TO: **Honorable Mayor and City Councilmembers**

FROM: **Joan L. Flynn, City Clerk**

DATE: **7/15/2013**

SUBJECT: **SUPPLEMENTAL COMMUNICATION FOR THE JULY 15, 2013, REGULAR CITY COUNCIL MEETING**

Attached is Supplemental Communication to the City Council (received after distribution of the Agenda Packet):

Study Session #1
PowerPoint presentation submitted by Scott Hess, Director of Planning and Building, dated July 15, 2013, entitled *Feasibility Study for the Annexation of the Bolsa Chica Lowlands.*

Communication submitted by Scott Hess, Director of Planning and Building, dated July 10, 2013, entitled *Bolsa Chica Lowlands Annexation, City Council Study Session July 15, 2013.*

Study Session #2
PowerPoint presentation submitted by Lori Ann Farrell, Director of Finance dated July 15, 2013, entitled *City of Huntington Beach FY 2013/14 Proposed Budget.*

Notification to the public that a copy of the proposed Fiscal Year 2013/2014 Budget is available for review in the City Clerk's Office.

Consent Calendar
#15. Communication received from Richardson Gray dated July 12, 2013 stating his support of the adoption of Resolution No. 2013-30.

Ordinances for Introduction
#19. Communication received from Janeen Laudenback, Interim Director of Community Services, dated July 15, 2013 submitting a revision to proposed Ordinance No. 3983.

#19. Communication received from Albert Gasparian, Dean of Health, Kinesiology and Athletics at Golden West College, dated July 10, 2013 requesting alternative action for Ordinance No. 3893.

#19. Communication received from Lorraine Prinsky, Board President, Coast Community College District, dated July 12, 2013 requesting City Council retain a Community Service Commission seat for the Coast Community College District.

#19. Communication received from Cindy Pulfer from Ocean View School District dated July 12, 2013 submitting park agreements.

#19. Communication received from Christina Oja dated July 15, 2013 requesting Council retain the Community Service Commission seat for the Coast Community College District.

COUNCILMEMBER ITEMS
#22. Communication received from Mary Urashima, dated July 15, 2013, supporting Electric Vehicle parking spaces.

#23. Communication received from Richardson Gray dated July 12, 2013 stating his support in establishing a Downtown Public Safety and Residential Quality of Life Task Force.

Feasibility Study for the Annexation of the Bolsa Chica Lowlands

7.15.2013

Study Purpose

Conservancy & parking lot
Outer Bolsa Bay
Bolsa Mesa Lower Bench
Bolsa Mesa Upper Bench
Flood Channel Flap Gates
Muted Tidal Basin
Inner Bolsa Bay
Full Tidal Basin
Parking Lot
Foot bridge
Future Full Tidal Basin
LEGEND
Annexation Boundary
Reserve Boundary
Planned Park
Existing Park

Agency Overview

Agency	Activities	Annexation Impact
State Lands Commission	Surface rights land owner	No change
CA Dept of Fish & Game	Manages reserve	No change
County of Orange	Local & regional services	Local services shift to city, shared NPDES responsibilities, regional park to remain County responsibility
OC Flood Control District	Maintains channel	City could assume trail maintenance after channel repairs
OC Fire Authority	Fire protection services	City assumes responsibility
CA Coastal Commission	Regulatory agency in Coastal Zone	No change, City must update LCP to have land use authority
Occidental Petroleum Corp. (Oxy)	Primary mineral rights holder	No change
Local Non-Profits	Tours, fundraising, cleanups, interpretive center	No change

Associated Annual Costs

- Initial fiscal benefit of approximately $130,000 upon annexation
  - Revenue primarily (96%) from oil extraction taxes
  - This revenue source will eventually decrease over time
- One-time transitional costs offset first year's benefit
  - Staff costs and application and processing fees total approximately $151,000
  - Any additional responsibilities, e.g. trail maintenance, would be a deficit situation.

❖ No substantive changes since 2009

Annexation Alone

- No direct increase in service costs – no development
- Revenues from oil extraction tax may be less and will decrease over time

❖ Essentially a break even situation

Benefits

- Quicker public safety response due to closer proximity of City services (mutual aid agreements already in place)
- Better protection of surrounding Huntington Beach property owners' interests
- Better response to public concerns and comments – many already believe area is served by City

Previously Identified Concerns

- Flood control channel

  -ensuring completion of improvements by the District

- Restoration project levees

  -levees are not certified; possibility of legal exposure for City

- Flood Insurance

  -impact to City's FEMA rating

- Potential for additional maintenance responsibilities

  -trails in Lowlands and Harriett M. Wieder Regional Park, dredging in the jetty

❖ No change in these factors since 2009

-always a possibility of litigation; uncertainty with respect to maintenance

Timeline

- City approvals
  - Pre-Zoning, General Plan, Environmental & Annexation — 8-10 months
- County approvals
  - Annexation Agreement and MOU (concurrent with City approvals) — 3-5 months
- LAFCO approvals
  - Annexation — 4-6 months

❖ Annexation could be complete by — Dec 2014

- Coastal Commission approvals
  - Local Coastal Program (not necessary for annexation to occur) — 12-18 months

Summary

- Annexation alone is fiscally “neutral”, but there are some unknowns.
- Benefits include community pride and efficient service delivery.
- Questions?

CITY OF HUNTINGTON BEACH

Inter-Department Communication

Planning and Building Department

TO: Honorable Mayor and City Council Members

VIA: Fred A. Wilson, City Manager

FROM: Scott Hess, AICP, Director of Planning and Building

DATE: July 10, 2013

SUBJECT: **BOLSA CHICAL LOWLANDS ANNEXATION**
CITY COUNCIL STUDY SESSION JULY 15, 2013

An updated version of the 2009 Annexation Study for the Bolsa Chica Lowlands, prepared by Rosenow Spevacek Group, will be reviewed at the July 15th City Council Study Session and is attached for your information. Pursuant to City Council direction in March 2013, the Study has been updated to respond to the City's questions and incorporate relevant changes.

Please contact me if you have any questions prior to the Study Session.

SH:MBB

xc: Joan L. Flynn, City Clerk
Bob Hall, Assistant City Manager
Mary Beth Broeren, Planning Manager
Teri Baker, Assistant to the City Manager

CITY OF HUNTINGTON BEACH
2000 MAIN STREET, HUNTINGTON BEACH, CA 92648

ANNEXATION STUDY
BOLSA CHICA LOWLANDS

City of Huntington Beach

August 12, 2009
Minor Revisions May 17, 2013

ROSENOW SPEVACEK GROUP, INC.
www.webrsg.com

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EXECUTIVE SUMMARY

This Annexation Study ("Study") was prepared for the City of Huntington Beach ("City") to address the impacts that may be associated with the annexation of an unincorporated portion of the Bolsa Chica area called the Lowlands ("Study Area" or "Lowlands"). The Study Area is approximately 1,500 acres in size and is located coastally, generally bordered on three sides by the City limits. The Study Area is comprised largely of a 1,300 acre ecological reserve, about 65 acres of future parkland, and a small amount of privately held land. This Study has been performed to assist the Huntington Beach City Council as it deliberates the issue of annexing the Lowlands.

To develop the annexation analysis, this Study provides:

- A fiscal impact study for annexation of the Lowlands,
- A description of each entity's activities as they relate to the Lowlands, and
- A discussion on implementation of annexation including steps to be taken.

Exhibit 1 below summarizes the various roles of each entity currently involved in the Lowlands.

Summary of Agency Activities and Annexation Impact on Service Provisions **Exhibit 1**

Agency	Activities	Annexation Impact
State Lands Commission	Surface rights land owner of Bolsa Chica Reserve Oversees restoration project Contracts with Dept. of Fish and Wildlife for project implementation Provides funding for two full time equivalent positions and basic operations Obtains contracts for capital projects	No change to service provider
CA Department of Fish and Wildlife	Has staff on site Manages day to day operations of the Reserve Holds two land leases for the Reserve Land owner of the Lower Mesa Bench Performs basic maintenance Reacts to trespassers and public not obeying restrictions on property	No change to service provider
County of Orange	Provides local and regional municipal services Responsible for NPDES program Has planned a large regional park, currently operates 4 acres of the park	Local municipal services to be provided by City City to share NPDES responsibilities with the County Regional municipal services and regional park to remain County responsibility

Agency	Activities	Annexation Impact
Orange County Flood Control District	Maintains the East Garden Grove- Wintersburg Channel	No change to service provider for flood control Possible City to assume trail maintenance after channel repairs
Orange County Fire Authority	Provides fire protection services	City to provide all fire protection services
California Coastal Commission	Acts as regulatory agency, approving land uses in the Coastal Zone	No change to service provider [1]
U.S. Army Corps of Engineers	Likely to be the regulatory agency to oversee any future bay dredging	No change to service provider
Federal Emergency Management Agency	Through the Community Ratings System program, reviews communities and establishes flood insurance discounts available to individual property owners	No change to service provider
Occidental Petroleum Corporation	Primary mineral rights holder in much of the Lowlands for oil production Works cooperatively with State Lands and Fish and Wildlife Maintains access roads Provides some patrol and emergency preparedness support for oil operations	No change to service provider
Local Non-Profits	Organize tours and educational programs Raise funds for projects Coordinate volunteers for clean ups and other maintenance in the public access area of Reserve Bolsa Chica Conservancy operates interpretive center	No change to service provider

Despite the many players, most service providers would remain unchanged and operations within the Lowlands would generally continue on without impact. However, annexation is likely to benefit the Lowlands in the following ways:

- Quicker public safety response due to the close proximity of City police, fire, and emergency services;
- Better protection of the surrounding property owners' interests through congruency of service; and
- Better response to public concerns or comments as most people think the Lowlands are within City boundaries and therefore direct communications to City staff instead of the County of Orange.

[1] The City will update its Local Coastal Program in compliance with Section 30519.5 of the California Coastal Act.

Should the City proceed, the annexation process is expected to be a relatively smooth procedure. Based on conversations with respective staff members from the State Lands Commission, the California Department of Fish and Game, the Coastal Commission, and the Orange County Local Agency Formation Commission, all believe the Lowlands can today transition from the County's jurisdiction to the City's without issue provided all necessary planning documents are completed in a timely and accurate manner. The City would first need to pre-zone the Lowlands, and complete any associated environmental documents. Once the planning documentation is in order, the City can submit an annexation application to the Local Agency Formation Commission; this process should take four to six months. Finally, either concurrently or shortly following the annexation process, the City would need to amend (a) the General Plan, (b) the Local Coastal Program for submittal to the Coastal Commission, and (c) the Local Implementation Plan to remain in compliance with current stormwater permits.

Upon annexation of the Study Area, only municipal activities of the City, the County of Orange, and Orange County Fire Authority are expected to be impacted. It is not expected that the City will incur a material amount of additional recurring costs as a result of the annexation, but will receive a small amount of recurring revenues. Revenues are almost entirely dependent upon oil extraction taxes. At this time, the City could expect to incur a net positive fiscal impact of about $130,460 for 2013-14 if the area were annexed, exclusive of one-time costs for amendments to the City's General Plan and Local Costal Program. If performed by City staff, the Planning and Building Department could face costs of approximately $129,259 (though costs could differ if outsourced), thereby eliminating the first year's positive fiscal impact.

Though the annexation will offer a small amount of net revenue initially, this will diminish over time as oil production slows, lowering extraction tax revenue. By 2030 or sooner, it is unlikely this area would provide any appreciable revenue, making the annexation essentially revenue neutral.

In summary, annexation is likely to result in a minor amount of net revenue to the City, which would diminish over time, making the transaction fiscally neutral on an ongoing basis. Despite the lack of financial incentive, it is likely that the Lowlands would benefit from having the City as a local service provider; and in fact the City may enjoy a certain amount of pride from having such a unique ecological area within its boundaries.

STUDY UPDATE

This Study was largely performed in 2009, with limited research and updates undertaken in March and April 2013 to capture any material changes. The most substantive changes are as follows.

- Occidental Petroleum Corporation ("Oxy") purchased the mineral rights from Aera Energy to extract oil from the Lowlands. In general terms, the extraction operations remain the same. Oxy continues to provide regular patrol of their areas and takes all precautionary measures to ensure any emergency situations can be handled quickly and efficiently. The Department of Fish and Wildlife reports an excellent working relationship with Oxy. Interestingly, while Oxy does pay property tax, all assessed value associated with the extraction operation was consolidated on a single parcel by the County Assessor, and this parcel is already within the City's incorporated boundary; thus, no additional property taxes associated with the extraction operations would be generated by the annexation. All references to Aera Energy from the original report have been updated to reflect Oxy ownership.
- The County Flood Control District ("District") has made progress towards improvements of the East Garden Grove Wintersburg Channel and levee within the Lowlands, including construction of a formal trail along the channel through the Study Area. Most improvements continue to be aimed at earthquake safety, and are generally ahead of the schedule originally anticipated.
- Further information related to fire protection services has been incorporated. Through an automatic aid agreement and memorandum of understanding already in place, the Orange County Fire Authority ("OCFA") can assist in fire suppression in the Lowlands after annexation. OCFA maintains certain equipment that has better access along the narrow roads within the Study Area, particularly lightweight wildland vehicles and helicopters. Following annexation, any OCFA response support would be billed to the City at an hourly rate according to the current fee schedule. This Study estimates air support response – the most expensive service - could cost about $15,000 per incident,

though it could be higher. Fortunately, OCFA has stated that the need for air support in the Lowlands is unusual, but the need for wildland vehicle use is likely.

- Though not a change from the earlier Study, it remains important to note that most revenues associated with the Lowlands are associated with oil extraction taxes. If extraction taxes cannot be imposed upon operations within the Reserve, potential revenues are significantly reduced. For example, total possible extraction revenues for 2013-14 are anticipated to be $125,800, but without oil from the Reserve, revenues are estimated at $13,600.

Any other substantive text changes are shown within the document in *italics.*

Liability Issues

The City has expressed significant concerns related to potential liability issues. Annexation of the Lowlands is accompanied by a series of unpredictable circumstances related to levee breaches, sea level rise, erosion of the southern cliffs, or other unforeseen acts of nature. Unfortunately, few facts can be brought to bear that would alleviate these concerns. Current case law indicates the State of California bears ultimate responsibility for levee breach in the flood control channel, and recent Federal Court ruling has also reversed earlier findings that the US Army Corps of Engineers was liable for property damage related to Hurricane Katrina. However, no case law can directly alleviate all concerns related to potential liability issues. As discussed in this Study, the State Lands Commission does maintain an insurance policy for the Reserve, and all private property owners are able to purchase insurance to protect against disasters as well.

