. Thirty-five of the county rates are for transportation or transit, seven for libraries and two for hospitals. Sonoma (1/4 percent) and Marin (1/2 percent) each have rates for open space and agricultural land preservation. Amador County has a 1/2 percent rate for fire protection and emergency medical services. San Francisco has a 1/4 percent rate for school and community college facilities. Fresno County has a specially authorized 1/10 percent rate for its zoo.

**Table 4
Combined Countywide Transactions and Use Tax Rates**

Effective April 1, 2017. Not including city rates.

Rate	0.125%	0.25%	0.50%	0.625%	0.725%	0.875%	1.00%	1.25%	1.50%	2.00%
General/Special	2	2	17	1	1	1	1	4	2	1

In Alameda County, four different tax rate approvals combine for a total 2.00 percent composite rate countywide, added to the state sales and use tax rate. In 17 of the 32 counties with transactions and use tax rates, the combined total is ½ percent.

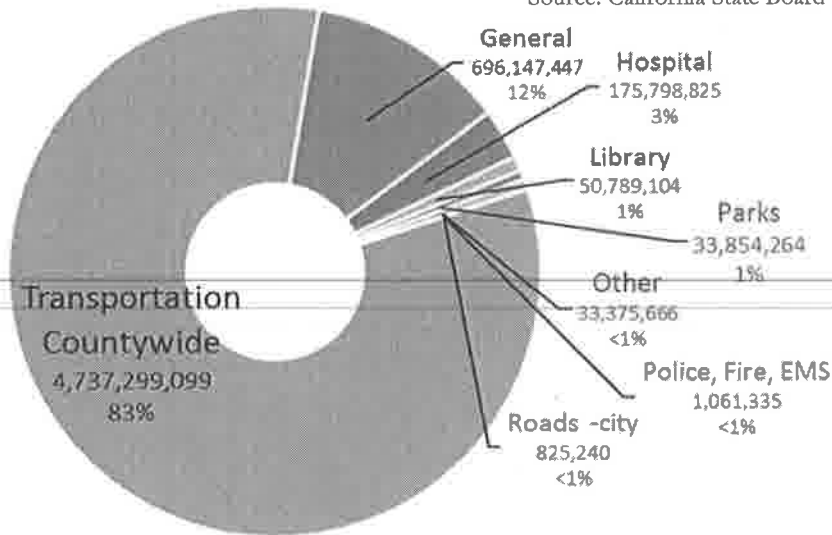
Altogether, transactions and use tax rates have been approved by 208 different cities and counties. Among the 482 cities and 58 counties in California, there are just 47 cities and 26 county unincorporated areas that are at the base 7.25 percent sales and use tax rate without any applicable additional transactions and use tax.

Revenues from Transactions and Use Taxes

Although city transactions and use taxes are becoming more common, the substantial majority of transactions and use tax revenues are collected from countywide measures, especially for transportation including streets, roads and transit. In FY2014-15 83 percent of revenues collected from transactions and use taxes in California was for transportation purposes. Although over 90% of city imposed transactions and use taxes are for general purposes, city and county general revenues comprised just 12 percent of total transactions and use tax collections.

Designated Purposes of Revenues from Transactions and Use Taxes FY2014-15

Source: California State Board of Equalization



Election Success of Transactions and Use Taxes

From 1995 through November 2016, 537 proposals for local transactions and use taxes have been submitted to the voters. General taxes (general purposes, majority voter approval) have become more common in recent years.

Since 2008, 74 percent (212 of 286) of proposals were general purpose majority vote. From 1995 through 2008, just 45 percent (112 of 251) were general purpose.

Prior to the passage of SB566 in 2003, a local agency needed special legislation to propose a transactions and use tax. Most legislation authorized only two-thirds vote special taxes. But general tax proposals are now more common.

Table 5 Transactions & Use Tax Measures

	Approved/Proposed																						
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
General	1/1	1/1	0/0	0/5	0/2	2/5	0/1	2/3		13/31	8/10	14/21	2/7	18/25	2/8	18/25	5/8	33/36	9/11	37/46	8/11	57/67	230/324
Special	0/1	0/6	0/2	6/18	2/3	3/8	0/0	2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	2/3	9/18	0/0	16/36	92/213
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	11/14	46/64	8/11	73/103	322/537
City	0/1	0/3	0/0	2/6	1/1	3/3	0/0	2/3	2/2	16/37	10/13	16/28	4/9	24/36	2/9	19/25	6/10	32/36	11/14	4/55	8/10	64/73	226/374
County/Special Distr	1/1	1/4	0/2	4/17	1/4	2/10	0/1	2/9	1/3	11/24	1/1	6/22	0/0	7/11	0/0	0/2	1/1	7/11	0/0	5/9	0/1	9/30	59/163
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	11/14	9/64	8/11	73/103	285/537
Special Tax Uses																							
Police & Fire			0/1	1/3	1/1					3/10	2/2	1/6	2/2	4/7	0/1	0/1	0/1	0/1	2/2	2/5		3/7	21/50
Hospital/Medical		0/1		0/1						1/2	1/1			0/1						1/1			4/8
Streets/Roads	0/1	0/1		1/2					2/3	0/1	0/1	1/4		2/2				1/2	0/1	1/2		4/4	12/24
Transportation-Countywide				0/3		2/4		1/6	1/2	7/10		5/15		5/7				0/2		1/1		6/14	28/64
Libraries		0/2		3/7	1/2	0/1		1/1		1/4		0/1		1/2			2/2	3/3		0/1		3/4	15/30
Other		0/2	0/1	1/2		0/2		0/2		2/3		1/3		1/3		1/1		2/3		4/8		0/7	12/37
	0/1	0/6	0/2	6/18	2/3	3/8		2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	2/3	9/18		16/36	92/213

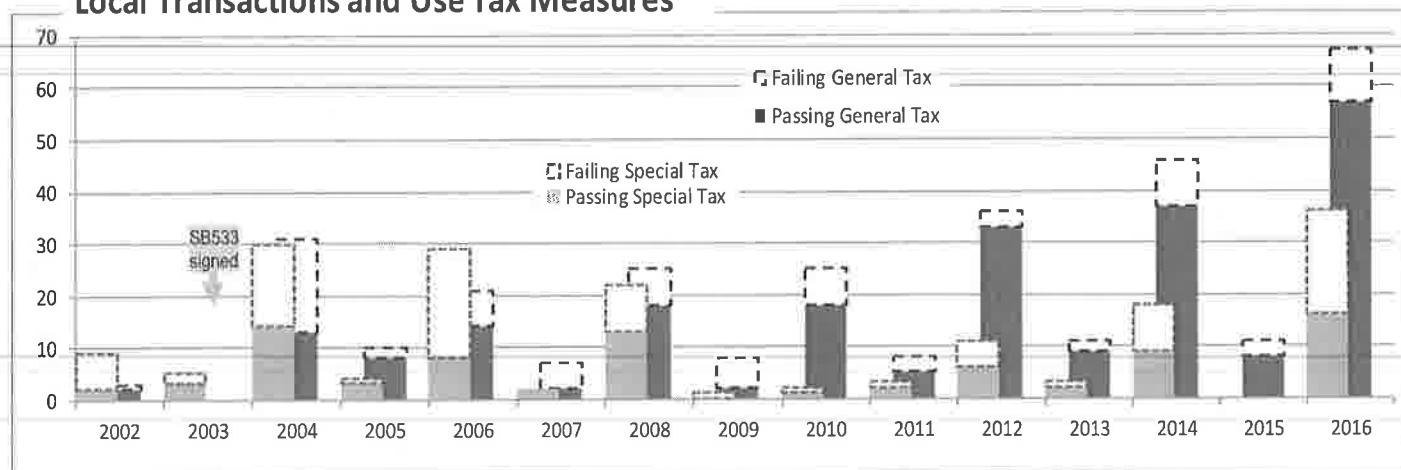
San Francisco is counted as a county.

Among the special taxes, the most common proposed specific use is countywide transportation followed closely by local public safety (police/fire/EMS). Other uses have included streets/roads, libraries, medical services, solid waste collection and disposal, zoo, flood control, jail/corrections, and parks and recreation.

Prior to 2004, most proposals were for countywide programs, but since then city proposals are more common. Just 19 of the 70 proposals prior to 2004 were by cities. Since then, 76 percent (355 of 467) have been from cities.

Chart 6

Local Transactions and Use Tax Measures



Generally, city majority vote general purpose transactions and use taxes have shown a greater rate of success than countywide measures or city two-thirds vote special transactions and use taxes. Seventy-six percent (224/295) of the proposed city general measures passed. Counties have a much tougher time of it though. Only six general purpose measures by counties have passed out of 29 proposed since 1995. After obtaining special legislation, Inyo County's voters in 1988 approved the first county general purpose transactions and use tax at ½ percent. It remains in effect. San Mateo County (1/4 cent) and Santa Clara County (1/8 cent) each passed general purpose measures in November 2012. Humboldt county voters approved a ½ percent general tax in April 2014. But since then county general taxes have failed in Napa, San Francisco, Siskiyou, Sonoma and Solano.

The success record of city special taxes is not as successful as general taxes. Half of the special purpose two-thirds vote sales tax proposals by cities have been successful (40 of 79). This stronger result for general taxes can be seen among other types of local tax measures as well (hotel taxes, utility user taxes, etc.).

Since the passage SB566 in 2003, the transactions and use tax, particularly when structured as a majority vote tax for general purposes, has become popular and successful revenue raising tool for cities. This trend shows no sign of abating.



For More Information:

- On the Sales & Use Tax in California: <http://www.californiacityfinance.com/#SALESTAX>
- On local tax measures and election results: <http://www.californiacityfinance.com/#VOTES>
- Current tax rates for cities and counties. California State Board of Equalization. <http://www.boe.ca.gov/cgi-bin/rates.cgi>
- Transactions and Use Tax rates and effective dates. Calif. BOE. <http://www.boe.ca.gov/sutax/pdf/districtratelist.pdf>

¹ For more detail on rules for the collection and allocation of transactions and use taxes see California State Board of Equalization Publication #44, "Tax Tips for District Taxes" at <http://www.boe.ca.gov/pdf/pub44.pdf> and Publication #105 "District Taxes and Delivered Sales" at <http://www.boe.ca.gov/pdf/pub105.pdf>

² The components of the statewide sales and use tax and their allocation are discussed in some detail in the Board of Equalization's Publication #28: "Tax Information for City and County Officials" <http://www.boe.ca.gov/pdf/pub28.pdf> and other resources at <http://www.californiacityfinance.com/#SALESTAX>.

³ Chapter 709, Statutes of 2003.

⁴ AB1126 (Calderon), statutes of 2012 reduced the minimum increment from 0.25 percent to 0.125 percent.

⁵ For example, a countywide transportation tax of 1 percent, together with a 1 percent tax of a city in that county total 2 percent.

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Albany	Alameda County	0.50%	4/1/2013	3/31/2021	General
Hayward	Alameda County	0.50%	10/1/2014	9/30/2035	General
Newark	Alameda County	0.50%	4/1/2017	3/31/2042	General
San Leandro	Alameda County	0.50%	4/1/2015	3/31/2046	General
Union City	Alameda County	0.50%	4/1/2011		General
County of Alameda	Alameda County	0.50%	7/1/2004	3/31/2034	Hospital
		0.50%	4/1/2002		Transportation
		0.50%	4/1/2015	3/31/2046	Transportation
		0.50%	4/1/1970		BART-Transit
County of Amador	Amador County	0.50%	4/1/2009		Fire-EMS
Paradise	Butte County	0.50%	4/1/2015	3/31/2022	General
Williams	Colusa County	0.50%	4/1/2007		General
Antioch	Contra Costa County	0.50%	4/1/2014	3/31/2022	General
Concord	Contra Costa County	0.50%	4/1/2011		General
El Cerrito	Contra Costa County	0.50%	7/1/2008		Roads
		1.00%	4/1/2015	3/31/2028	General
Hercules	Contra Costa County	0.50%	10/1/2012		General
Martinez	Contra Costa County	0.50%	4/1/2017	3/31/2032	Roads
Moraga	Contra Costa County	1.00%	4/1/2013	3/31/2033	General
Orinda	Contra Costa County	0.50%	4/1/2013	3/31/2023	General
Pinole	Contra Costa County	0.50%	4/1/2007		General
		0.50%	4/1/2015		General
Pittsburg	Contra Costa County	0.50%	10/1/2012	6/30/2035	General
Pleasant Hill	Contra Costa County	0.50%	4/1/2017	3/31/2037	General
Richmond	Contra Costa County	1.00%	4/1/2015		General
San Pablo	Contra Costa County	0.50%	10/1/2012	9/30/2018	General
		0.25%	10/1/2014		Fire-EMS
County of Contra Costa	Contra Costa County	0.50%	4/1/1989		Transportation
		0.50%	4/1/1970		BART-Transit
County of Del Norte	Del Norte County	0.25%	4/1/2015	3/31/2023	Fairgrounds
Placerville	El Dorado County	0.25%	4/1/1999		Police
		0.25%	4/1/2011	3/31/2041	Wastewater
		0.50%	4/1/2017	3/31/2037	Roads
South Lake Tahoe	El Dorado County	0.50%	4/1/2005		General
Huron	Fresno County	1.00%	4/1/2014		Police, fire
Reedley	Fresno County	0.50%	7/1/2008		Police, fire
Sanger	Fresno County	0.75%	7/1/2008	6/30/2028	Police, fire
Selma	Fresno County	0.50%	4/1/2008		Police, fire
County of Fresno	Fresno County	0.125%	4/1/1999		Library
		0.50%	7/1/1987		Transportation
		0.10%	4/1/2005		Zoo
Orland	Glenn County	0.50%	4/1/2017		General
Arcata	Humboldt County	0.75%	4/1/2009		General
Eureka	Humboldt County	0.25%	4/1/2009		General
		0.50%	4/1/2011		General
Fortuna	Humboldt County	0.75%	4/1/2017	3/31/2025	General
Rio Dell	Humboldt County	1.00%	4/1/2015	3/31/2021	General
Trinidad	Humboldt County	0.75%	4/1/2009	3/31/2021	General
County of Humboldt	Humboldt County	0.50%	4/1/2015	3/31/2021	General