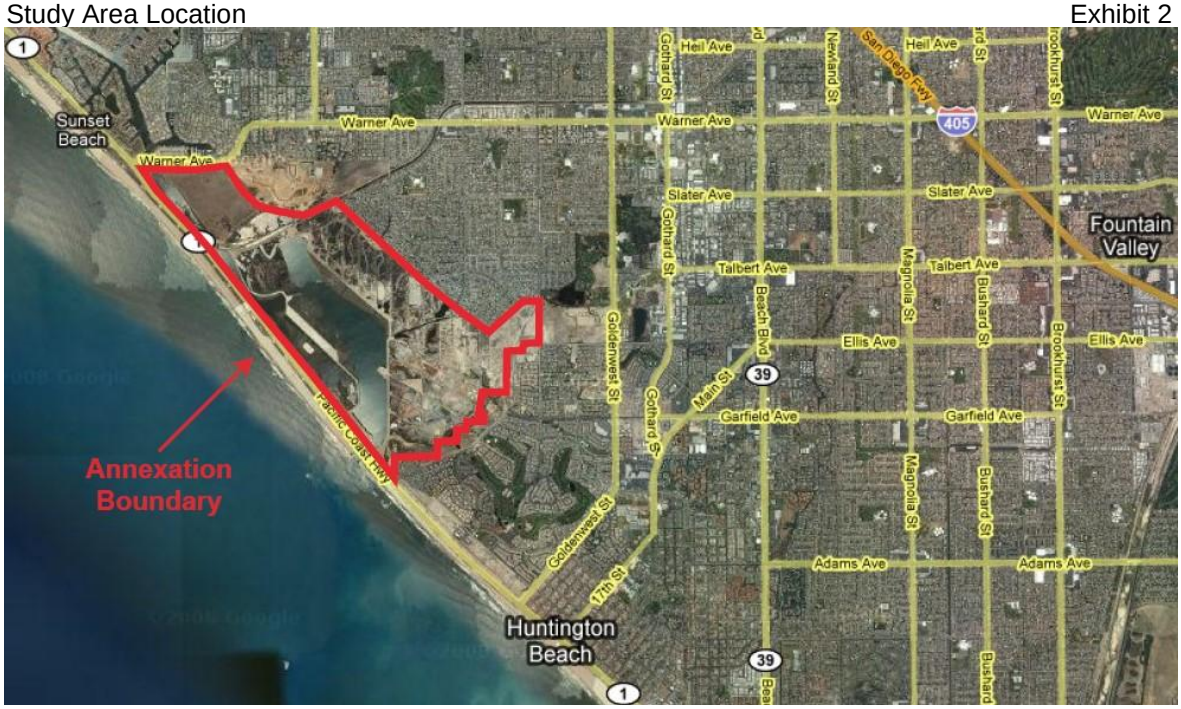
INTRODUCTION

This Study has been commissioned by the City, and written for the purpose of presenting the fiscal and operational impacts that may be associated with annexation of the Lowlands. The Lowlands are a unique and beautiful coastal area, and currently an unincorporated "island" surrounded by the City of Huntington Beach to the north, east, and south, with the western edge bound by the Pacific Coast Highway and the Bolsa Chica State Beach as shown in Exhibit 2 below.

Generally speaking, most of the Lowlands are now protected by the Reserve, which cannot be developed in the future for urban uses. About 65 acres of the southernmost area of the Lowlands are expected to become part of the planned Wieder Park[2]. Ownership of much of the Study Area is split between surface and mineral rights to facilitate oil production. Thus, due to lack of urban development, the need for municipal services is minimal.

The City has previously considered annexing the Lowlands because of the proximity to the City boundary and the City's ability to efficiently deliver service to the area. However, a history of contentious legal battles over the best use of the greater Bolsa Chica area has delayed the City's desire to annex the Study Area. Many of the controversies surrounding the Study Area have come to a close, as much of the land is now held in a public land trust.

Study Area Location Exhibit 2



[2] Wieder Park is intended to be 114 acres in total, about 65 acres are within the Study Area, the remaining acres are already within City boundaries.

With the exception of fire protection, local governmental services are provided by the County of Orange ("County"). Unlike a typical annexation, the interaction of multiple agencies including the State Lands Commission, California Department of Fish and Wildlife, the California Coastal Commission, and the Orange County Flood Control District among others all play a role in the Study Area in addition to the County. No material changes to land uses are expected to be associated with this annexation; and most involved agencies will maintain their existing role. As City staff has confirmed that the Study Area would be intended to remain as open space, many of the typical revenues and expenditures considered in an annexation analysis for an urbanized area are not applicable to the Study Area. Therefore, this Study first examines the roles and functions of the respective entities involved in the Lowlands. This discussion is followed by a fiscal model that analyzes the impacts that may be expected by the City as a result of annexing the Lowlands. Finally, this Study provides a discussion of the annexation process as it relates to the Lowlands.

BACKGROUND

The Study Area is a part of the greater Bolsa Chica area, divided functionally into the uplands of the Bolsa Chica Mesa to the north, the Huntington Mesa to the south, and the centrally located Lowlands. The Bolsa Chica is known to have been hunting grounds for Native Americans, and was later owned by various families through land grants from the Mexican government and the State of California. Originally about 2,700 acres of wetlands and brackish marsh, the Bolsa Chica was long considered unsuitable to development, leaving it relatively untouched until the late 1800's when most of the area was purchased by a hunting club. In 1899, the Lowlands were cut off from ocean water and divided into several ponds to facilitate bird hunting, which continued until 1950 when oil was discovered.

Oil extraction became the major activity at the Bolsa Chica in the 1950's and 1960's, with production in both the lowlands and offshore, but Orange County was growing rapidly and the area provided highly desirable beachfront property. Thus, in 1971, the property was divided between surface and mineral rights, allowing oil production to continue while much of the land could be developed into homes. Oil production continues today with *88 productive* well sites throughout the Lowlands, according to the California Department of Conservation's Division of Oil, Gas, and Geothermal Resources. *Occidental Petroleum Corporation ("Oxy") is the current mineral rights owner responsible for the vast majority of the oil produced.*

With urban development beginning in the early 1970's, several local conservationists and activists began to argue the need to preserve open space at the Bolsa Chica. As a result, the Reserve was created over time and in a couple of different pieces. The first portion of the Reserve was obtained in 1973 by the State Lands Commission ("SLC"), and was comprised of about 320 acres which runs along the Pacific Coast Highway. This section is considered Bolsa Chica Ecological Reserve West, or "BCER-West" by the SLC. Located in BCER-West of the Reserve is a public trail that loops through the western portion, allowing pedestrians access to view and photograph wildlife and scenery. Two parking lots, one at the Bolsa Chica Conservancy modular building near Warner and Pacific Coast Highway and the second about a mile south on the Pacific Coast Highway, provide pedestrians easy access to the trails. One footbridge is currently a part of the trail extending from the southern parking lot, and a second is planned near the Warner bridge at the northern end of the Study Area.

In 1996, following a series of lengthy and difficult legal battles, several state and federal agencies agreed that new development at the ports of Long Beach and Los Angeles could be mitigated by restoration of the wetlands at Bolsa Chica. With new funding available for restoration through the port funds and state bonds, the second portion, or "BCER-East" of the Reserve was acquired in 1997 (880 acres) and 2005 (103 acres). BCER-East does not offer public access, and is a protected natural environment in the northern section, while in the southern section, oil production continues, interspersed with some habitat restoration work. This section is surrounded by fencing.

The $147 million (and counting) restoration project included design of one Full Tidal Area, as well as three Muted Tidal Areas. Three nesting areas were designated for birds, including the endangered western snowy plover and California least tern. Additionally, through agreements with the primary owner of the mineral rights at the time of the restoration, Aera Energy, 62 oil well sites were closed, significant clean-up efforts were undertaken, and some pipelines and other oil infrastructure were relocated as a part of the restoration project.

In August 2006, the berm separating the Reserve from the Pacific Ocean was removed, and the Full Tidal Area was opened to ocean tides. As a result, several diverse habitats have been created and restored to the Bolsa Chica including wetlands, coastal bluff scrub, and grasslands. The Bolsa Chica is now home to a wide variety of waterfowl and marine species, over 30 of which are on state or federal sensitive species lists, and it has been designated as an area of national significance.

The restoration continues, with the third and final Muted Tidal Area expected to be opened in the near future. Additionally, once the oil supply is exhausted and extraction ceases, Oxy will be responsible for the complete closure of their extraction and injection sites and any associated environmental remediation required. As many factors influence the timing of the final closures, it is difficult to predict when that will occur though it is not expected to be in the foreseeable future. Upon the closure, the surface areas currently used for Oxy's oil operations in the southeastern end of the Lowlands will be enhanced to a second full tidal basin with money that has been set aside from the port mitigation funds in addition to Oxy expenditures.

AGENCY ROLES

Though the County is the agency currently responsible for local municipal services, a variety of other entities are also involved in the Lowlands from an operational standpoint. The following section outlines the roles currently played in the Study Area. Exhibit 3 below illustrates some of the important features of the Study Area for reference.

Study Area Features **Exhibit 3**

State Lands Commission

The SLC is responsible for upholding the Public Trust Doctrine, including the preservation of lands in their natural state. The SLC's primary function has been to facilitate the restoration project and provide ongoing maintenance for the Reserve, though no standardized maintenance plan exists.

The SLC contracts with the California Department of Fish and Wildlife ("CDFW") for much of the restoration and maintenance work; however, the SLC also continues to facilitate other project contracts associated with the restoration, such as the Full Tidal Area dredging[3]. The SLC has given CDFW a 33 year land lease for BCER-East of the Reserve, which will expire in August 2039. The SLC currently maintains shorter contracts for service with CDFW for BCER-West, which are renewed on a three year basis. The contract was most recently renewed in 2012.

The SLC generally does not provide funding for ongoing maintenance of either area, including the trail and parking lots. Maintenance, such as keeping the trail cleared or trash bins emptied, is performed by CDFW staff or volunteers. The SLC maintains two modular buildings used as offices at the end of Edwards Street towards the northeastern border of the Reserve, and funds for water supply and septic tank maintenance are a part of a small operational budget the Bolsa Chica Steering Committee[4] oversees each year. The SLC does occasionally provide funding for other projects, for example the SLC intends to raise one of the main access roads in the Reserve by several inches to make sure it does not flood over during a storm. Oxy Energy would continue to maintain the road after the improvement. Additionally, the SLC will continue to obtain contracts for tidal dredging as needed. Dredging is extremely expensive, about $2.5 million each time, so while SLC once envisioned dredging every two years, the schedule has been extended. CDFW is currently exploring a range of methods to address sand accumulation in lieu of regular dredging.

The SLC has taken steps to protect the public's financial investment in the Reserve. The SLC has obtained an emergency services contract in the case of a levee breach in the event of an earthquake or other earth movement. Additionally, a 10-year, $10 million insurance policy was put into effect on September 2, 2008 to cover any unexpected damage to the Reserve. The policy covers 1,280 acres of the Reserve, including the levees and Oxy equipment. Essentially, the SLC is prepared to implement emergency services and restoration as needed in the Reserve. However, all surrounding property owners that may be affected by an emergency will be responsible for their own properties. This is true regardless of annexation.

California Department of Fish and Wildlife

The SLC contracts with the CDFW to perform most oversight, monitoring, and maintenance of the Reserve. A large portion of the contract between SLC and CDFW is funded by the mitigation fees from the port expansion project. Through the contract, the CDFW's primary roles are to continue restoration activities, perform biological monitoring of the Reserve, and basic facilities maintenance. Staff also provides basic maintenance to the trails, which is minimal and performed by hand.

The SLC provides funding for some staffing on a three-year contract cycle. All positions are currently filled by employees of the CDFW. A full time on-site biologist and technician are funded, as well as some part time support for maintenance and upkeep, and management oversight. The technician focuses primarily on upkeep and/or general inspection of the infrastructure including the tidal gates and levees. Additionally, one other biologist monitors BCER-West of the Reserve, though that position is not funded by SLC. This other position manages three other properties as well, so at this time, this employee is not in the Study Area on a daily basis. CDFW staff states that this level of staffing is high compared to other reserves in the state.

CDFW employees respond to trespassers in the Reserve. Since the opening of the Lowlands to the ocean, trespassers in BCER-East generally consist of people interested in getting a better view of the wildlife. Most

[3] The Steering Committee (see footnote 3) established an endowment fund to pay for future dredging at Bolsa Chica, although it is unclear how long this fund will provide for this maintenance.

[4] The Bolsa Chica Steering Committee is composed of four Federal and four State agencies: the SLC, California Resources Agency, CDFW, California Coastal Conservancy, Environmental Protection Agency, Army Corps of Engineers, National Marine Fisheries Service, and Fish and Wildlife Service. The Committee was originally formed over ten years ago to oversee implementation of the restoration project.

incidents are handled through a conversation with the trespasser. However, CDFW staff has to respond daily to members of the public that disobey the rules in the areas of the Reserve with public access. Issues are typically pedestrians with dogs, bicycles on the trail, and illegal fishing. *CDFW staff reports there has been some increase in illegal trespassing over the last several years, particularly with youths at night and some property damage has occurred. CDFW staff is working closely with Oxy security staff to address the problem.*

The preferred method of handling typical problems would be for staff to call the CDFW Warden assigned to the area, however, the nearest Warden is often a half-hour to an hour away due to statewide understaffing issues. On-site staff has the ability to evict the offender from the property but not to issue a citation, which staff believes leads to repeat offenders. Staff also states that though local police could issue a citation, the matter is generally considered a Warden's responsibility and not a good use of police department resources. For this reason, CDFW staff generally "overlooks" pedestrians and bicyclists using the East Garden Grove-Wintersburg ("EGGW") Flood Control Channel as an access route as long as they are just passing through, and instead focuses on members of the public on the trails in the Reserve, or those attempting to fish.

The CDFW has some assets as well. It owns about 103 acres in the Study Area called the Lower Mesa Bench. The CDFW has a Memorandum of Understanding with the Bolsa Chica Land Trust to restore habitat on the Lower Mesa Bench over a ten year period. The CDFW also oversees the expenditure of money from the Coastal Wetlands Fund, established by Assembly Bill 1801 in the 2006-07 fiscal year. The CDFW is allocated 60 percent of the interest earned on a principal of $5 million, roughly $135,000 per year according to the legislative analyst. Though this funding is limited, the Bolsa Chica Reserve is one of only nine ecological reserves that can benefit from this funding each year.

Orange County Flood Control District

The District is a special district that manages flood control and drainage county-wide, and is also a co-permittee for the County's National Pollutant Discharge Elimination System ("NPDES") permit. The District itself is an independent political entity, governed by the Orange County Board of Supervisors, but has no employees of its own. The District's activities are administered and performed by the County's Public Works Department. The District maintains the EGGW Flood Control Channel that runs through the Study Area, conveying runoff and stormwater from inland areas. Flap gates at the terminus of the EGGW Channel allow the water to drain to the Outer Bolsa Bay. The District has minor fee ownership in the EGGW Channel and has an easement from SLC at the flap gates.

According to County Public Works staff, the EGGW Channel is not yet constructed to convey a 100 year flood. Currently the flap gates are only at one-third the capacity needed to convey a 100 year flood. Additionally, the stability of the levees on either side of the EGGW Channel has concerned the District for many years. A fault line runs underneath the Bolsa Chica, and in the event of an earthquake, the ocean could surge and cause flooding. *Some recent repairs have been conducted for earthquake safety, including improvements to* the levee on the northern side with steel sheet piles for reinforcement. *Further improvements are underway,* but are subject to change based on available capital improvement funding. These improvements are aimed at improving earthquake safety however, and not 100 year flood capacity.

With the improvements, the District *has begun formalizing* a public access trail along the levee. Access currently exists, and although intended for maintenance only, pedestrians and bicyclists have used the trail for many years. The District has proposed enhancing about 3,000 feet of an access trail with benches and signs, and would potentially like the City to manage the trail when it is constructed if the Study Area is annexed.

Given the sensitive nature of the Bolsa Chica, there have been conflicting opinions over the years on how flood control should be dealt with in the Study Area. It has been suggested that the levees should be removed entirely from the muted tidal basin, but there is some argument as to whether this would cause too much urban runoff to be released in sensitive areas, so the project has not been pursued. It has also been suggested that the levees may collapse due to the restoration project allowing erosion of the back side of the levy by the tidal pockets, though this does not appear to be the case yet and the planned improvements for the EGGW Channel should eliminate this concern.

Orange County Fire Authority

OCFA is currently responsible for providing fire protection, rescue, and emergency paramedic services to all properties within the Bolsa Chica. The OCFA receives a share of the 1 percent general tax levy to provide this service. Upon annexation, the Study Area would be detached from the OCFA and the City would become responsible for this service, and likely receive the 11.6 percent share of the property tax levy within the Study Area to do so.

Despite not being the primary service provider after annexation, OCFA services may be required on occasion for specialized support in the Study Area. This service would be provided through the automatic aid agreement that has been in place since 2004, and is supported by a 2005 memorandum of understanding between the City and OCFA. Under the automatic aid agreement, OCFA will provide services to areas within the City pursuant to the established rates, which are updated annually. All OCFA assistance would be billed to the City at these rates. The cost to respond to an incident, or be tasked with a specific action, could vary greatly depending on the personnel and equipment required. Services may include hand crews for wildfire mitigation, wildland engines that can navigate the terrain and small roads of the Bolsa Chica, and air support for fire suppression that could be needed in the case of wildfire or if the location of the fire prohibits access by traditional fire vehicles. OCFA traditionally brings a wildland engine and hand crew into the Study Area once a year for brush clearance, which would be billed at the established rates. Currently, a wildland engine cost is $70 per hour, and hand crew members begin at $32 per hour per person, so a crew of four working an eight-hour day would cost the City a minimum of $1,600. Note that helicopter support is the most expensive, with hourly rates for the helicopter itself ranging from $1,583 to $3,472 per hour[5]. In addition to a pilot and two additional crew members on board, helicopter assistance for four hours could cost the City $15,000 or more.

California Coastal Commission

The California Coastal Commission ("Coastal Commission") is a quasi-judicial state agency that plans and regulates land and water uses in the coastal zone in conjunction with the coastal communities. The Coastal Commission has regulatory authority over federal agency activities that impact the coastal zone as well. Much of the Coastal Commission's work is carried out through the certification of Local Coastal Programs ("LCPs"), which must adhere to the regulations required by the California Coastal Act. Each local government in the coastal zone must maintain an LCP that is certified by the Coastal Commission, which details land and water uses including proposed development, public access, and habitat protection among other things[6]. Upon certification of an LCP, the local government has the authority to issue approved development permits in the coastal zone. However, in certain cases, including public trust lands such as the Reserve, the Coastal Commission retains development permit jurisdiction. The Coastal Commission has therefore been deeply involved in activities within the greater Bolsa Chica area for decades, including the permitting of contentious developments as well as the restoration project in the Reserve.

A key component in an LCP is the land use plan ("LUP"). The County's LUP for the Bolsa Chica area was first certified by the Coastal Commission in 1986, contingent upon review by the Commission once an Army Corps of Engineers study was completed. The review was never done. In 1995, the County submitted an LUP Amendment which the Coastal Commission approved with suggested modifications. However, several organizations filed a lawsuit against the Coastal Commission for this approval. Following yet another a lengthy battle in the courts over land uses in the Bolsa Chica area, an LUP was approved with modifications in 2000, but the County declined to accept the modifications so the certification expired in 2001. Thus, the Lowlands do not currently have a certified LCP. Coastal Commission staff does not see the lack of a current LCP to be an issue for annexation.

[5] 2012-13 rates provided by OCFA; $1,583 per hour for a Bell Super Huey helicopter model, and $3,472 per hour for a Bell 412 model.

[6] An LCP is defined by Coastal Act §30108.6 as follows: Local coastal program means a local government's (a) land use plans, (b) zoning ordinances, (c) zoning district maps, and (d) within sensitive coastal resources areas, other implementing actions, which, when taken together, meet the requirements of, and implement the provisions and policies of, this division at the local level.

Army Corps of Engineers

Now that the major portion of the restoration project is completed, the Army Corps of Engineers ("Corps") play a relatively minor role in activities at the Study Area. The Corps will continue to act as a regulatory agency in certain activities, including the upcoming dredging of the Full Tidal Area. According to Corps employees, no other projects are planned by them at this time. It is possible that the Corps would be involved in any future restoration work done by Orange County Flood Control District to the EGGW Channel in the future.

Federal Emergency Management Agency, Flood Insurance, and Liability

The City and County both participate in the Community Ratings System ("CRS"), developed and implemented by the Federal Emergency Management Agency ("FEMA"). The CRS was developed as a way to reduce the risk of flood losses, and is a voluntary program that communities can participate in to decrease the flood insurance premiums paid by property owners in flood zones. The CRS is essentially a point system, and communities can receive points for a wide variety of activities, generally grouped in the following four categories.

- Public information activities (elevation certificates, public outreach, hazard disclosure)
- Mapping and regulatory activities (flood data maintenance, open space preservation, higher regulatory standards, stormwater management)
- Flood damage reduction activities (floodplain management planning, drainage system maintenance, acquisition and relocation)
- Flood preparedness activities (flood warning program, levee safety, dam safety)

Based on the amount of cumulative points received, a community is assigned a classification of 1 through 10, with 1 representing communities that have received the highest number of points, and 10 representing communities that do not participate or have not received a minimum number of points. Flood insurance premiums are discounted incrementally by 5 percent, commensurate with the point level. For example, communities with a Class 9 rating receive a 5 percent discount, while communities with a Class 5 rating receive a 25 percent discount. It should be noted that points are cumulative for activities performed, communities are not penalized for activities not achieved, they simply do not receive the points available for those activities.

The City is currently ranked as a Class 7 community, as is the County. The County completed their most recent FEMA audit, determining their classification, in May 2008. The City's last renewal was completed in March 2004, and was reevaluated in February 2009 with CRS class rank approved.

Based on conversations with FEMA staff, certification of levees is extremely difficult and rare. Only 1 percent of communities that participate in the CRS receive points for levee safety. As the levees in the Lowlands are not FEMA certified, the City will not receive points for them. However, as discussed above, there is no penalty per se. The City may, however, receive points for open space preservation within a floodplain, as the Lowlands are. Land use planning documents, such as the City's General Plan and Local Coastal Plan, are reviewed to establish open space preservation points.

Thus it is not anticipated that annexation of the Lowlands will negatively impact the City's CRS classification. As long as the City continues to achieve points in other categories and subcategories as it has before, it can maintain its current classification, or even potentially improve it by increasing the amount of open space preservation within floodplain areas such as the Lowlands.

Liability

Due to the unique ownership of the Reserve, the lack of FEMA-certified levees, and the flood control channel structural issues described earlier, understanding the liability issues in an emergency situation is a daunting task. There is no true precedent for comparison, and it is unclear what cumulative events may amount to in a disaster. Some of the following information is discussed earlier, but summarized here for the convenience of the reader.

- As a state agency, the SLC is self insured. They have taken additional steps to provide for emergency situations which provide for quick response and repairs to the Reserve.
- FEMA certification of levees is rare. The lack of certification in the Reserve is not unusual according to FEMA, and there is no reason to expect certification would be sought in the future. Further, FEMA does not certify roads or similar improvements.
- FEMA, through their National Flood Insurance Program, does not offer insurance to public agencies to cover losses to privately held property. That is to say that the SLC could not obtain insurance to cover damage to properties outside the Reserve.
- Neighboring property owners are within a floodplain and therefore encouraged (if not required by a mortgage lender) to maintain their own flood insurance.
- The City's insurance provider has been contacted and has stated that liability premiums will not increase due to annexation of this area.
- The closest precedent in case law for levee breach is called the "Paterno Decision", a court case stemming from a 1986 levee break in Yuba County. The Paterno Decision holds the State of California liable for flood damage to property resulting from levee damage to flood control channels, not the local governments that approved the development. There have been efforts to alter legislation, but none have been successful thus far.
- *The restoration of the Reserve considered and incorporated some sea level rise expectations, though at the time, specific requirements for construction were not in place. The elevation of the levee surrounding the basin was built 3.5 ft above the most extreme expected high tide for the next 100 years. The bridges were designed using the projection of 1-foot of sea level rise per century. Unfortunately, this projection is likely to be inadequate, as the California Coastal Conservancy currently recommends a conservative projection of approximately 24 inches sea level rise by the year 2050, and 55 inches by the year 2100. Ongoing work by staff continues to monitor and address any resulting issues within the Reserve as they arise.*
- *Liability related to damage caused by sea level rise is still largely unknown, and climate change litigation has not yet established true groundwork beyond some early indications that jurisdictions need to account for changes when completing California Environmental Quality Act ("CEQA") documents. Several federal cases appear to indicate government cannot be held liable for damage they did not cause to happen.*

Essentially, there is no immediate and direct nexus identifying the City as a responsible party in the event of a flood emergency or other natural occurrence or disaster should annexation proceed. It is, however, possible that the City could be named in a lawsuit should disaster occur. Regardless of the outcome, a court case would likely be a lengthy and expensive battle.

Occidental Petroleum Corporation

Oxy owns the mineral rights for much of the Bolsa Chica, allowing the extraction of oil from two main fields, the North Bolsa and South Bolsa. Oxy is responsible for maintaining the wells and injection sites, ensuring the oil does not contaminate the site, and maintaining their own access roads in the Lowlands. Access roads are generally compacted rock material, and Oxy incorporates dust control measures in their access road maintenance. Oxy patrols the Lowlands approximately every four hours, 24 hours a day. Both the SLC and the City have oil field inspectors that also perform inspections in the Study Area.

Oxy is responsible for maintaining an emergency plan in case of an oil spill. Some methods for containing a spill were built into the design of the restoration project. A storage/launch site was designed to provide for the deployment of a containment boom and clean up material and sited adjacent to the inlet channel. Gates were installed on all culverts leading to the Muted Tidal Area that could be shut if a spill potential existed. Oil booms and absorbent materials are kept on site to minimize the impact if a spill should occur, and an oil sheen detection system is in place, though such emergencies are not anticipated. CDFW staff has stated they have

an excellent working relationship with Oxy, and coordinates on emergency preparedness as well as security issues.

It should be noted that other oil production is ongoing in the Lowlands, primarily operated by John A. Thomas, who holds mineral rights on certain properties, according to the State Division of Oil, Gas, and Geothermal Resources.

Bolsa Chica Land Trust, Bolsa Chica Conservancy, and Amigos De Bolsa Chica

These three non-profit groups play an ongoing role in the Lowlands. Activities include organization of volunteers for a variety of activities including clean ups, planting of native vegetation, educational tours, and fundraising. Members of these organizations recently raised funds to design and build a new footbridge for pedestrians near the Warner bridge, connecting the interpretive center across Outer Bolsa Bay to the northern end of the mesa.

The Bolsa Chica Conservancy operates an interpretive center near the intersection of the Pacific Coast Highway and Warner Avenue. The Conservancy maintains their own facilities, including the modular building and associated parking lot. The parking lot at the Conservancy is currently unpaved, while the south lot on the Pacific Coast Highway is paved. The Conservancy raises funds for all of its operations as well as for minor improvements to the Reserve, including parking lot maintenance, and volunteer coordination for monthly clean ups and trash receptacle disposal. Maintenance of the existing and planned bridges are not included in the budget for the Conservancy nor the CDFW, thus any future maintenance would also need to be performed through fundraising and volunteers.

County of Orange

As an unincorporated island, the Study Area receives local and regional municipal services from the County of Orange. The County is responsible for policy making and administration, law enforcement, animal control, planning and land use regulation, building inspection, parks and recreation, and library services for all unincorporated areas. Upon annexation, the City would become the primary provider of these services.[7]

Planning and Building

In the County's General Plan, the Lowlands are currently designated as Open Space and Suburban Residential. However, the map associated with the General Plan acknowledges that the designation has not been reconciled with the 1999 Appeals Court decision on allowable development in the Lowlands. However, as the Study Area is currently open space, no regular or ongoing planning or building inspection services are required at this time.

Law Enforcement

The need for law enforcement in the Reserve is fortunately minimal and typically limited to parking problems, particularly at the south lot on Pacific Coast Highway. Parking at both Reserve lots is free, while parking at the State Beach across the street is $10 per vehicle, thus people attempt to park at the Reserve and walk over to the beach. The Bolsa Chica Conservancy usually makes the calls for parking enforcement; CDFW rarely calls the Sheriff's Department. As most parking issues arise on weekends during the summer, in the summer of 2008, the Conservancy staff noted that the Sheriff was regularly checking on the parking lots, which noticeably decreased the problem. It has been suggested that the two free parking lots be converted to pay lots. The revenue would go to maintain the parking lots themselves as well as to deter people from using the lots for beach parking. However, such action requires a regulation change and the involvement of the Fish and Wildlife Commission and the Coastal Commission, which could be a lengthy process.

The Bolsa Chica Conservancy staff members also report that they occasionally have to call the Sheriff to remove transients and that the Conservancy building itself has had two burglaries over the years, but these

[7] If annexation occurs, the City will provide animal services through its existing contract for service with the County of Orange Animal Care.

type of problems are rare. Huntington Beach residents also call the City Police Department when they see suspicious activity or violations such as off-road vehicles being driven in the area, vandalism, use of paint balls and BB guns, and dogs off leash. The Police Department generally responds to these resident calls out of courtesy.