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Calexico	Imperial County	0.50%	10/1/2010	9/30/2030	General
El Centro	Imperial County	0.50%	4/1/2017		General
County of Imperial	Imperial County	0.50%	4/1/1990		Transportation
County of Inyo	Inyo County	0.50%	10/1/1988		General
Arvin	Kern County	1.00%	4/1/2009		General
Delano	Kern County	1.00%	4/1/2008	3/31/2028	General
Ridgecrest	Kern County	1.00%	4/1/2017	3/31/2025	General
Wasco	Kern County	1.00%	4/1/2017		General
Clearlake	Lake County	0.50%	7/1/1995		Police, fire
		1.00%	4/1/2017	3/31/2037	Roads
Lakeport	Lake County	0.50%	4/1/2005		General
		1.00%	4/1/2017		General
Avalon	Los Angeles County	0.50%	10/1/2000		Medical
Commerce	Los Angeles County	0.50%	4/1/2013		General
Compton	Los Angeles County	1.00%	10/1/2016		General
Culver City	Los Angeles County	0.50%	4/1/2013	3/31/2023	General
Downey	Los Angeles County	0.50%	4/1/2017	3/31/2037	General
El Monte	Los Angeles County	0.50%	4/1/2009	3/31/2019	General
Inglewood	Los Angeles County	0.50%	4/1/2007		General
La Mirada	Los Angeles County	1.00%	4/1/2013	3/31/2018	General
Long Beach	Los Angeles County	1.00%	1/1/2017	12/31/2027*	General
Lynwood	Los Angeles County	1.00%	4/1/2017	3/31/2027	General
Pico Rivera	Los Angeles County	1.00%	4/1/2009		General
San Fernando	Los Angeles County	0.50%	10/1/2013		General
Santa Monica	Los Angeles County	0.50%	4/1/2011	3/31/2017	General
		1.00%	4/1/2017		General
South El Monte	Los Angeles County	0.50%	4/1/2011	3/31/2016	General
South Gate	Los Angeles County	1.00%	10/1/2008		General
County of Los Angeles	Los Angeles County	0.50%	4/1/1991		Transportation
		0.50%	7/1/1982		Transportation
		0.50%	7/1/2009		Transit
		0.50%	7/1/2017		Transportation
Madera	Madera County	0.50%	4/1/2017		General
County of Madera	Madera County	0.50%	4/7/2007		Transportation
Corte Madera	Marin County	0.50%	4/1/2014	3/31/2021	General
Fairfax	Marin County	0.75%	4/1/2017	3/31/2027	General
Larkspur	Marin County	0.50%	4/1/2014	3/31/2020	General
Novato	Marin County	0.25%	4/1/2011		General
San Rafael	Marin County	0.75%	4/1/2014	3/31/2035	General
San Anselmo	Marin County	0.50%	4/1/2014	3/31/2024	General
Sausalito	Marin County	0.75%	4/1/2014	3/31/2025	General
County of Marin	Marin County	0.50%	4/1/2013		Open Space
		0.50%	4/1/2005		Transportation
		0.25%	4/1/2009		Transit
County of Mariposa	Mariposa County	0.50%	4/1/2005		Hospital
Fort Bragg	Mendocino County	0.50%	1/1/2005		Roads
		0.50%	7/1/2012		CommunityCentr
Point Arena	Mendocino County	0.50%	4/1/2004		Roads
Ukiah	Mendocino County	0.50%	4/1/2017		General
Willits	Mendocino County	0.50%	10/1/2003		Roads
County of Mendocino	Mendocino County	0.125%	4/1/2012		Library