Regional Parks

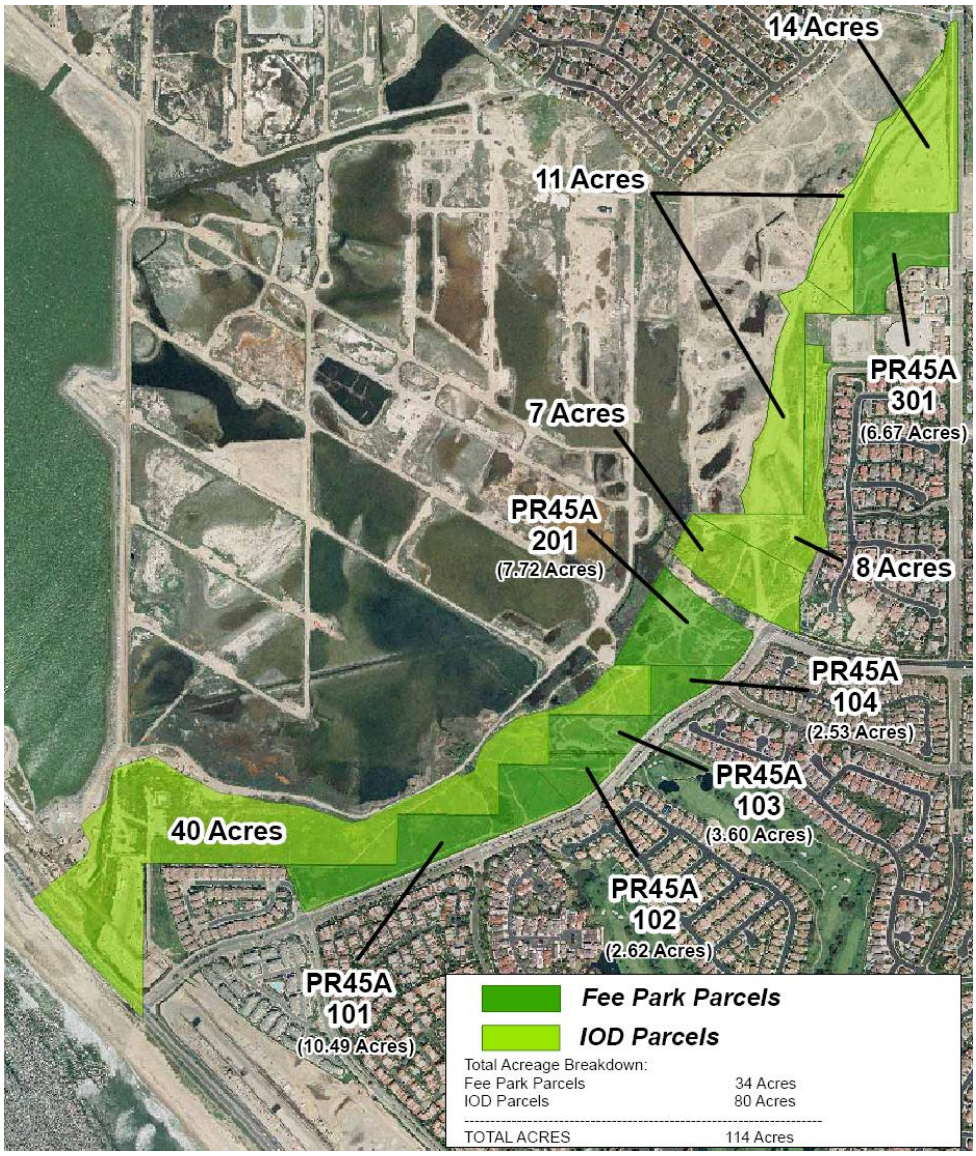
The County's parks and recreation department, OC Parks, is responsible for planning and managing of regional parks including Wieder Park. As a regional park, there will be no change in service based upon annexation alone. According to documents provided by OC Parks, Wieder Park is planned to be 114 acres upon completion. About 65 acres are within the unincorporated area. Currently, about 4 acres of the park are operational and function more like a neighborhood park with some turf areas and play equipment, plus a small parking lot. As shown in Exhibit 4, of the anticipated total of 114 acres, 34 acres are fee-owned parcels and the remaining 80 acres are "IOD" parcels[8] according to a 2007 inventory assessment performed for the County. However, it is unknown when the remaining IOD parcels will be available as these parcels are currently affected by oil operations, though the County intends to pursue the parcels regardless of annexation. The next phase of acquisition is planned to be for 24 acres once some above ground pipes are removed. The timing for the final 56 acres is entirely unknown as the current leases allow oil activities to continue until they are no longer financially viable. Based on conversations with Oxy, it is unlikely oil activities would cease in the next twenty years, therefore it is reasonable to assume oil operations would continue in these IOD parcels as well, delaying the dedication. Further, OC Parks does not, at present, have the funding to complete Wieder Park as intended. It is unknown when these funds will become available. The unknown dedication schedule and lack of funds makes projecting any development schedule virtually impossible at this time.

The development plan for the park was documented in the 1997 Wieder Park General Development Plan and Resource Management Plan by the County. Though this plan is now 16 years old, it is still the intended development scheme according to OC Parks representatives. Once all the parcels are acquired, Wieder Park will be developed with a second tot lot area, an 8,000 square foot interpretive center[9] that overlooks the Lowlands, and both a pedestrian/bike path (hard materials) and an equestrian trail (soft materials) that connect Huntington Beach Central Park all the way to the Pacific Coast Highway. The park will feature native landscaping of coastal scrub, native grassland, and mixed woodland.

[8] Parcels were required to be dedicated by a developer to the County for parks or other purposes, thus the property is irrevocably offered for dedication (IOD) to the County; the County can then accept it at any time.

[9] In March 2009, the Bolsa Chica Conservancy entered into an option/lease with OC Parks for 5.3 acres in the park for the purpose of building the permanent interpretive center.

Wieder Regional Park Parcels Exhibit 4



Source: OC Parks and County GIS Department

NPDES Permittees – County of Orange

The City has partnered with the County to cooperatively improve urban runoff and water quality conditions by operating municipal storm drain systems and discharging stormwater and urban runoff pursuant to NPDES permits. As authorized by the Clean Water Act, the NPDES permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. The Santa Ana Regional Water Quality Control Board oversees the NPDES permits in this area. The County, District, and City are all considered co-permittees on the current NPDES permits. NPDES permits require that the co-permittees work together to:

- Effectively prohibit non-stormwater discharges to the storm drain system, and
- Implement controls to reduce the discharge of pollutants in stormwater.

Program and implementation elements of the County NPDES program are documented in the comprehensive 2003 Drainage Area Management Plan and related Local Implementation Plans ("LIP"), which serve as the

Permittees' primary policy and implementation documents for compliance with the NPDES permits. Each co-permittee, including the City, has an LIP.

Privately Owned Parcels

About twenty parcels included in this analysis are privately owned[10]. They are generally used for oil production, and several of them are identified as parcels for future dedication to Wieder Park. Land uses identified by County Assessor data are either rural uses or industrial uses (consistent with oil production); one parcel currently shows a residential land use, but it is vacant and an IOD park parcel. As City staff has indicated that the Study Area will be maintained as open space, early outreach to these property owners is recommended should the City decide to pursue annexation.

STUDY APPROACH AND ASSUMPTIONS

The assumptions used in this analysis were based on documentation and data provided by the City, the SLC, the CDFW, the County Auditor, OC Parks, Oxy, and the State-mandated Local Agency Formation Commission ("LAFCo"), and checked against known costs and expenditures for similar activities.

The following section addresses three fiscal scenarios:

- Annexation (change of local service provider),
- Annexation and Management of the Reserve, and
- Annexation and Management of Wieder Park.

It should also be noted that the projections presented in this Study do not represent exact future sums. All projections are illustrative in nature and are based on assumptions and methodologies that could alter forecasted estimates if changed. This Study makes every attempt, however, to ensure that all assumptions are sound and conservative. In instances where precise figures were not available, RSG employed the best available methodologies to extrapolate estimates. Appendix C contains tables that illustrate the anticipated recurring revenues and expenditures over a 10 year forecast period.

ANNEXATION

From the perspective of LAFCo, the County's role in government services should be to provide regional services such as courts, social services, and housing. Cities should provide local services, such as police and fire protection, street maintenance, and code enforcement. Thus, based on LAFCo's policy encouraging the elimination of unincorporated islands to facilitate the best possible local service delivery, the annexation is a natural step for the City to undertake.

The baseline analysis in this document considers only the transfer of applicable local services from the County to the City and the exchange of property tax based upon the Master Property Tax Agreement. Given that the Study Area is not developed and most of the land is held by the SLC and maintained by CDFW, the effective recurring impacts of annexation alone are expected to be negligible. Appendix C at the end of this Study presents the fiscal tables associated with this projection.

It is important to note that though the annexation alone will have virtually no appreciable direct recurring fiscal impact on City services, the cumulative impacts of this annexation should be considered on a conceptual level as a few other pockets of unincorporated land may eventually be annexed to the City as well. As discussed in the following pages, this particular annexation does not result in the need to hire new staff or to increase any service contracts. The proposed annexation may result in an increase in workloads for certain staff members at certain periods of time. However, as it remains within their respective capacities to take on the additional tasks, there is no direct correlation with an increase in municipal costs.

[10] This does not include those parcels in the Reserve with privately owned mineral rights.

Revenues

The following revenue section analyzes new, recurring revenues from various state and local sources that will be received by the City as a result of annexation.

Property Taxes

The LAFCo reports that the property tax ratio contained in the Master Property Tax Agreement between the City and the County, as set forth in a City Council resolution adopted on October 28, 1980, is current, though all property tax exchanges must be agreed upon during each individual annexation process. This analysis assumes the Master Property Tax Agreement will be observed. The division of the property tax proscribed by the agreement, which is based on historical tax ratios prior to the passage of Proposition 13, splits the County's share of the general tax levy as 56 percent to the City and 44 percent to the County. Thus, upon annexation the City would receive 56 percent (or 4.6 percent of the 1 percent tax levy) of the total current County General Fund property tax revenue, and the County would retain the remaining 44 percent (3.6 percent) of their current General Fund property tax revenue share. These values are net of the County's contribution to the Educational Revenue Augmentation Fund.

In addition to the split of the County base property tax, the City would receive the tax override of 0.015 percent for the City's Employee Retirement System. City staff members have stated that the City is also likely to receive 100 percent of the total current Orange County Fire Authority property tax revenue for services provided by the City fire department. Fire protection service is currently provided by OCFA, funded through its share of the 1 percent general tax levy (about 11.7 percent). This service would transfer to the Huntington Beach Fire Department upon annexation. In other annexations, the City has been able to obtain a portion of the County Library's tax levy, detaching such territory from the County Library District as the City provides library services, this assumption is maintained here. However, it is unclear if the County Service Area 26 (OC Parks) will necessarily be transferred to the City. To be conservative, this report assumes that it is not, thus the City's total share of the general tax levy projected for this Report is 16.2 percent. It should be noted that most of the parcels in the Lowlands are exempted from property tax due to their inclusion in the Reserve as publicly owned land. In the future, even more property would become exempt as privately held land becomes a part of Wieder Park. Based on 2012-13 assessed values received from the County Assessor and assuming an annual inflationary increase of 2 percent for secured value, 2013-14 property tax revenues are expected to be approximately $2,800.

Property Transfer Taxes

Property transfer taxes are generated at the time a new property is sold or an existing property is resold. A property transfer tax of $1.10 per $1,000 of transferred value is levied on the sale of real property and is divided evenly between the County of Orange and the City, each receiving $0.55. The amount of property tax received typically depends upon the sale of land and the level of resale activity within the project. However, it is not expected that the City will receive an appreciable amount of transfer tax revenues in the forecast period as most of the land is held in the Reserve, and another 65 acres will be dedicated to Wieder Park in the future, leaving very few parcels privately owned.

Sales Tax

The Study Area does not contain any appreciable commercial uses that would contribute to sales tax revenues. The Bolsa Chica Conservancy's interpretive center does make books and similar materials related to the Reserve available for purchase, but the anticipated revenues are negligible.

Oil Extraction Tax

If annexed, the City could receive revenue from an oil extraction tax per Huntington Beach Municipal Code Section 5.32.030. It is unclear if this revenue will be introduced and is currently under legal review.[11] The City has two rates of oil tax, those for stripper wells which produce an average of 10 barrels of oil per day or less, and those for non-stripper wells producing more than 10 barrels per day. *Based on extraction data from the State Division of Oil, Gas, and Geothermal Resources, there are 56 stripper wells and 32 non-stripper wells currently producing oil. In 2012-13, the stripper wells require a tax of $0.32 per barrel extracted with an annual $100 credit per well. The non-stripper wells require a tax of $0.40 per barrel.* The tax rate is evaluated annually and adjusted by the Consumer Price Index[12] rate. In addition to the barrel tax rate, an annual tax of $100 per producing well is charged, regardless of production. Tax revenue is received quarterly.

After several years of declining production, production began increasing slightly in 2010. According to the State Division of Oil, Gas, and Geothermal Resources, production in the Lowlands has dropped only an average of 1.5 percent over the last five years. This trend is projected to continue for purposes of this Report, though actual production is subject to fluctuations to meet market demand. RSG confirmed with Oxy that they anticipate a minimum of 20 years of oil production in the Study Area, although ultimately the market price of oil could alter this estimate. Oil production in the Study Area is comparatively expensive, thus, should the price of oil decline significantly, production in the Lowlands would cease to be financially viable. Revenue for fiscal year 2013 is estimated to be $125,800 if City extraction taxes are applicable to the 88 productive operating oil wells. Revenues could be as little as $13,600 if extraction taxes are not applicable to oil production in the Reserve.

Property Tax in Lieu of Vehicle License Fee

Vehicle license Fee ("VLF") revenue is a subvention collected by the state and allocated to cities and counties based on a statutory formula. With the VLF for Property Tax Swap of 2004, more than 90% of city VLF (and VLF backfill) revenue was replaced with property tax revenue. Under the new law, effective FY 2004-05, most of the VLF revenue allocated to cities and all of the revenue allocated to counties increases based on assessed value growth instead of population growth in a jurisdiction. Revenue is distributed as property tax in-lieu of VLF. Again, due to the nature of the Study Area as an undeveloped and largely tax exempt area, the City would not incur an appreciable amount of revenue from property tax in lieu of VLF.

Franchise Fees and Utility User Fees

Franchise fees have been established for utilities, transfer stations, pipeline franchises, cable television franchises, and bus bench franchises. The applicable franchise fees for electricity and telephone service is 5 percent. Utility User Fees have also been established by the City for telephone, gas, electricity, and cable services at a rate of 5 percent. As there is very limited use of utilities at the Interpretive Center and the CDFW offices, only a small amount of franchise fee revenue has been projected for the Study Area based on known and estimated costs for electrical and telephone service. Estimates are based on case studies, the Institute of Real Estate Management, and the known electrical expenditures of the CDFW office. All potable water available in the Study Area is already provided through the City's water division, therefore no change is anticipated. In 2013-14, franchise fees and utility user fees are expected to total $280.

[11] When the oil-producing land was split between mineral rights and surface rights in 1971, an agreement between the respective owners was constructed. The SLC believes the agreement reads such that the owner of the surface rights would be responsible for any payment of oil extraction or other taxes that resulted from annexation. The SLC has indicated they will not be willing to make this payment, which would essentially eliminate extraction tax revenue from the Oxy operations. *It is expected that extraction tax would be paid for those wells operated by Mr. John Thomas. About $13,600 in revenue would be projected for his 36 active wells in 2013 if they were within city limits.*

[12] *This projection utilizes 2.6 percent for Consumer Price Index inflationary rates, which is the 2005-2012 historical average for the Los Angeles-Orange County-Riverside metropolitan area according to the Bureau of Labor Statistics.*

Expenditures

The following provides an analysis of the potential recurring cost impacts associated with annexation (or lack thereof), which have been categorized by departments within the City's organizational structure.

Administration

No new positions, equipment, or major operating costs are expected to be incurred strictly as a result of the annexation. Some additional public support may be required in order to handle basic inquiries and assistance early in the annexation process; however, it is assumed current staffing levels can absorb these tasks. Further, the City's Risk Management Division has confirmed with the insurance vendor that the City's current insurance premiums for liability will not change based on annexation.

County Property Tax Collection Charges

Beginning in the 1992-1993 fiscal year, the County Auditor-Controller's Office charged cities and local districts receiving property tax revenue for incidental administrative costs. These charges are estimated at 0.002% of all property tax revenues based on the published 2011-12 amount collected in 2012 from the City. Revenues from Property Tax are shown net of this fee.

Planning and Building

Upon the annexation of the Lowlands, the City Planning and Building Department will assume the processing of all land use related services as well as construction inspections. As the Study Area is intended to be maintained as open space and not developed, minimal recurring impacts to the Planning and Building Department are expected. However, the Department will experience a one-time increase in activity due to the need to update the General Plan and Local Coastal Program, and other planning documents related to the annexation as discussed in the Implementation portion of this document. These activities, though only occurring once, will require significant work and could total $129,259 as detailed in the table here.

POTENTIAL ONE TIME COSTS

General Plan Amendment	$46,581
Feasiblity Study (RSG)	38,000
LCP Amendment	14,003
Annexation Fee	10,400
Zoning Map Amendment	12,155
Environmental Assessment	10,679
Map/Legal Description	9,000
LAFCO Application	4,600
State Board of Equalization Fee	3,000
County Surveyor fee	2,500
Total	**$150,918**

The current cost for a General Plan Amendment, Local Coastal Program Amendment, Annexation fee, Zoning Map Amendment and Environmental Assessment are all based upon the current City's fee structure. These fees generally reflect the cost for staff to perform the tasks; however the City may outsource these activities to a consultant, which could result in a different cost. Additionally, should changes be proposed to the modular buildings, there may be a need for minimal inspection services by the Department.

Other costs include the $38,000 budget to prepare this Study, as well as consultant costs to prepare a map and legal description pursuant to State Board of Equalization guidelines ($9,000), a LAFCO application fee ($4,600), the State Board of Equalization filing fee ($3,000) and a fee for the County surveyor ($2,500). These costs are subject to change based on the fee structures of these other agencies and consultants.

The potential of $150,918 in one-time costs would more than offest the $130,480 of net revenue that could be realized in the first year following annexation, provided an extraction tax is paid upon oil from the Reserve. Note that if oil extraction taxes are not paid from production in the Reserve, revenues for 2013-14 are likely reduced to as little as $18,300.

Community Services

The Community Services Department is responsible for parks, recreation, marine safety, and social programs in the City. Annexation alone is not expected to result in any expenditures to the Community Services

Department. No additional City parks are planned for the Lowlands that will require maintenance or programming. Should the City take over management of Wieder Park upon development, some additional costs will be incurred as described later. The Marine Safety Division currently maintains 3.5 miles of city-owned beaches, maintaining equipment, vehicles, and vessels for beach and ocean safety. The Marine Safety Division can also be a first responder to emergencies at State beaches as well. The Marine Safety Division has confirmed that annexation will not impact operations as the need for service is driven by attraction to city beaches and no new development is planned. The beach to the west of the Study Area is a State Beach and monitored by the State, which will not change due to annexation of the Lowlands.

Police Department

The Sheriff's Department and the City's Police Department have had a mutual aid agreement in place for many years to respond to emergencies and other calls for service. Additionally, a Memorandum of Understanding ("MOU") was adopted by the City Council in August 2008 allowing the City Police Department to exercise police powers in the Bolsa Chica, enforcing the County Code and providing a more efficient level of service when required as the City's police officers patrol in the surrounding areas and are sometimes closer to the Lowlands than a Sheriff's deputy. Fortunately, the Lowlands are a low crime area. The CDFW staff reports that most calls for service are to deal with illegal parking problems.

The primary concern of the Police Department is access in an emergency situation. Much of the Reserve lacks direct vehicle access and certain weather conditions could cause the tidal basin and pockets to flood over the access roads used by Oxy staff. Fortunately, very few serious incidents have occurred historically. The Huntington Beach Police Department does not anticipate that annexation will require additional resources to provide service, and the on-site staff at the Study Area concurs that little law enforcement is needed. No public roads are located in the Lowlands, so traffic enforcement will not be required. The Police Department would initiate regular patrol of the area, but maintains that as open space, it should require minimal attention. Further, the Police Department reported they were able to provide law enforcement service to the Study Area without additional expenditures or resources when the MOU was created. When Wieder Park is fully developed, it is likely there will be an increase in service calls. Even without annexation, about half of the future parkland is already within the City, so it is likely the Police Department will respond to most of these calls. However, the Police Department reports that while these calls may result in a higher workload for officers, existing staff should be able to handle the workload. Thus, based on the input of the Police Department and the CDFW staff, no additional expenditures are projected for law enforcement.

Fire Protection

Fire protection would become the responsibility of the Huntington Beach Fire Department upon annexation. Like the Police Department, access to the Study Area is a concern in emergency situations, particularly as fire engines have heavy gross vehicle weight ratings, and the existing service roads are designed for lighter vehicles. *As described earlier, OCFA will provide support services as needed pursuant to the adopted Automatic Aid fee schedule. Helicopter support is the most expensive service, estimated to cost up to $15,000 or more per incident, depending on the type of helicopter and time required. In addition, due to periodic brush fires in the area, there could be a need for OCFA to provide wildland engines and hand crews since the Huntington Beach Fire Department does not currently have these specialized resources. OCFA would charge for use of these resources on an hourly basis.*

However, the number of calls for emergency service is expected to be minimal, and the Fire Department has stated they will be able to provide the necessary services without additional staffing. As with any annexation, the cumulative effects of multiple annexations and/or new development do impact the Fire Department's ability to provide emergency services, *as such, there would be some additional costs associated with providing these services in the annexed area.*

The Fire Department no longer has a full time oil field inspector to conduct oil field inspections in the community, and these responsibilities have since been absorbed by existing Fire Prevention staff. Based on annexation, additional oil well inspections would require a minimum of 300 hours of staff time, which would necessitate a part-time oil field inspector to accomplish the increased workload. Fees collected for performing

these inspections are expected to offset the cost for a part-time position. It should be noted that Oxy maintains some equipment onsite to assist in dealing with emergencies associated with the oil fields, including fire.

Code Enforcement

Based on conversations with the City's Code Enforcement Division, no additional resources are needed to enforce the Lowlands. Though there were some highly publicized violations in the year 2000, these issues have been resolved. City code enforcement staff is familiar with the area, and believes citations will be infrequent.

Public Works

The effect of annexation alone is not expected to impact the Public Works department at this time as no City parks, public roads, street lights, traffic signals, or stormwater facilities are located in the Lowlands. County staff has indicated they may ask the City to take over maintenance of a public trail along the EGGW Channel, which may be implemented as a result of repairs and upgrades planned by the District. The lack of more specific data on the proposed trail makes it difficult to project potential costs, however, some amount of City funding may be required to maintain the trail at a later date. A further discussion of expenses is included later in this Study should the City assume maintenance responsibility for the Reserve and Wieder Park.

Water quality monitoring is also performed in the Study Area by the Orange County Flood Control District to ensure compliance with the NPDES permit. Should a test show elevated levels of a contaminate, the City would be accountable for getting levels back to an acceptable point if the Study Area is annexed. The City currently performs this function at other areas within the City and no additional staffing will be needed at this time. Though it is not anticipated, should significant issues arise in the future, the City may need to invest resources to resolve the problem.

The Public Works department is also responsible for updating the Local Implementation Plan to remain in compliance with the City's stormwater permit, which will result in a one-time increase in staff workload.

Road Funds

Gas Tax, Highway User's Tax, and Measure M Funds

Gas tax revenues are apportioned according to the Streets and Highways Code, per Section 2105, 2106, 2107, and 2107.5. Disbursement equations generally consider population, registered vehicles, and road miles to determine revenues received by the local jurisdiction. However, as no residents currently reside in the Study Area and no public road miles will be added, no gas tax revenues or highway user subventions are anticipated.

The City also receives funding for roads through Measure M, a half-cent sales tax that is collected and allocated by the Orange County Transportation Authority. Again, due to the lack of population and road miles, no additional allocation is expected to result from annexation.

IMPLEMENTATION DISCUSSION

The applicable law governing city annexation proceedings is found in the California Government Code, Sections 56000 et. seq., also known as the Cortese-Knox-Hertzberg Local Government Reorganization Act. An uninhabited annexation may be initiated by resolution of any affected city, county, district, or by petition of the landowner. As the Study Area is already within the City's Sphere of Influence, once a complete application for annexation has been received by LAFCo, the staff will prepare an analysis of the proposal for annexation and make recommendations to the Commission. The Commission has the authority to amend the annexation area as it sees fit.

As a part of annexation, the City will need to revise a series of planning-related documents to include the Study Area. Specifically, these activities include:

- A General Plan amendment,
- Extension/amendment of zoning designation,
- A Local Coastal Program amendment,
- A Local Implementation Plan amendment, and
- Associated California Environmental Quality Act ("CEQA") documentation

Prior to submitting the application for annexation, LAFCo generally requests the City complete the pre-zoning and General Plan amendment, as well as related CEQA documents. The LIP and LCP amendments do not need to be completed prior to submission, however, the City should plan to complete the amendments as soon as possible. The State Water Boards have indicated the LIP should be amended immediately after annexation, preferably before the next annual Performance Evaluation Assessment report is due if feasible.

Though the Study Area does not have a certified LCP, Coastal Commission staff has indicated they do not foresee any issues with amending the City's LCP to include the Lowlands. As the area will be dedicated open space, the focus points of the amendment will be public access, trails, and habitat restoration. While public access to coastal areas is a primary goal of the Coastal Act, staff states that the Coastal Commission understands the need to close off some areas from the public due to sensitive habitats. Some areas can also be restricted to minimal passive uses including bird watching and trails.

Completion of the LCP amendment can be a lengthy process. The City must prepare the amendment, hold public hearings, and then take it to the Coastal Commission. There, staff has 10 days to review the document and the Coastal Commission has 90 days to take action. Staff can ask for an extension of up to 1 year which would significantly extend the process.

RESOURCES

Grace Adams	Bolsa Chica Conservancy
Bob Aldrich	Orange County LAFCo
George Basye	Aera Energy
Mary Beth Broeren	City of Huntington Beach
Joshua Brooks	City of Huntington Beach
Judy Brown	State Lands Commission
Marc Brown	Santa Ana Regional Water Quality Control Board
Luanne Brunson	City of Huntington Beach
Alicia Campbell	County of Orange
Chris Davis	City of Huntington Beach
Terri Elliott	City of Huntington Beach
Carolyn Emory	Orange County LAFCo
Eric Engberg	City of Huntington Beach
Pamela Griggs	State Lands Commission
Theresa Henry	California Coastal Commission
Harry Huggins	OC Parks
Phil Jones	County of Orange
Jim Jones	City of Huntington Beach
Craig Junginger	City of Huntington Beach
Kyle Lindo	City of Huntington Beach
Geraldine Lucas	City of Huntington Beach
Kelly O'Reilly	Department of Fish and Game
Weixia Jin	Moffatt & Nichol
Randy Ponder	Aera Energy
Mark Kapelke	Occidental Petroleum Corporation
Leslie Ray	OC Parks
Bill Reardon	City of Huntington Beach
Sherilyn Sarb	California Coastal Commission
Mary Anne Scorpanich	County of Orange
Michael Solorza	City of Huntington Beach
James Trout	State Lands Commission
Jonathan Vivante	Army Corps of Engineers
Patti Williams	City of Huntington Beach
Bill Zylla	City of Huntington Beach

Federal Emergency Resources Agency
State Division of Oil, Gas, and Geothermal Resources
County of Orange Assessor

APPENDIX A – MANAGEMENT OF THE BOLSA CHICA RESERVE

In the interest of providing more information on expenditures, this Study has reviewed the costs associated with maintenance of the Reserve. As minimal maintenance is performed in the Reserve, current expenditures by the SLC are generally associated with labor. This Study assumes the Bolsa Chica Conservancy and other active non-profit organizations will continue to organize volunteer labor as they do now for clean-ups, native planting activities, etc.

As a part of this effort, RSG has discussed the potential of this scenario with the SLC. The SLC reports they have no intention of asking the City to take over management of the Reserve. SLC staff member Jim Trout has the longest institutional memory of operations at the Reserve and believes that at one point several years ago the SLC may have asked if the City was interested in turning about five acres along the back berm[13] that abuts residential development in Huntington Beach into a city park, which could have led the City to believe that it might be asked to become further involved with the Reserve. However, Mr. Trout and other SLC staff have provided assurances this is not the case. In addition to the 33 year land lease between the SLC and the CDFW for the majority of the Reserve, many complex funding arrangements for the Reserve are already in place through the work of the Steering Committee, and particularly the SLC and the CDFW. As land held by the State of California (and therefore all Californians), it is not anticipated that a single jurisdiction would need to assume responsibility for the Reserve, even less so without funding arrangements from the SLC.

That said, the following Exhibit A-1 provides an estimate for what annual recurring expenditures the City would incur to continue to maintain the Reserve at a level commensurate with current maintenance and staffing provided through the SLC and the CDFW. It is anticipated that should this scenario come to fruition, the offices at the Reserve would be retained on site. Costs below are presented in 2008-09 dollars.

[13] The back berm is located along the northeastern section of the Reserve, and is generally a linear dirt path that provides a buffer between the residential areas and the restored section of the Reserve.

Ecological Reserve Expenditures		**Exhibit A-1**
Reserve Staffing		
Full Time Wildlife Biologist [1]		123,200
1.5 Full Time Equivalent Maintenance Service Worker [2]		99,000
Subtotal Staffing	$	222,200
Facilities Maintenance [3]		
Parking Lot [4]		3,200
Modular Buildings [5]		3,200
Subtotal Facilities	$	3,200
Total 2008-09 Costs	**$**	**225,400**

[1] City does not currently have an established salary for a wildlife biologist, comparable salaried positions were reviewed with other California agencies for an average salary of $88,000 plus the City's 40 percent benefits burden.

[2] Assumes 1.5 FTE maintenance service workers will replace the two part time maintenance positions plus the additional work carried out by the part time staff member in Part 1 of the Reserve. Costs based on current City salary schedule at a mid-step pay grade with a 40 percent burden rate for benefits.

[3] Public Works staff has indicated the preferred option would be for the City to maintain the parking lots as a part of any future agreement for maintenance of the Reserve. The Conservancy currently raises funds to maintain the lots.

[4] Based on $0.05 per square foot for annual cracks and potholes, plus $0.03 per square foot annual set aside for repaving assumed to happen every 7 years. Total of 40,000 square feet estimated.

[5] Assumes annual expenditures of $1,200 electricity, $840 trash, and $800 water, all of which are based upon actual average expenditures according to the CDFG. An additional $360 for telephone service was estimated by RSG.

APPENDIX B - MANAGEMENT OF WIEDER PARK

Similar to the previous discussion, Appendix B offers further information on potential costs associated with the maintenance and upkeep of Wieder Park, were the City to assume these responsibilities for any reason. OC Parks staff indicated that this possibility has not been recently discussed. This scenario is particularly difficult to quantify as only 4 of the 114 acres have been developed to date, and no time frame has been established for the build out and completion of the park. What is known is presented in the 1997 Wieder Park General Development Plan and Resource Management Plan. That document has laid out the following information for the park's development.

- Landscaping will be comprised of native habitat with mixed woodland, coastal scrub, and native grassland, with minimal turf areas located near playgrounds.
- Two trails, one for bikes and pedestrians and one for horse riding will be developed. The bike/pedestrian trail will be hard surface and 10 feet wide. The horse trail will also be 10 feet wide and have a soft surface. Both will wind through the length of the park providing connectivity between Central Park and Bolsa Chica State Beach.
- An 8,000 square foot interpretive center will be developed overlooking the Reserve with a parking lot for about 100 cars.
- A second children's playground similar to the existing one will be created, with approximately 1.2 acres of turf.
- Benches and trash receptacles will be located in the play areas and potentially along the trails as well.