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Atwater	Merced County	0.50%	7/1/2013	6/30/2024	General
Gustine	Merced County	0.50%	4/1/2010		General
Los Banos	Merced County	0.50%	4/1/2005		Police, fire
Merced	Merced County	0.50%	4/1/2006	3/31/2026	General
County of Merced	Merced County	0.50%	4/1/2017	3/31/2047	Transportation
Mammoth Lakes	Mono County	0.50%	10/1/2008		Parks, recr
Carmel-by-the-Sea	Monterey County	1.00%	4/1/2013	3/31/2023	General
Del Rey Oaks	Monterey County	1.50%	4/1/2007	3/31/2022	General
Gonzales	Monterey County	0.50%	4/1/2015	3/30/2026	General
King City	Monterey County	0.50%	4/1/2015	3/30/2023	General
Greenfield	Monterey County	1.75%	4/1/2016		General
Marina	Monterey County	1.00%	4/1/2011		General
Monterey	Monterey County	1.00%	4/1/2015	3/30/2020	Streets
Pacific Grove	Monterey County	1.00%	10/1/2008		General
Salinas	Monterey County	0.50%	4/1/2006		General
		1.00%	4/1/2015	3/30/2031	General
Sand City	Monterey County	1.00%	4/1/2015		General
Seaside	Monterey County	1.00%	7/1/2008		General
Soledad	Monterey County	1.00%	10/1/2012		General
County of Monterey	Monterey County	0.375%	4/1/2017	3/31/2047	Transportation
		0.125%	4/1/2015		Transit
Saint Helena	Napa County	0.50%	4/1/2017		General
County of Napa	Napa County	0.50%	7/1/1998	3/31/2023	Transportation
Grass Valley	Nevada County	0.50%	4/1/2013	3/31/2023	General
Nevada City	Nevada County	0.50%	4/1/2007	3/31/2023	Roads
		0.375%	4/1/2013	3/31/2018	General
		0.375%	4/1/2017		Police, fire
Truckee	Nevada County	0.25%	10/1/2014	9/30/2025	General
County of Nevada	Nevada County	0.25%	4/1/2017	3/31/2032	Library
Fountain Valley	Orange County	1.00%	4/1/2017	3/31/2037	General
La Habra	Orange County	0.50%	4/1/2009	3/31/2029	General
La Palma	Orange County	1.00%	4/1/2017		General
Stanton	Orange County	1.00%	4/1/2015		General
Westminster	Orange County	1.00%	4/1/2017	3/31/2023	General
County of Orange	Orange County	0.50%	4/1/1991		Transportation
Loomis	Placer County	0.25%	4/1/2017	3/31/2027	General
Cathedral City	Riverside County	1.00%	10/1/2010		General
Coachella	Riverside County	1.00%	4/1/2015		General
Hemet	Riverside County	1.00%	4/1/2017		General
Indio	Riverside County	1.00%	4/1/2017		General
La Quinta	Riverside County	1.00%	4/1/2017		General
Menifee	Riverside County	1.00%	4/1/2017		General
Palm Springs	Riverside County	1.00%	4/1/2012	3/31/2037	General
Riverside	Riverside County	1.00%	4/1/2017	3/31/2037	General
Temecula	Riverside County	1.00%	4/1/2017		General
County of Riverside	Riverside County	0.50%	4/1/1989		Transportation

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Isleton	Sacramento County	0.50%	10/1/2016	9/30/2022	Fire, EMS
		0.50%	4/1/2017	3/31/2022	General
Sacramento	Sacramento County	0.50%	4/1/2013	3/31/2019	General
Galt	Sacramento County	0.50%	4/1/2009		Police, fire, EMS
Rancho Cordova	Sacramento County	0.50%	4/1/2015		General
County of Sacramento	Sacramento County	0.50%	4/1/1989		Transportation
Hollister	San Benito County	1.00%	4/1/2008	3/31/2038	General
San Juan Bautista	San Benito County	0.75%	4/1/2005		General
Montclair	San Bernardino County	0.25%	4/1/2005		General
San Bernardino	San Bernardino County	0.25%	4/1/2007	3/31/2022	General
Yucca Valley	San Bernardino County	0.50%	4/1/2017	3/31/2027	General
		0.50%	4/1/2017	3/31/2027	Sewers
County of San Bernardin	San Bernardino County	0.50%	4/1/1990		Transportation
Chula Vista	San Diego County	0.50%	4/1/2017	3/31/2027	General
Del Mar	San Diego County	1.00%	4/1/2017		General
El Cajon	San Diego County	0.50%	4/1/2009	3/31/2029	General
La Mesa	San Diego County	0.75%	4/1/2009	3/31/2029	General
National City	San Diego County	1.00%	10/1/2006		General
Vista	San Diego County	0.50%	4/1/2007	3/31/2037	General
County of San Diego	San Diego County	0.50%	4/1/1988		Transportation
San Francisco	County fo San Francisco	0.25%	10/1/1993		General
		0.50%	4/1/1990		Transportation
		0.50%	4/1/1970		BART-Transit
Lathrop	San Joaquin County	1.00%	4/1/2013		General
Manteca	San Joaquin County	0.50%	4/1/2007		Police, fire
Stockton	San Joaquin County	0.25%	4/1/2005		Police, fire
		0.75%	4/1/2014	3/31/2025	General
		0.25%	4/1/2017	3/31/2033	Library
Tracy	San Joaquin County	0.50%	4/1/2017	3/31/2037	General
County of San Joaquin	San Joaquin County	0.50%	4/1/1991		Transportation
Pismo Beach	San Luis Obispo County	0.50%	10/1/2008		General
Arroyo Grande	San Luis Obispo County	0.50%	4/1/2007		General
Atascadero	San Luis Obispo County	0.50%	4/1/2015	3/31/2028	General
Grover Beach	San Luis Obispo County	0.50%	4/1/2007		General
Morro Bay	San Luis Obispo County	0.50%	4/1/2007		General
El Paso de Robles	San Luis Obispo County	0.50%	4/1/2013	3/31/2025	General
San Luis Obispo	San Luis Obispo County	0.50%	4/1/2007		General
Belmont	San Mateo County	0.50%	4/1/2017	3/31/2047	General
East Palo Alto	San Mateo County	0.50%	4/1/2017		General
South San Francisco	San Mateo County	0.50%	4/1/2016	3/31/2047	General
San Mateo	San Mateo County	0.25%	4/1/2010	3/31/2018	General
County of San Mateo	San Mateo County	0.50%	4/1/2013	3/31/2043	General
		0.50%	1/1/1989		Transportation
		0.50%	7/1/1982		Transit
Guadalupe	Santa Barbara County	0.25%	4/1/2015		General
Santa Maria	Santa Barbara County	0.25%	10/1/2012	9/30/2021	General
County of Santa Barbara	Santa Barbara County	0.50%	1/1/1990		Transportation