There are a number of potential concerns associated with the development and maintenance of Wieder Park, specifically the following.

- Exact development of the park is yet unknown, making actual cost projections very difficult to forecast. In particular, the number of lights, the exact type of landscaping, and the number of anticipated visitors to the interpretive center could have a significant impact on maintenance costs.
- Stabilization of the bluffs is of serious concern. The bluffs that lie between the planned park parcels and the Lowlands below may become a safety hazard if not property stabilized.
- Typical park operations and maintenance standards may require modification at this location due to the proximity of the Reserve. These standards include vertebrate control, fertilizers, and lighting in particular. Conversations with the CDFW confirm that these standards would need to be developed with the input of the SLC and the CDFW.

Another challenge with Wieder Park is the parcels yet to be dedicated, the IOD parcels. As discussed previously, these parcels are currently used for oil production. As such, not only will oil production need to cease prior to the dedication, but environmental remediation could be necessary. As contamination levels are unknown, it is difficult to quantify what this process will entail. It is clear in state legislation that the party responsible for the contamination is responsible for the remediation. This situation could become highly problematic as the parcels must be dedicated, but the surface and/or mineral rights owners may or may not be responsive to environmental remediation needs. Needless to say, this leaves the County in the difficult predicament of waiting or aggressively enforcing any clean up activities.

As so many variables are involved in the development of Wieder Park, ongoing maintenance costs can only be as accurate as the assumptions made, based on the General Development Plan. With the assistance of the Public Works Department and Community Services Department, the following operational assumptions are applied.

- The Interpretive Center would operate 5 days per week and be staffed by one Park Naturalist with intern assistance.
- The Interpretive Center would be the only programming at the park.

- No expenditures for lights beyond the Interpretive Center have been included due to the proximity of the Reserve, though this may need to be reconsidered in the future.

The costs presented in Exhibit B-1 assume full development of the park is complete, and are shown in 2008-09 dollars. It should be noted that if the park is not developed, the costs to serve the undeveloped area are difficult to estimate, but would likely include some basic habitat maintenance. Community Services indicates there is no available City funding for park development at this time, so the area would likely stay relatively untouched, though ideally a walking trail would be created to ease public access and improve public safety.

Wieder Park Maintenance Costs		**Exhibit B-1**
Interpretive Center Costs		
Building Service and Maintenance [1]		
Mechanical, Electrical, Plumbing		28,000
Building Structure		26,000
Utilities		16,000
Custodial Supplies		2,800
Subtotal Service and Maintenance	$	72,800
Staffing [2]		
4 Full Time Maintenance Workers		232,000
Full Time Park Naturalist		88,600
Part Time Intern		15,000
Subtotal Staffing	$	335,600
Park Maintenance		
Park Maintenance Including Trails [3]		505,600
Parking Lot [4]		5,100
Subtotal Park Maintenance	$	510,700
Total 2008-09 Costs	**$**	**919,100**

[1] Based on square foot costs: $3.50 mechanical, electrical and plumbing; $3.25 structure; $2.00 utilities; and $235 custodial supplies per month.

[2] Maintenance staffing levels based on those estimated by County in General Plan for the park and concurred with by City public works staff. Interpretive Center staffing based on City Community Services staff recommendations. Maintenance worker and park naturalist based on current City salary schedule at a mid-step pay grade with a 40 percent burden rate for benefits. Intern based upon $20 per hour for 15 hours per week, 50 weeks per year.

[3] Based on $4,500 per acre, estimated at 112.35 acres (114 less Interpretive Center and 68,000 square foot parking lot)

[4] Based on $0.05 per square foot for annual cracks and potholes, plus $0.03 per square foot annual set aside for repaving assumed to happen every 7 years.

APPENDIX C – RECURRING REVENUES AND EXPENDITURES

GENERAL FUND SUMMARY

EXHIBIT C-1

	Transition	Annual City Operating Budget								
	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Revenues by Source										
Property Taxes	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300
Franchise Fees & Utility User Fees	280	280	280	300	300	320	320	320	340	340
Oil Revenues (Potential	125,800	127,100	128,500	129,900	131,200	132,700	134,100	135,500	137,000	138,400
Total	$130,480	$131,880	$133,380	$134,900	$136,300	$137,920	$139,420	$140,920	$142,540	$144,040

ASSESSED VALUE FORECAST

EXHIBIT C-2

	12 Month Period Beginning									
	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Prior Year AV Plus 2.00%	1,717,236	1,751,600	1,786,600	1,822,300	1,858,700	1,895,900	1,933,800	1,972,500	2,012,000	2,052,200
Total Assessed Value	$1,717,236	$1,751,600	$1,786,600	$1,822,300	$1,858,700	$1,895,900	$1,933,800	$1,972,500	$2,012,000	$2,052,200

PROPERTY TAXES

EXHIBIT C-3

Item Detail and Assumptions		Annual City Operating Budget									
		7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Property Taxes	16.220%	$ 2,800	$ 2,800	$ 2,900	$ 3,000	$ 3,000	$ 3,100	$ 3,100	$ 3,200	$ 3,300	$ 3,300
Less: County Admin. Fee	-0.002%	-	-	-	-	-	-	-	-	-	-
Net Property Tax		2,800	2,800	2,900	3,000	3,000	3,100	3,100	3,200	3,300	3,300
Total Property Tax		$ 2,800	$ 2,800	$ 2,900	$ 3,000	$ 3,000	$ 3,100	$ 3,100	$ 3,200	$ 3,300	$ 3,300

FRANCHISE FEES AND UTILITY USER FEES

EXHIBIT C-4

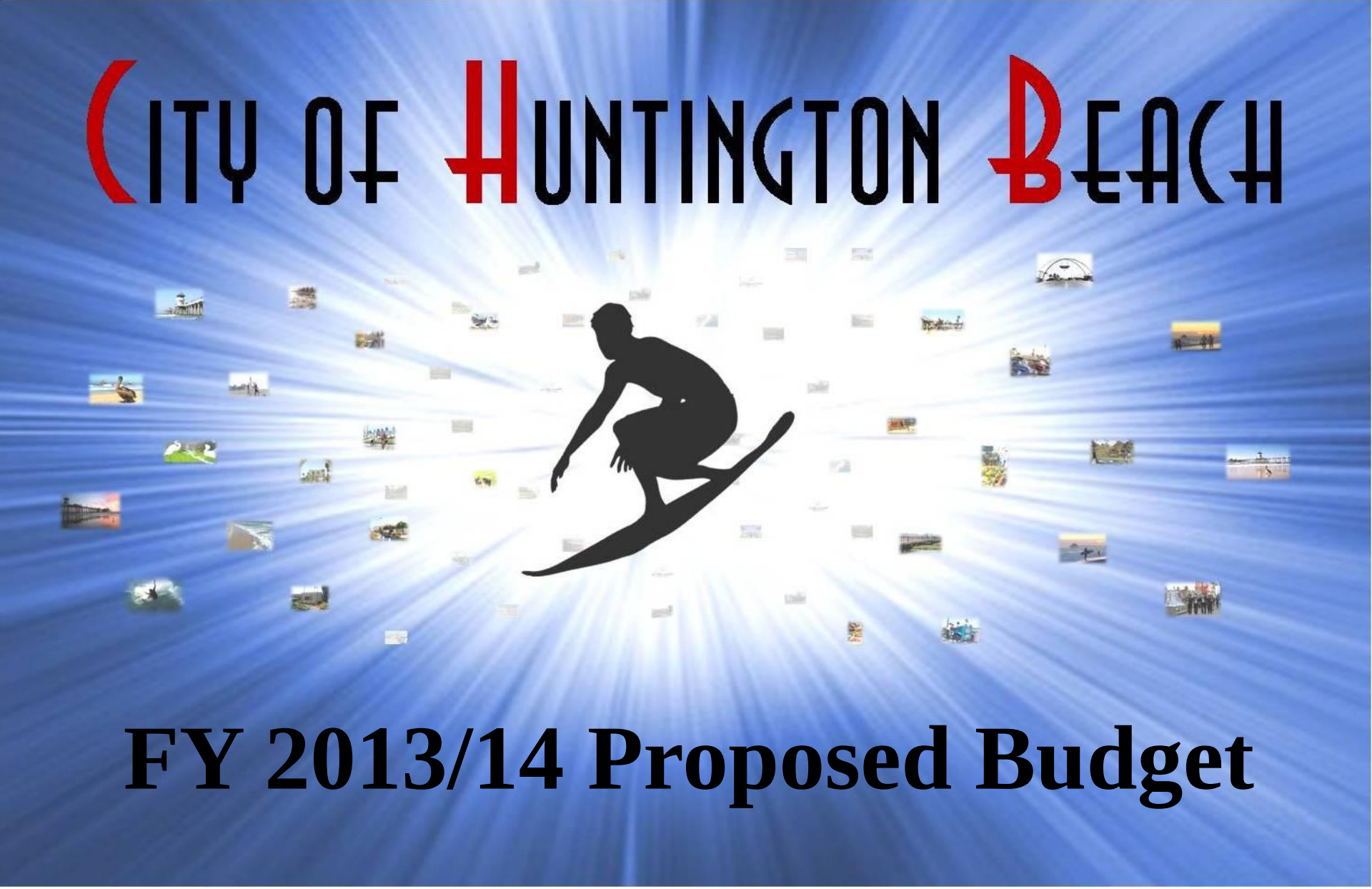
Item Detail and Assumptions		Transition 7/1/2013	Annual City Operating Budget 7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Franchise Fees (Electricity/Telephone)		140	140	140	150	150	160	160	160	170	170
Base Year Utility Costs (07-08)	$ 2,674										
Franchise Fee Rate	5.0%										
Inflation	2.6%										
Utility User Fees (Electricity/Telephone)		140	140	140	150	150	160	160	160	170	170
Base Year Utility Costs (07-08)	$ 2,674										
UUT Rate	5.0%										
Inflation	2.6%										
Total		$ 280	$ 280	$ 280	$ 300	$ 300	$ 320	$ 320	$ 320	$ 340	$ 340

OIL REVENUES

EXHIBIT C-5

Item Detail and Assumptions		Transition 7/1/2013	Annual City Operating Budget 7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Potential Oil Tax Revenues											
Stripper Wells	56										
2011 Production	101,992	98,955	97,471	96,009	94,569	93,150	91,753	90,377	89,021	87,686	86,370
Growth Rate (Decreasing)	-1.5%										
Per Barrel Rate	0.320	0.328	0.337	0.346	0.355	0.365	0.374	0.384	0.394	0.405	0.415
Barrel Rate Increase (CPI)	2.6%										
Revenue		32,502	32,859	33,221	33,586	33,956	34,330	34,707	35,089	35,475	35,866
Per Well Credit	(100)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)
Subtotal Stripper Wells		26,902	27,259	27,621	27,986	28,356	28,730	29,107	29,489	29,875	30,266
Non-Stripper Wells	32										
2011 Production	226,090	219,358	216,068	212,827	209,634	206,490	203,393	200,342	197,337	194,376	191,461
Growth Rate (Decreasing)	-1.5%										
Per Barrel Rate	0.400	0.411	0.421	0.433	0.444	0.456	0.468	0.480	0.493	0.506	0.519
Barrel Rate Increase (CPI)	2.6%										
Subtotal Non-Stripper Wells		90,060	91,051	92,053	93,066	94,090	95,125	96,172	97,230	98,300	99,382
Annual Fee	$ 100	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
TOTAL		$125,800	$127,100	$128,500	$129,900	$131,200	$132,700	$134,100	$135,500	$137,000	$138,400

City of Huntington Beach



FY 2013/14 Proposed Budget

July 15, 2013

Building Blocks to Economic Prosperity

July 15, 2013

Building Blocks to Economic Prosperity

- Recovery
  - Stimulating our economic growth by supporting local businesses, as well as attracting new business opportunities
- Realignment
  - Realigning our resources to fund high priority services and meet our long-term commitments to the employees
- Reinvestment
  - Promoting reinvestment in our community and infrastructure to ensure a strong foundation for the future

FY 2013/14 Proposed Budget

- Historical Budget Recap
- FY 2013/14 General Fund Expenditure and Revenue Projections
- Budget Highlights
- CIP and Infrastructure Budget Summary
- Status of General Fund Reserves
- FY 2013/14 Budget Calendar

Historical Budget Recap

- FY 07/08 represented a previous high for the General Fund
- FY 08/09 signaled the first year of the Great Recession, with City revenues plummeting to historic lows
- As a result, the City was forced to implement significant cutbacks in all areas of City operations
- In a desperate attempt to balance its own budget, the State also raided the City's coffers

Historical Budget Recap

- Over $26.5 million was cut from the General Fund Budget over the past five years
- To downsize the organization, the City offered an early retirement incentive program (PARS) to 103 employees
- Total of 220 FTEs eliminated/defunded since FY 07/08
  - 1 in 5 positions eliminated or defunded
- To further reduce costs, the City negotiated increased pension pickups from employees totaling $4.3 million

FY 2013/14
Proposed Budget Overview

- The Proposed All Funds budget totals $313.6 million, a 6.4% increase from the FY 2012/13 Adopted Budget
- The Proposed General Fund budget totals $193.5 million, a 3.9% increase from the FY 2012/13 Adopted Budget

Recovery

July 15, 2013

Recovery

- For the first time in six years, the General Fund budget is balanced for FY 2013/14 with:
  - No layoffs, position reductions, or defunded positions
  - No departmental cuts
  - No service reductions