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Campbell	Santa Clara County	0.25%	4/1/2009		General
San Jose	Santa Clara County	0.25%	10/1/2016	9/30/2027	General
County of Santa Clara	Santa Clara County	0.125%	4/1/2013	3/31/2024	General
		0.125%	7/1/2012		BART-Transit
		0.50%	10/1/1976		Transit
		0.50%	4/1/2006		Transportation
Capitola	Santa Cruz County	0.25%	4/1/2005	12/31/2017	General
		0.25%	4/1/2013		General
Santa Cruz	Santa Cruz County	0.50%	4/1/2007		General
Scotts Valley	Santa Cruz County	0.50%	4/1/2014	3/31/2023	General
Watsonville	Santa Cruz County	0.25%	4/1/2007		General
		0.50%	10/1/2014	9/30/2022	General
		0.25%	4/1/1997		Library
County of Santa Cruz	Santa Cruz County	0.50%	1/1/1979		Transit
		0.50%	4/1/2017	3/31/2047	Transportation
		0.50%	10/1/2014		General
Anderson	Shasta County	0.50%	10/1/2014		General
Dunsmuir	Siskiyou County	0.50%	4/1/2016		General
Mount Shasta	Siskiyou County	0.25%	10/1/2011		Libraries
Weed	Siskiyou County	0.25%	7/1/2015		General
Yreka	Siskiyou County	0.50%	4/1/2017		General
Benicia	Solano County	1.00%	4/1/2015		General
Fairfield	Solano County	1.00%	4/1/2013	3/31/2034	General
Rio Vista	Solano County	0.75%	4/1/2013	3/31/2024	General
Suisun City	Solano County	1.00%	4/1/2017	3/31/2027	General
Vacaville	Solano County	0.75%	4/1/2017	3/31/2037	General
Vallejo	Solano County	1.00%	4/1/2012		General
County of Solano	Solano County	0.13%	10/1/1998		Library
Cotati	Sonoma County	1.00%	10/1/2014	9/30/2024	General
Healdsburg	Sonoma County	0.50%	4/1/2013	3/31/2024	General
Rohnert Park	Sonoma County	0.50%	10/1/2010		General
Santa Rosa	Sonoma County	0.25%	4/1/2005		Police, fire
		0.25%	4/1/2011	3/31/2027	General
		0.25%	4/1/2005		General
Sebastopol	Sonoma County	0.50%	4/1/2013	3/31/2022	General
		0.50%	4/1/2005		General
		0.50%	10/1/2012	9/30/2023	General
County of Sonoma	Sonoma County	0.25%	4/1/2005		Transportation
		0.25%	4/1/2009		Transit
		0.25%	4/1/2011		Open Space
		0.125%	4/1/2017	3/31/2027	Library
Ceres	Stanislaus County	0.50%	4/1/2008		Police, fire
Oakdale	Stanislaus County	0.50%	4/1/2012	3/31/2018	General
County of Stanislaus	Stanislaus County	0.125%	7/1/1995		Library
		0.50%	4/1/2017	3/31/2042	Transportation
Corning	Tehema County	0.50%	10/1/2016		General
Red Bluff	Tehema County	0.25%	4/1/2015	3/31/2022	General

APPENDIX ONE

Transactions & Use Taxes Currently in Effect

<u>City</u>	<u>County</u>	<u>Rate</u>	<u>Effective</u>	<u>End</u>	<u>Purpose</u>
Dinuba	Tulare County	0.75%	4/1/2006		Police, fire
Farmersville	Tulare County	0.50%	4/1/2005		General
Porterville	Tulare County	0.50%	4/1/2006		Police, fire
Tulare	Tulare County	0.50%	4/1/2006		General
Visalia	Tulare County	0.25%	7/1/2004		General
		0.50%	4/1/2017		General
County of Tulare	Tulare County	0.50%	4/1/2007		Transportation
Sonora	Tuolumne County	0.50%	1/1/2005		General
Oxnard	Ventura County	0.50%	4/1/2009	3/31/2030	General
Port Hueneme	Ventura County	0.50%	4/1/2009		General
San Buenaventura	Ventura County	0.50%	4/1/2017	3/31/2042	General
Santa Paula	Ventura County	1.00%	4/1/2017	3/31/2037	General
Davis	Yolo County	1.00%	10/1/2014	12/31/2020	General
West Sacramento	Yolo County	0.50%	4/1/2003		General
		0.25%	4/1/2013	3/31/2034	General
		0.25%	4/1/2017		General
Woodland	Yolo County	0.50%	10/1/2006	9/30/2031	General
		0.25%	10/1/2010		General
Marysville	Yuba County	1.00%	10/1/2016	9/30/2027	General
Wheatland	Yuba County	0.50%	4/1/2011	3/31/2022	General

*declines to 0.5% on 1/1/2023

Utility User Tax Facts

The Utility User Tax (UUT) may be imposed by a city on the consumption of utility services, including (but not limited to) electricity, gas, water, sewer, telephone (including cell phone and long distance), sanitation and cable television.ⁱ A county may levy a UUT on the consumption of electricity, gas, water, sewer, telephone, telegraph and cable television services in the unincorporated area.ⁱⁱ

The rate of the tax and the use of its revenues are determined by the local agency. The tax is levied by the city or county on the consumer of the utility services, collected by the utility as a part of its regular billing procedure, and then remitted to the city or county.

Most of the cities and counties with UUTs adopted the taxes prior to 1986 by vote of the city council (or in the case of a county UUT, the county board of supervisors). Any increase or extension of a local tax now requires voter approval. Currently, all city UUT levies in California are general taxes. Statewide, city and county utility user taxes generate nearly \$2 billion per year.

Cities and Counties With UUTs as of 1/1/2017

	Cities	Counties	Total	Calif Population covered
Number with UUT	157	4	161	54.0%
Telephone UUTs	149	4	153	49.5%
Electricity	156	4	160	52.7%
Gas	156	4	160	52.7%
Cable TV	90	1	91	22.8%
Water	85	1	86	24.7%
Sewer	14	1	15	2.7%
Garbage	12	0	12	1.3%
San Francisco is counted as a county				

Exemptions

State and federal government agencies, and gas and water used by utility companies to generate electricity are exempt from utility user taxes.

UUTs on Telephony

The application of utility user taxes to certain telephone services has been a topic of substantial legal and legislative turmoil due to changes in technology and federal law.

UUTs and the FET

Many Utility User Taxes in California include reference to the Federal Excise Tax ("FET")ⁱⁱⁱ commonly limiting the application of the utility user taxes to charges that are "subject to" the FET. Telephone calls which are not charged based on both time and distance — such as those paid by coin in phone booths — are exempt from the FET. By reference, these types of calls are also exempt from some local UUT ordinances. Many cell phone bills are based upon a package which provides a mix of local and long-distance calling for a flat rate.