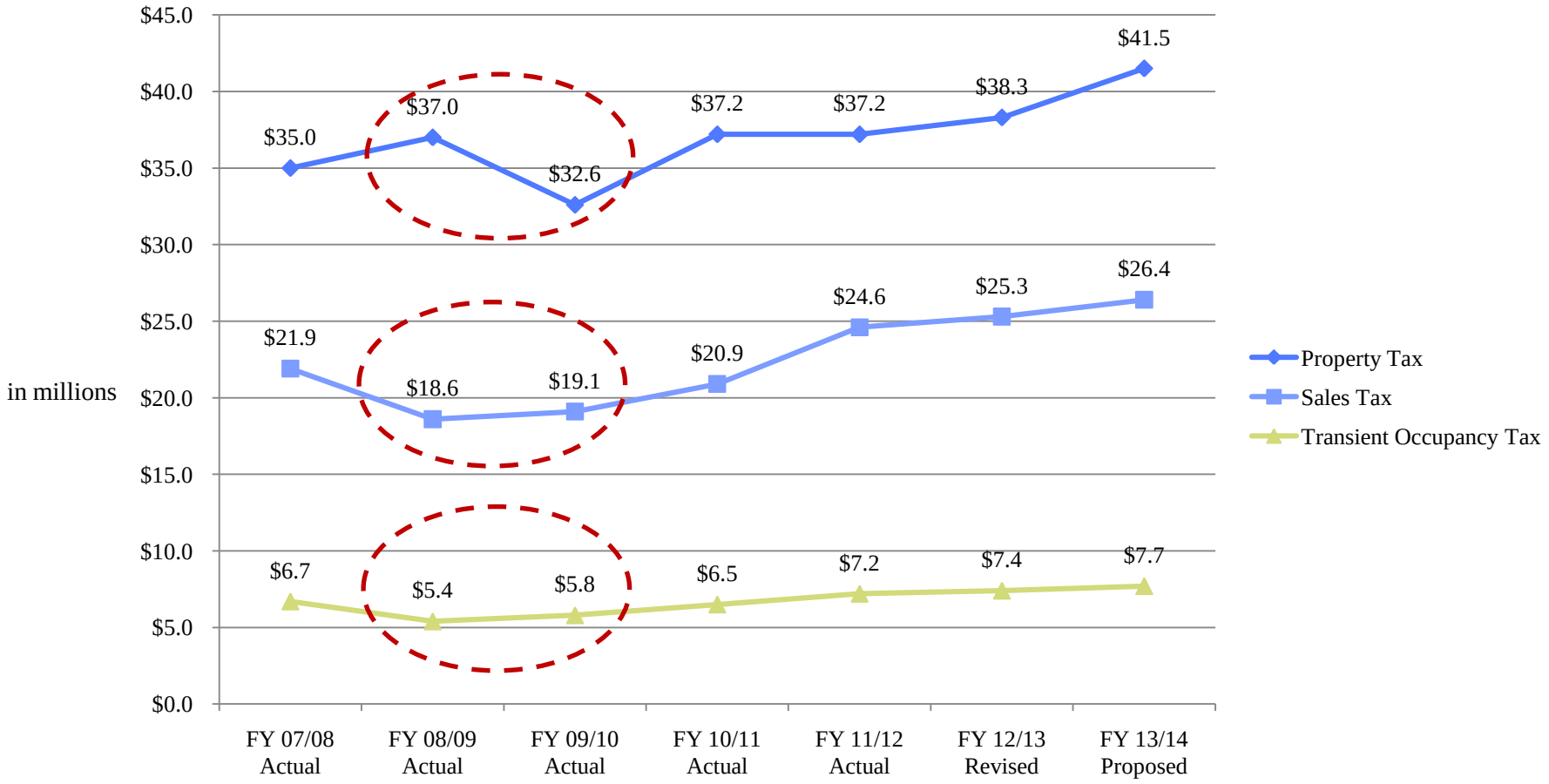
Recovery

FY 2013/14 General Fund Revenue

- Total General Fund projected revenue is $193.5 million, reflecting a 5.8 percent increase from current year
- Property Tax is estimated at $41.5 million, an increase of 11.4%
- Sales Tax is projected at $26.4 million, an increase of 12.3%
- Transient Occupancy Tax is growing, albeit at a reduced pace
- Planning and Building revenues still robust
- Major industry groups continue to improve our local economy

Recovery

General Fund Revenue - 7 Year History



Recovery

Amidst this backdrop, challenges still remain

- The economic recovery remains vulnerable to global, national, and State forces outside of the City's control
- The State's dissolution of the RDA continues to impact funding ($3.6 million litigation regarding Emerald Cove Bond)
- State's response to Non-Housing Due Diligence Review still pending, may have a significant financial impact

Realignment

July 15, 2013

Realignment

- The FY 2013/14 Proposed Budget realigns funding to address the following areas:
  - Fixed cost increases;
  - Unfunded liabilities for benefits previously negotiated with employees; and,
  - High priority services such as public safety.

Realignment
Funding Our Commitments

- Fixed Cost Increases:
  - CalPERS cost increases of $3.1 million in FY 2013/14
    - Reflects impact of discount rate change from 7.75% to 7.5% (no phase-in)
    - Also reflects impact of a reduced payroll base
    - Accounts for almost 50 percent of the increase in the budget
  - Increase in Retiree Medical and Supplemental Plan contributions of $1.4 million included in the budget
  - Increase in workers' compensation and liability insurance premiums of $345k

Realignment
Funding Our Commitments

- New funding approaches will help us reduce the City's unfunded liabilities for employee benefits
- Proposed Budget reflects a 3-pronged approach:
  - "Five Equals One Plan" for CalPERS
  - "25 to 10 Plan" for Retiree Medical
  - "16 to 10 Plan" for Retiree Supplemental Plan
  - The unfunded liabilities for two out of three Plans could be paid off in as early as 10 years*

*Pending market conditions, no additional changes in actuarial methodologies, etc.

Realignment
Public Safety

- Marine Safety Realignment into the Fire Department
- Two additional Police Officers funded in this budget, bringing the sworn funded count to 209 in the Police Department
- Two new Community Service Officer positions included in Police Department budget
- Proposed Budget also includes funding for a fifth City-operated ambulance in the Fire Department (6 Ambulance Operators)
- To begin financing the City's share of the new 800 MHz County-wide system, $1.0 million was added
- Funding for 10 public safety positions included in the Budget

Realignment
Public Safety

FY 2013/14 Public Safety Recommendations	Funding Request
Police Department	
Reinstate 2 defunded Police Officer positions	334,000
Add 2 new Community Services Officer positions	164,045
Increase Orange County Courthouse payment	130,000
Add Juvenile Diversion and Gang Program contracts	22,939
Fire Department	
Add a 5th ambulance	320,260
Add 6 Ambulance Operator positions	253,700
Budget Adjustment for unfunded benefits for Marine Safety (unemployment)	200,000
Increase seasonal part-time benefits for Marine Safety	55,100
Add maintenance cost for 23 cardiac monitors	19,000
Public Safety Equipment Replacement and Enhancement	
Replace 13 Police vehicles	422,000
Firefighters emergency equipment and protective gear	380,900
Desktop computers and laptops (FY 12/13 funds will be utilized for this procurement, if available)	377,500
Helicopter engine replacement	250,000
Air support program repairs and maintenance	234,119
Security and event management system	85,000
Dispatch, jail and communications management systems	58,770
TOTAL	**3,307,333**

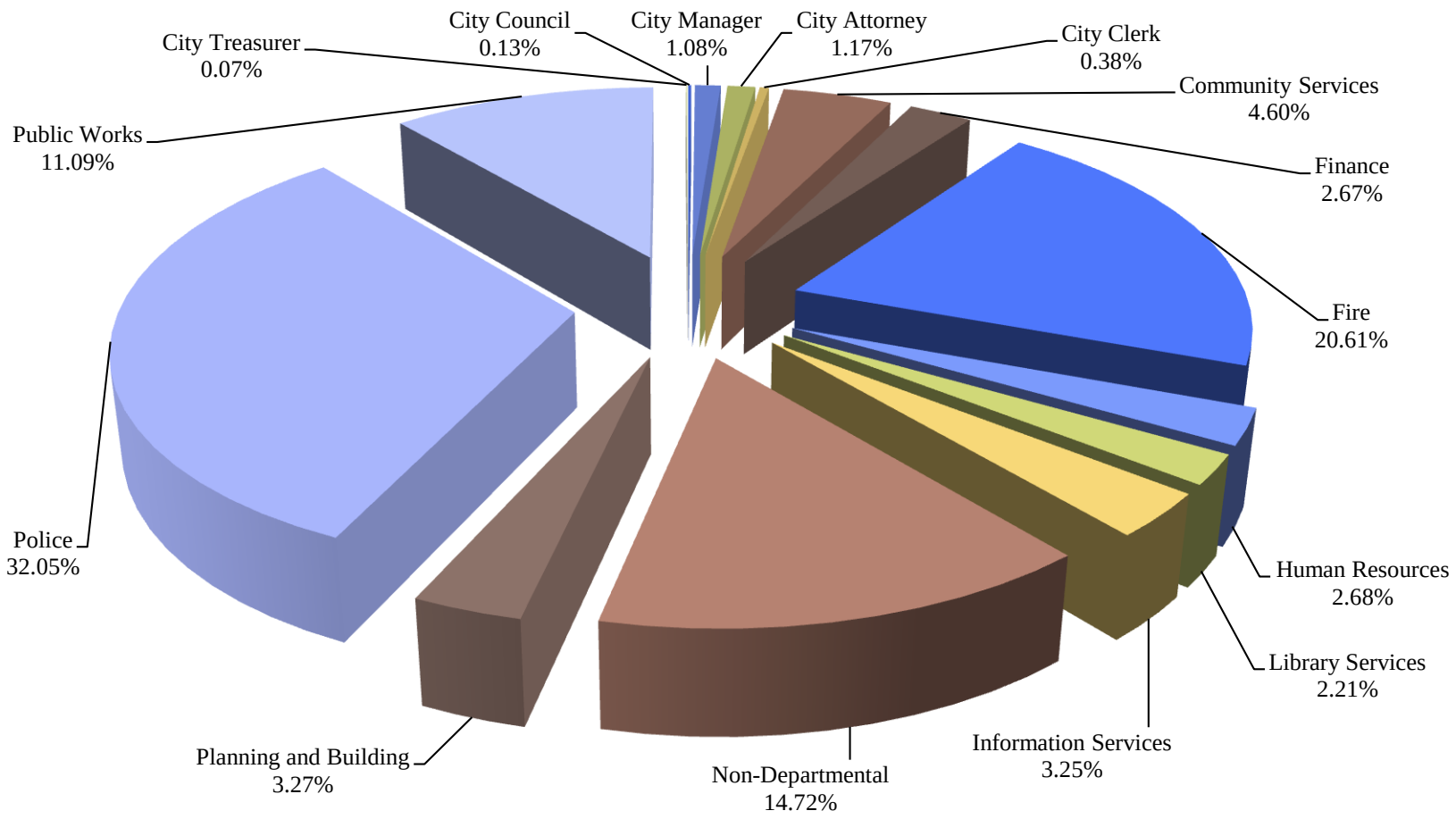
Realignment
New Office of Business Development

- FY 2013/14 Proposed Budget transfers the former Economic Development operations into the City Manager's Office
- The new Office of Business Development will report directly to the City Manager thereby providing a direct link for businesses
- This new office will result in the transfer of 4.5 FTEs to the City Manager's Office

Realignment
Total Funded FTEs

Title	Table of Organization	Total Funded
Police Officers	0.00	2.00
Community Services Officers	2.00	2.00
Ambulance Operators	6.00	6.00
Subtotal	**8.00**	**10.0**
Human Resources	0.50	0.50
Information Services	0.50	0.50
Planning & Building	0.25	0.25
Finance	0.50	0.50
Total	**9.75**	**11.75**

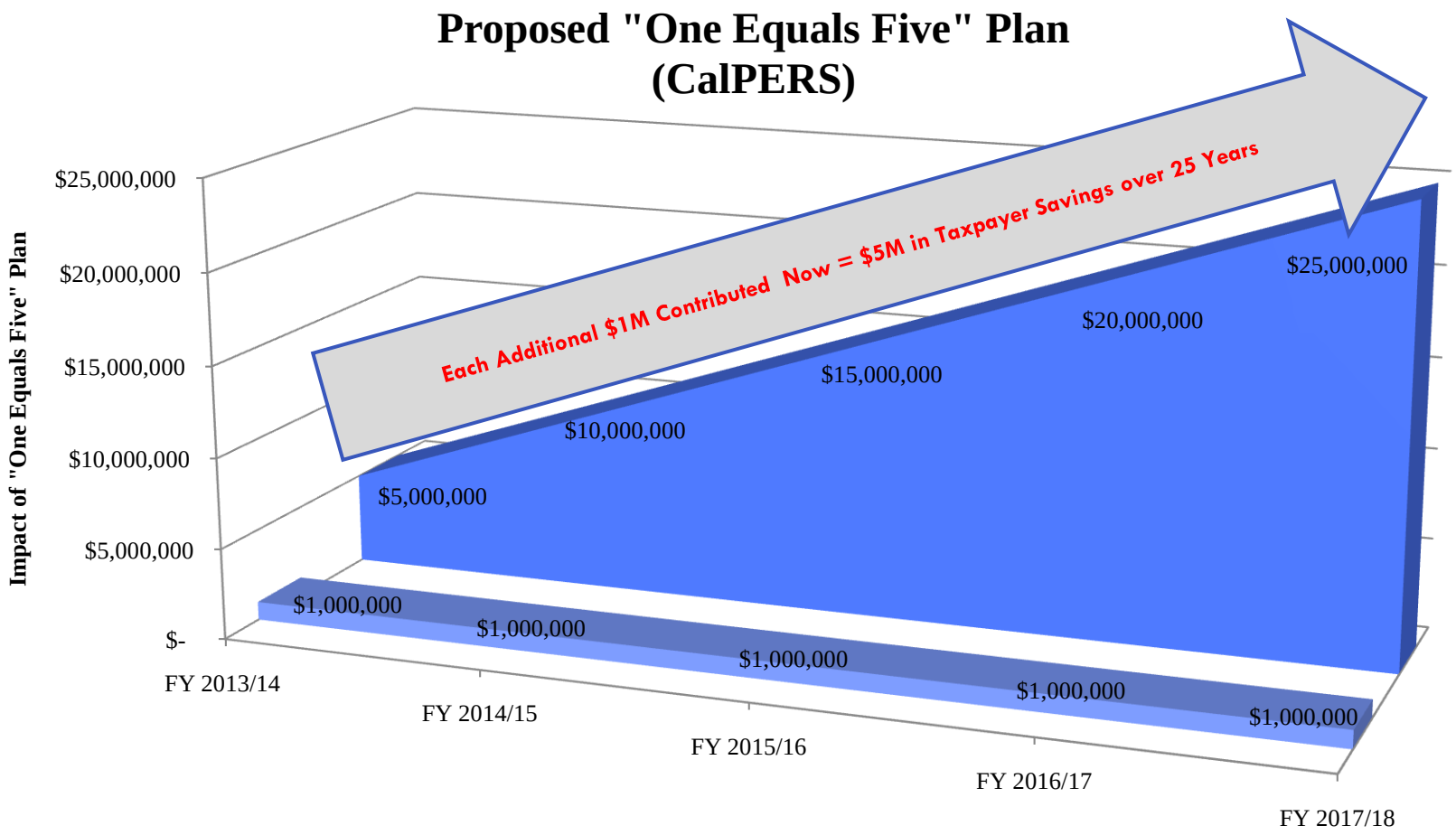
Realignment
General Fund Expenditures



Realignment
Funding Our Commitments

- Accomplishments
  - Paid off PARS liability two years ahead of schedule
  - Increased payments to retiree medical plan by $981,000 over the past 3 years
  - Increased payment to supplemental plan by $969,000 last year
  - Proposed Budget reduces amortization period for Retiree Medical plan from 25 to 10 years
  - Proposed Budget reduces amortization period for Retiree Supplemental Plan from 16 to 10 years