In 2007, several federal courts and the IRS ruled that telephone service packages which provide a mix of local and long-distance calling for a flat rate or a fixed fee are based on neither time nor distance and are therefore not subject to the FET.^{iv} The IRS subsequently adopted a regulation incorporating these rulings.^v That meant that if a city wished to continue to impose its UUT on cell phone or other

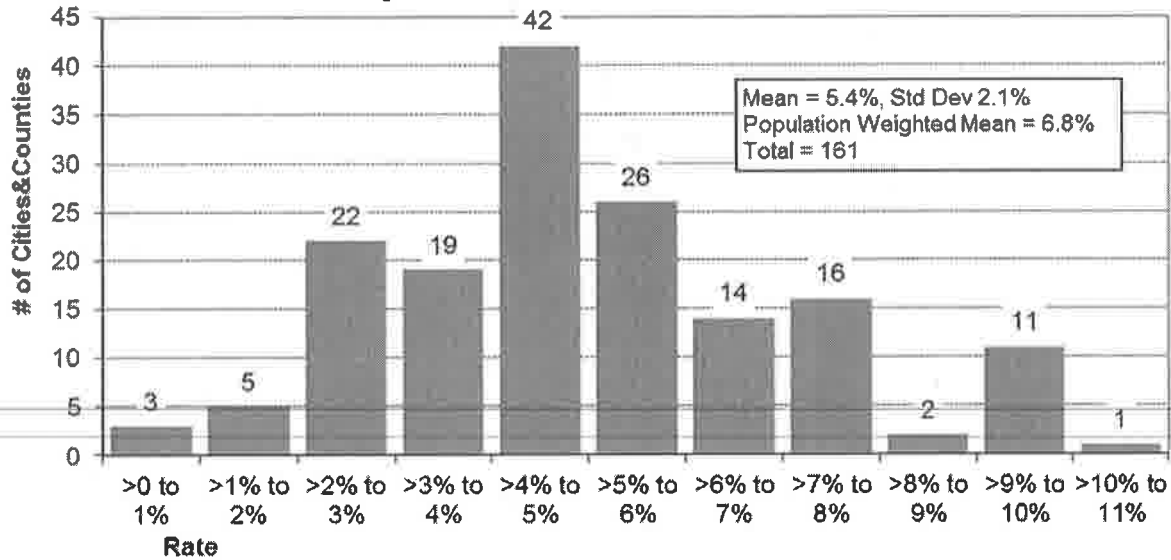
telephone calls which are not charged on both time and distance, it must amend its ordinance to remove the reference to this exemption to the FET.

A number of cities have amended their UUT ordinances to clarify that they did not wish to adopt the IRS' new practice, but rather wished to continue to impose their UUTs as they had historically been imposed (i.e. on charges based on time or distance). At the time of this writing, several localities are challenging the right of local taxing authorities to amend their ordinances without voter approval, or to continue to collect this revenue without amendment. The lawsuits argue that an amendment to an ordinance to bring it into conformity with the FET ruling is an "increase" subject to voter approval under Proposition 218.

UUTs and the MTSA

Prior to the adoption of the Mobile Telecommunications Sourcing Act of 2000 (MTSA)^{vi} by Congress, cellular carriers had argued that the federal Constitution forbade the application of a utility user tax to telephone calls which neither originated nor terminated within the taxing agency. The MTSA expanded the permissible nexus for taxation to all cellular telephone charges for accounts with a primary place of use in the jurisdiction. However, carriers have argued in the courts that the California Constitution Article XIII C prohibits cities and counties from applying the MTSA nexus rules without voter approval.^{vii}

California Utility User Tax Rates as of 1/1/2017

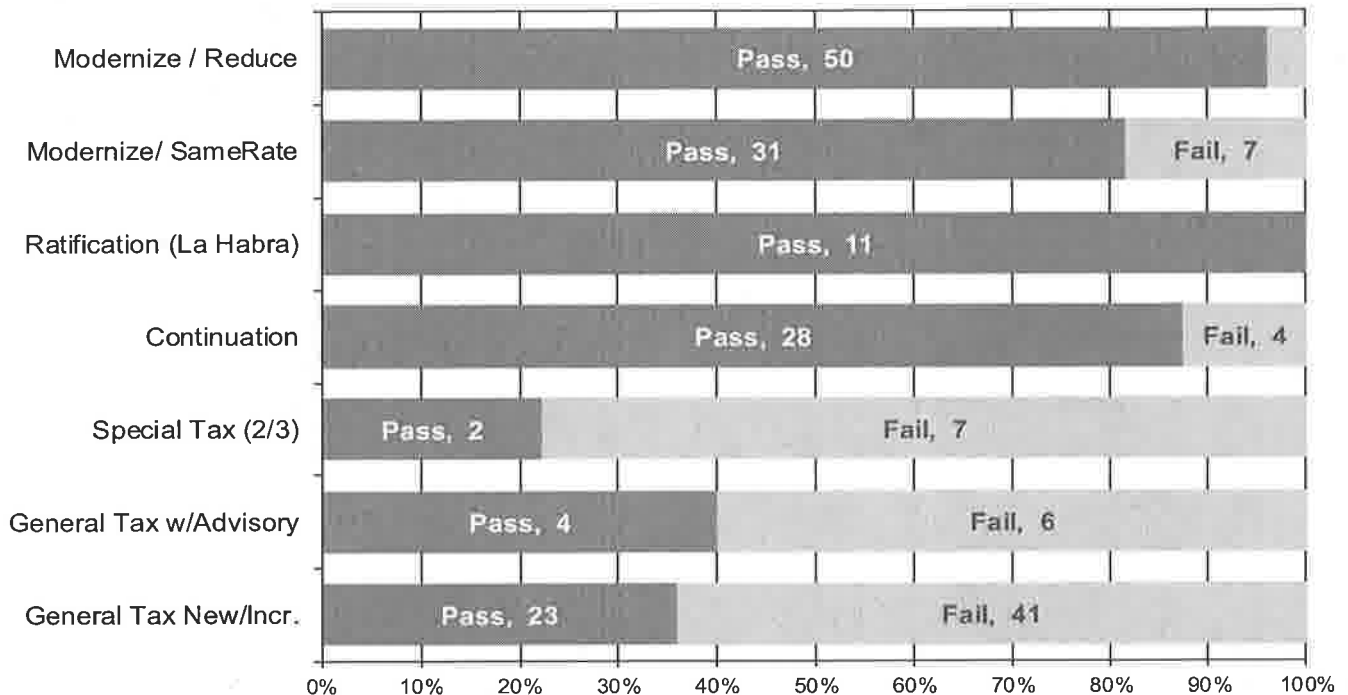


As a result of these events, doubt has been cast over the application of some outdated local UUT ordinances to certain types of telephone service. Proposition 218 requires voter approval of any change in the "methodology" by which a tax is administered if the change increases the amount of the tax paid by the taxpayer.^{viii} Many agencies that rely on UUTs on telephony have successfully sought voter approval of an updated ordinance that reflects the realities of the modern telecommunications industry.

Recent Voter Approval Record

From June 2002 through November 2016, there were 80 measures to increase or adopt a new UUT by cities and three by counties. Nine were special taxes designated for a specific purpose and requiring two-thirds voter approval. Among the 74 general taxes, 10 were accompanied by advisory measures indicating the use of the funds, the so called “a/b strategy.”

Utility User Tax Measures 2002 through November 2016 Cities and Counties



Currently, all UUTs are general taxes except two. In June 2003, voters in the City of Desert Hot Springs approved a UUT which dedicates 50% of the proceeds to resolving the city’s bankruptcy related debt.^{ix} In June 2010, voters in the City of Mammoth Lakes approved the extension of the cities sun-setting UUT but earmarking it for “mobility, recreation, and arts and culture.” Ironically, that city later filed for bankruptcy facing a massive court judgment from a land use dispute.

Referenda to Reduce or Repeal UUTs Have Rarely Succeeded

Since 2001 there have been 149 successful utility tax measures including validations, extensions, expansions and increases. During this time there were just **two** successful referenda to repeal or reduce a UUT among 18 qualifying attempts in 12 different cities and one county. Eleven of these measures were decided November 6, 2002 with all failing except a measure reducing the UUT in Greenfield from 6% to 3% passed in 2002. Just three cities and one county have considered UUT repeals or reductions since then. Of the seven measures (multiple in Seaside and Holtville) voters in the County of Santa Cruz were alone in deciding to repeal their UUT (March 2003).

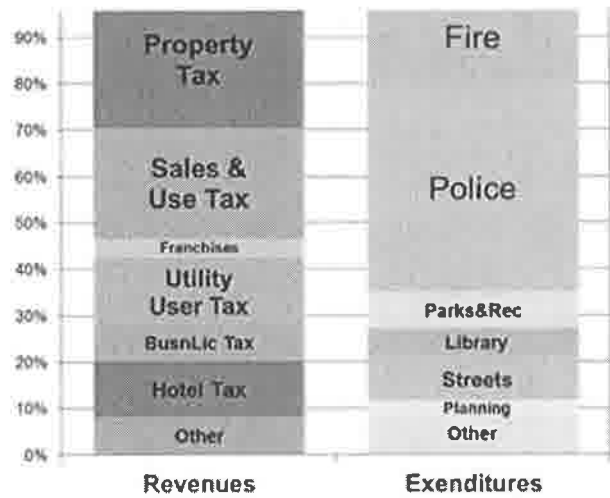
The UUT is Vital to Funding Essential Municipal Services

City utility user tax rates range from 1 percent to 11 percent. The particular utilities to which the tax is applied varies. In some cities different rates apply to residential versus commercial users. The most common rate is 5 percent, applied broadly among many types of utilities. The average rate (mean) is 5.4 percent with a standard deviation of 2.1 percent. Because most large cities have UUTs, roughly half of California residents and businesses pay a utility user tax. Four of the 58 counties levy a UUT (Alameda, Los Angeles, Sacramento and San Francisco).

The UUT is a vital element in the funding of critical city services. On average, the UUT provides 15 percent of general-purpose revenue in cities that levy it. In some cities, the UUT provides as much as one third of the General Fund.

Discretionary Revenues and Spending

Typical Full Service City



Some UUTs Result From State Cuts to City Funds

Many city UUT levies and increases have resulted from cuts to city revenues by the state. In 1992, facing massive deficits in the state budget, the Legislature and Governor began the annual transfer of billions of dollars of property tax revenue from cities, counties and special districts to K-14 schools, allowing the state to reduce its general fund spending on education. Cities and counties, who depend substantially on sales tax and property tax revenues for discretionary income, were already experiencing the same recessionary effects as the state.^x City property tax revenue, a top source of general purpose revenue for most, was cut from at least 9% and 24% on average. Cities responded by cutting services, deferring infrastructure maintenance, relying more heavily on debt financing, paring down reserves, more aggressively pursuing sales tax generators, and raising taxes and assessments. Within a few years of the beginning of the property tax shifts, more than fifty (50+) cities increased an existing or levied a new UUT.

Highest Utility User Tax \$ Dependencies FY2013-14

City	UUT as Percent of General Revenues	City	UUT as Percent of General Revenues	City	UUT as Percent of General Revenues
Richmond	42.4% a	Porterville	23.7% a	Seal Beach	21.5% b
Hercules	34.8% d	Moreno Valley	23.6% a	Whittier	21.4% e
Compton	34.6% b	Winters	23.5% b	Brawley	20.7% a
Sierra Madre	34.3% a	Pomona	23.4% a	Covina	20.7% a
Bell	29.9% d	Glendale	23.4% a	Portola Valley	20.7% d
Desert Hot Springs	29.6% d	Orange Cove	23.4% d	Culver City	20.6% b
Holtville	29.4% b	Lynwood	23.0% b	Stockton	20.4% a
Waterford	28.6% d	Inglewood	23.0% a	Bradbury	20.3% d
Rialto	27.0% b	San Gabriel	23.0% b	Woodlake	20.3% f
Firebaugh	26.1% b	Cudahy	22.8% d	Lawndale	20.0% d
Lindsay	25.5% b	Indio	22.6% b	Coachella	19.6% f
Claremont	25.1% d	Bellflower	22.6% d	Burbank	19.6% a
El Segundo	24.7% a	Modesto	22.4% b	Exeter	19.5% b
Pasadena	23.9% a	Irwindale	22.0% e	Huntington Park	19.4% d
Los Alamitos	23.8% d	Torrance	21.6% a	Riverside	19.3% a

Source: CaliforniaCityFinance.com computations from FY 12- 13 data reported to the California State Controller.

a= full service city

b= city does not provide/fund library services

c= city does not provide/fund library or parks services

d= city does not provide/fund fire, or library services

Highest Utility User Tax \$ Collections FY2013-14

City	UUT per capita	City	UUT per capita
Vernon	\$ 14,338.48	Torrance	\$ 212.22
Irwindale	\$ 2,495.63	Malibu	\$ 193.29
El Segundo	\$ 781.53	Seal Beach	\$ 188.86
Richmond	\$ 452.56	Burbank	\$ 188.60
Sand City	\$ 395.73	Los Alamitos	\$ 186.58
Santa Fe Springs	\$ 382.41	Portola Valley	\$ 177.57
Culver City	\$ 374.94	Benicia	\$ 173.79
Santa Monica	\$ 355.99	Santa Cruz	\$ 164.96
Emeryville	\$ 287.55	Palo Alto	\$ 164.63
Sierra Madre	\$ 260.01	Los Angeles	\$ 160.69
Pasadena	\$ 252.00	Palm Springs	\$ 155.08

Source: CaliforniaCityFinance.com computations from FY 12- 13 data reported to the California State Controller.



ⁱ Charter cities: Cal. Const. art. XI §5; General Law cities: Cal. Government Code §37100.5.

ⁱⁱ Revenue and Tax Code §7284.2.

ⁱⁱⁱ 42 U.S.C. §§4251 et seq.

^{iv} IRS Notice 2006-50.

^v Revenue Bulletin 2007-5 Section 10.

^{vi} 4 U.S.C. §§116 et seq.

^{vii} Verizon Wireless v. Los Angeles, No. B185373, AB Cellular LA, LLC dba AT&T Wireless v. City of Los Angeles, 150 Cal. App. 4th 747 (2007).

^{viii} Government Code §53750(h).

^{ix} In 2009, those voters increased the tax to 7%.

^x For more information on ERAF, see <http://www.californiacityfinance.com/#ERAF>



City of Lemon Grove
City Council Regular Meeting Agenda
Tuesday, June 19, 2018, 6:00 p.m.

Lemon Grove Community Center
3146 School Lane, Lemon Grove, CA

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentations:

Lemon Grove History Minute #21

Recognition of Service – Malik Tamimi, Management Analyst

Public Comment

(Note: In accordance with State Law, the general public may bring forward an item not scheduled on the agenda; however, the City Council may not take any action at this meeting. If appropriate, the item will be referred to staff or placed on a future agenda.)

1. Consent Calendar

(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public.)

A. Waive Full Text Reading of All Ordinances on the Agenda

Reference: James P. Lough, City Attorney

Recommendation: Waive the full text reading of all ordinances included in this agenda; ordinances shall be introduced and adopted by title only.

B. City of Lemon Grove Payment Demands

Reference: Molly Brennan, Finance Manager

Recommendation: Ratify Demands

C. Approval of Meeting Minutes

June 5, 2018 - Regular Meeting

Reference: Interim City Clerk

Recommendation: Approve Minutes

D. Rejection of Claim

Reference: Mike James, Assistant City Manager / Public Works Director

Recommendation: Reject a claim submitted by Aran Wong of Coast Law Group LLC on behalf of Carol Pantazoplus.

E. Rejection of Claim

Reference: Mike James, Assistant City Manager / Public Works Director

Recommendation: Reject a claim submitted by Thomas M. Tomlinson of Legler & Tomlinson on behalf of Robert Spencer.

- F. Approve the Engineer's Report Detailing Sewer Service Charges for Fiscal Year 2018-2019
Reference: Stephanie Boyce, Management Analyst
Recommendation: Adopt Resolution approving the engineer's report detailing sewer service charges for Fiscal Year 2018-19.
 - G. Approve the Engineer's Report Detailing Zone L Assessments for Fiscal Year 2018-2019
Reference: Stephanie Boyce, Management Analyst
Recommendation: Adopt Resolution approving the engineer's report detailing Zone L Assessments for Fiscal Year 2018-19.
 - H. Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019
Reference: Mike James, Assistant City Manager/Public Works Director
Recommendation: Adopt Resolution approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2018-2019.
 - I. Renewal of Stormwater Professional Services Agreement for Plan Review and Construction Inspections with D-MAX Engineering, Inc.
Reference: David De Vries, Development Services Director
Recommendation: Adopt Resolution approving an agreement to renew professional services with D-MAX Engineering, Inc. for Stormwater Plan Review and Construction Inspection Services.
 - J. Renewal of Professional Services Agreement Stormwater Program Support Services with D-MAX Engineering, Inc.
Reference: David De Vries, Development Services Director
Recommendation: Adopt Resolution approving an agreement to renew professional services with D-MAX Engineering, Inc. to assist with the implementation of the City's Stormwater Program.
- 2. NewSchool of Architecture Main Street Promenade Tactical Urbanism Presentation and Signage Request
Reference: David De Vries, Development Services Director
Recommendation: Consider Urban Design Club's request for Tactical Urbanism and public outreach in the Main Street Promenade. Item Title here
 - 3. Public Hearing to Consider a Request for a Conditional Use Permit (CUP-170-0001) to Establish a Medical Marijuana Dispensary at 6470 Federal Blvd. in the Light Industrial Zone
Reference: David De Vries, Development Services Director
Recommendation: 1) Conduct the Public Hearing; and 2) Adopt a Resolution conditionally approving Conditional Use Permit CUP-170-0001, a request to establish a medical marijuana dispensary at 6470 Federal Blvd. in the Light Industrial (LI) Zone (Municipal Code Chapter 17.32)

- 4. Fiscal Year 2018-2019 Consolidated Operating and Capital Budget
 Reference: Lydia Romero, City Manager, Molly Brennan, Finance Manager, and Al Burrell, Finance Consultant
 Recommendation:
 1) Adopt a Resolution approving the Fiscal Year 2018-19 City of Lemon Grove Budget;
 2) Adopt a Resolution approving the Salary Plan & Classification Summary;
 3) Adopt a Resolution approving the FY 2018-19 Appropriations Limit;
 4) Adopt a Resolution approving the Fiscal Year 2018-19 Lemon Grove Roadway Lighting District Budget;
 5) Adopt a Resolution approving the Fiscal Year 2018-19 Lemon Grove Sanitation District Budget.

- 5. Revenue Options Requiring Voter Approval
 Reference: Lydia Romero, City Manager
 Recommendation: Review and Discuss options for revenue options to place on the November ballot.

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d)) *(53232.3.(d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)*

City Manager and Department Director Reports (Non-Action Items)

Closed Session

Adjournment

In compliance with the Americans with Disabilities Act (ADA), the City of Lemon Grove will provide special accommodations for persons who require assistance to access, attend and/or participate in meetings of the City Council. If you require such assistance, please contact the City Clerk at (619) 825-3800 or email lromero@lemongrove.ca.gov. A full agenda packet is available for public review at City Hall.

AFFIDAVIT OF NOTIFICATION AND POSTING

STATE OF CALIFORNIA)
 COUNTY OF SAN DIEGO) SS
 CITY OF LEMON GROVE)

A. Kay Vinson, being first duly sworn, depose and state: That I am the duly appointed and qualified Interim City Clerk of the City of Lemon Grove and that a copy of the above Agenda of the Regular Meeting of the City Council of the City of Lemon Grove, California, was delivered and/or notice by email not less than 72 hours before the hour of 5:30 p.m. on June 14, 2018, to the members of the governing agency, and caused the agenda to be posted on the City’s www.lemongrove.ca.gov and at Lemon Grove City Hall 3232 Main Street Lemon Grove, CA 91945.

A. Kay Vinson, Interim City Clerk