Realignment
Paying Down Unfunded Liabilities



Reinvestment

July 15, 2013

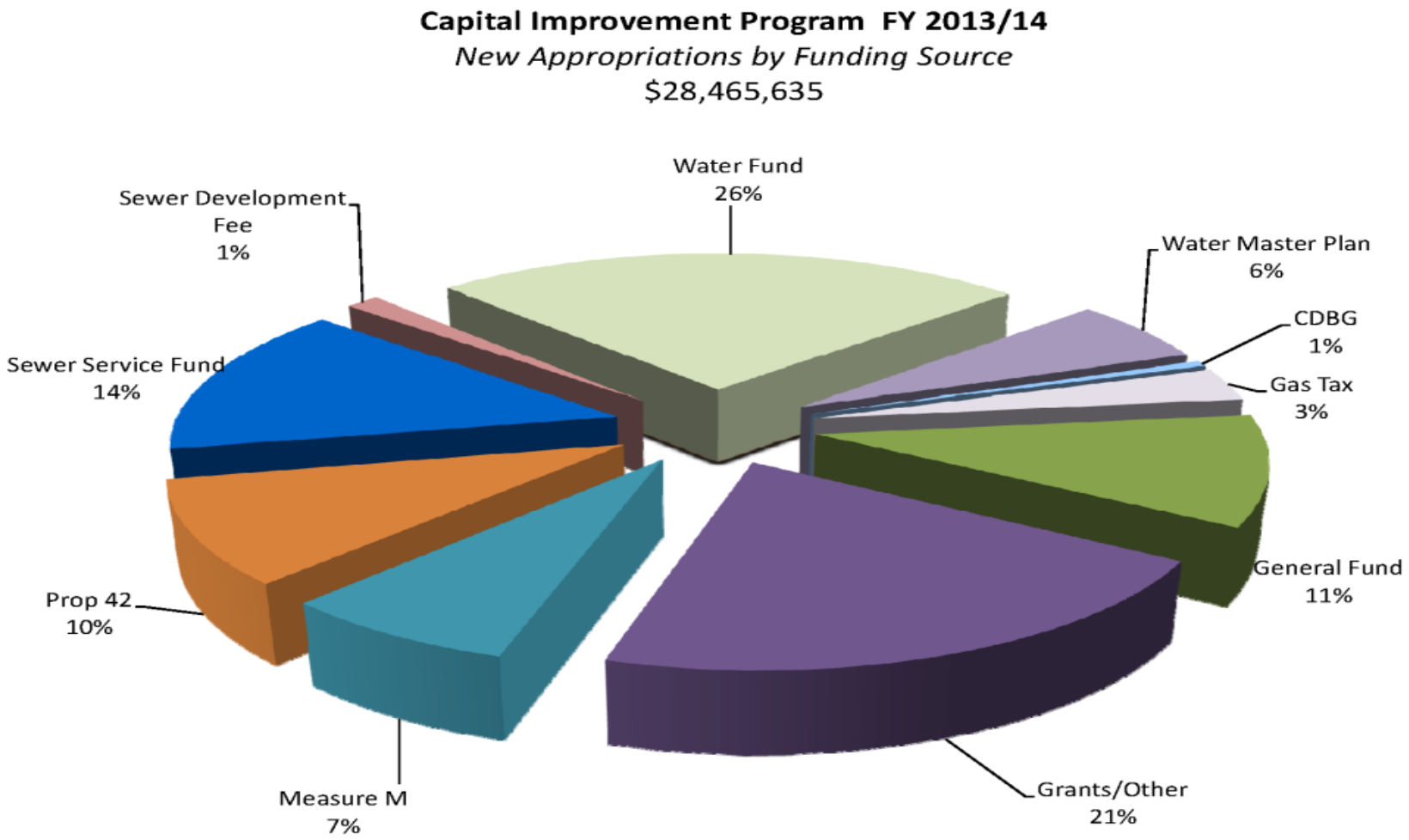
Reinvestment

Improve the City's Infrastructure

- This budget meets the 15% Infrastructure requirement
- FY 2013/14 Proposed Budget includes $28.5 million in CIP Projects
- Included in the General Fund is $3.0 million in recurring, structural funding for infrastructure

Reinvestment

Improve the City's Infrastructure



Reinvestment

Improve the City's Infrastructure

- New Senior Center
  - The Proposed Budget includes $1.5 million in funding for a new Senior Center
  - Construction costs are currently estimated at approximately $15 million
  - Debt financing paid from a General Fund bond can be a viable option

Concept Rendering of East Elevation
view looking from Goldenwest Street

Reinvestment

Investing in the Future

- FY 2013/14 Proposed Budget includes $4.0 million for equipment replacement
- This reflects a $1.0 million increase from current year
- The 5-Year Strategic Plan assumes $1.0 million additional per year until $6.0 million is dedicated
- Last year, we froze funding at $3.0 million
- Departments submitted $6.5 million in critical equipment replacement requests
  - Hence, funding is far below the present need
- The Proposed Budget also includes $500,000 to perform an update to the City's General Plan as part of a multi-year process
- Proactively plans for implementation of Affordable Care Act in 2015 with an appropriation of $516,000 for compliance with related requirements

Fixed Cost Increases

(In Millions)

Unfunded Liabilities, Legal and Other Fixed Costs	Amount
CalPERS Rate Increases (No Phase-In)	$ 3,090,775
Retiree Medical Prepayment Plan	$ 902,209
Retiree Supplemental Prepayment Plan	$ 533,035
Subtotal Unfunded Liabilities	**$ 4,526,019**
Insurance Policy Premium Increases	$ 345,165
General Plan Update	$ 500,000
Equipment Replacement	$ 1,000,000
800 MHz Countywide Upgrade	$ 1,000,000
Affordable Care Act	$ 516,000
Subtotal Fixed Costs	**$ 3,361,165**
Public Safety Enhancements and Other Changes	**$ 1,073,446**
Minus Funding for PARS Annual Payment	$ (1,586,770)
Total	**$ 7,373,860**

Budget Calendar

Proposed Date	Item
July 15, 2013	FY 2013/14 Proposed Budget Study Session
August 5, 2013	FY 2013/14 Proposed CIP and Infrastructure Study Session
August 19, 2013	Long-Term Financial Plan Study Session
September 3, 2013	FY 2013/14 Budget Hearing and Adoption
September 30, 2013	Charter Deadline to Adopt the FY 2013/14 Budget
October 1, 2013	New Fiscal Year Begins

City of Huntington Beach

Questions?

July 15, 2013

STUDY SESSION ITEM #2 – JULY 15, 2013

DUE TO SIZE CONSTRAINTS, A COPY OF THE PROPOSED FISCAL YEAR 2013/2014 BUDGET IS ON FILE IN THE CITY CLERKS OFFICE

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7/15/2013

Agenda Item No. SS #2

RICHARDSON GRAY
415 Townsquare Lane #208, Huntington Beach, CA 92648
714-348-1928, richardson.gray@yahoo.com

2013 JUL 15 PM 2:21

HAND DELIVERED

July 12, 2013

Dear Mayor, Mayor Pro Tem, and Council Members:

For your July 15th meeting, I support your adoption of two agenda items, numbers 15 and 23. The first is Resolution No. 2013-30, directing the Chief of Police to protest any future "off-sale" ABC licenses for District 1 in Downtown. The second is Council Member Carchio's recommendation for a Downtown Task Force.

On the Downtown Task Force, I have a suggestion. In addition to Council Member Carchio's recommended members, I suggest six more. To balance the seven business representatives, I suggest that the Task Force should have three more representatives from Downtown's residential neighborhoods, bringing their number to a matching total of seven. Furthermore, I suggest that the Task Force should include three representatives from Downtown's nearby public schools, one each from Smith Elementary, Dwyer Middle, and Huntington Beach High.

My suggestion comes from the idea that our Downtown is just as much an affluent, established residential neighborhood as it is a tourist district. As such, the Downtown neighborhoods should have at least an equal voice with the tourist interests. In that the Downtown tourist district impacts the nearby schools, the parents and schoolchildren who live in our Downtown neighborhoods, too, should have an important voice concerning our tourist district. A strong quality of life for our surrounding Downtown neighborhoods and for our public schools is crucial to the long-term success of our tourist district.

I have two telling personal anecdotes on this subject. One of Downtown's major resident leaders recently sold his home and moved to another area of the City, largely due to his and his wife's fears about the bad influence that our overly rowdy Downtown tourist district was having on their young children. As he put it to me, those forty Downtown bars are never going away. For another example, my best friend of the last six years, who lives in Anaheim, a city with a much higher crime rate than Huntington Beach, will not allow her sixteen-year-old daughter to visit our Downtown, even during the days. She is fearful for her daughter's safety here.

Again, I urge you to adopt these two agenda items. Thank you for your consideration.

Sincerely yours,

Richardson Gray

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7-15-13

Agenda Item No. 15

cc: Fred A. Wilson, City Manager; Joan L. Flynn, City Clerk;
Kenneth W. Small, Chief of Police; Scott Hess, AICP, Director of Planning

CITY OF HUNTINGTON BEACH
COMMUNITY SERVICES DEPARTMENT
INTER-DEPARTMENT COMMUNICATION

SUPPLEMENTAL COMMUNICATION

To: Honorable Mayor and City Council Members Meeting Date: 7/15/13

Via: Fred A. Wilson, City Manager Agenda Item No. 19

From: Janeen Laudenback, Interim Director of Community Services

Date: July 15, 2013

Subject: **Amended Ordinance No. 3983**

Please be advised that proposed ordinance 3983 contains a single word omission from the second sentence of Chapter 2.64.020. One-year members.

The proposed ordinance chapter 2.64.020 is missing the word *district* from the second sentence, and currently reads as follows: Each elementary and high school having facilities within the city may recommend to the Council, on or before the third Monday in June of each year, two or more persons, residents of the city of Huntington Beach, to represent their district.

This sentence should be changed to the following: Each elementary and high school *district* having facilities within the city may recommend to the Council, on or before the third Monday in June of each year, two or more persons, residents of the city of Huntington Beach, to represent their district.

This memo serves as official notification of this addition, and this change will be also be reflected the second reading of this ordinance, scheduled for the August 5th City Council meeting.

2.64.040 One-year members. The City Council shall appoint five members for terms of one year. Each elementary and high school **district** having facilities within the city may recommend to the Council, on or before the third Monday in June of each year, two or more persons, residents of the city of Huntington Beach, to represent their district. One of said persons shall be appointed by the Council for a one-year term which will terminate on July 1 the following year. In the event that any district shall not make such recommendations to the Council by the first day of July, then the Council may appoint some qualified person to a one-year term to represent such school district on the commission.

The new recommended action is to introduce as amended Ordinance No. 3983, "An Ordinance of the City of Huntington Beach Amending Chapter 2.64 of the Huntington Beach Municipal Code Relating to the Community Services Commission."

ORDINANCE NO. 3983

AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH
AMENDING CHAPTER 2.64 OF THE HUNTINGTON BEACH MUNICIPAL
CODE RELATING TO THE COMMUNITY SERVICES COMMISSION

The City Council of the City of Huntington Beach does hereby ordain as follows:

SECTION 1. Section 2.64.020 of the Huntington Beach Municipal Code is hereby amended to read as follows:

2.64.010 Established. There is established an advisory Community Services Commission in and for the City.

2.64.020 Composition. The commission shall be composed of twelve members.

SECTION 2. Section 2.64.025 of the Huntington Beach Municipal Code is hereby added to read as follows:

2.64.025 Appointment. Each member of the City Council shall appoint one member to the Community Services Commission for a four-year term.

SECTION 3. Section 2.64.027 of the Huntington Beach Municipal Code is hereby added to read as follows:

2.64.027 Term. Each member of the Community Services Commission shall serve a four (4) year term commencing on January 1 following a general municipal election at which the appointing Councilmember was elected. In the event the office of any appointing Councilmember becomes vacant during the term thereof, the term of the Community Services Commissioner appointed by such Councilmember shall terminate thirty (30) days after such vacancy occurs. Following expiration of his/her term of office, each member of the Community Services Commission shall continue to serve until his/her successor is appointed and qualified. Members of the Community Services Commission may be removed by the Councilmember of which he/she is the appointee, upon announcement of such removal at a regular City Council meeting; provided, however, that no member of the Community Services Commission may be removed prior to January 1 following any general municipal election.

SECTION 4. Section 2.64.028 of the Huntington Beach Municipal Code is hereby added to read as follows:

2.64.028 Vacancies. Vacancies in the Community Services Commission shall be filled by appointment by the City Councilmember or his successor, who made the appointment which is vacated.

SECTION 5. Section 2.64.030 of the Huntington Beach Municipal Code is hereby removed in its entirety.

SECTION 6. Section 2.64.040 of the Huntington Beach Municipal Code is hereby amended to read as follows:

2.64.040 One-year members. The City Council shall appoint five members for terms of one year. Each elementary and high school district having facilities within the city may recommend to the Council, on or before the third Monday in June of each year, two or more persons, residents of the city of Huntington Beach, to represent their district. One of said persons shall be appointed by the Council for a one-year term which will terminate on July 1 the following year. In the event that any district shall not make such recommendations to the Council by the first day of July, then the Council may appoint some qualified person to a one-year term to represent such school district on the commission.

SECTION 7. Sections 2.64.070, 2.64.080 and 2.64.090 are deleted in their entirety.

SECTION 8. Section 2.64.110 of the Huntington Beach Municipal Code is hereby amended to read as follows:

2.64.110 Meetings. The commission shall meet regularly on the second Wednesday of each month at 6 p.m. in the Council Chambers unless it should fall on a holiday. In such case, the following Wednesday shall be designated. Special meetings may be called by the Chairperson.

SECTION 9. This ordinance shall become effective 30 days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2013.

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED AND APPROVED:

_____
City Manager

INITIATED AND APPROVED:

_____
Director of Community Services

2.64.028 Vacancies. Vacancies in the Community Services Commission shall be filled by appointment by the City Councilmember or his successor, who made the appointment which is vacated.

~~**2.64.030 Four-year members.** The mayor, with approval of the City Council, shall appoint five members from the city at large for four year terms. All of the terms shall terminate on July 1; one term in 1966, two terms in 1968, and two terms in 1969. Upon completion of a commissioner's term the Mayor, with the approval of the City Council may appoint him or a successor for the succeeding term. (803-12/60, 1113-7/65)~~

2.64.040 One-year members. The City Council shall appoint ~~six~~five members for terms of one year. Each elementary, high school district, and junior college district having facilities within the city may recommend to the Council, on or before the third Monday in June of each year, two or more persons, residents of the city of Huntington Beach, to represent their district. One of said persons shall be appointed by the Council for a one-year term which will terminate on July 1 the following year. In the event that any district shall not make such recommendations to the Council by the first day of July, then the Council may appoint some qualified person to a one-year term to represent such school district on the commission.
(1113-7/65, 1300-3/67, 2383-7/79, 2389-9/79, 3723-12/05)

2.64.045 Service Limitation. No person shall serve more than two (2) consecutive four-year terms; provided, however, that persons serving on the effective date of this ordinance may complete their current terms and, if reappointed, an additional term thereafter. No person shall serve more than eight (8) consecutive one-year terms. (2918-12/87)

2.64.050 Mayor--Ex officio member. The Mayor shall be an ex officio member of the commission. (1113-7/65)
12/87

2.64.060 Secretary. The Director of Community Services, or his designee, shall serve as secretary to the commission without vote and shall keep permanent minutes of the commission meetings. (1113-7/65, 2383-7/79, 2389-9/79, 2399-11/79)

~~**2.64.070 Members--Removal.** The term of terms of office specified herein shall not be deemed arbitrary and should the Mayor, with the approval of the City Council determine that it would be for the best interest of the department that a member be retired, he may so order and appoint a successor for the unexpired term of office of such retired member. (1113-7/65)~~

~~**2.64.080 Vacancies--Retirement.** Members shall be privileged to retire voluntarily from the commission at any time; successors to be appointed in such case, or any other vacancy from whatever cause, by the Mayor, with the approval of the City Council, for the unexpired term of office. (1113-7/65)~~

~~**2.64.090 Members--Reappointment.** Members may be reappointed by the Mayor, with the approval of the City Council for as many terms of office as is desirable; provided, however, that members representing school districts shall~~

Esparza, Patty

From: Dombo, Johanna
Sent: Thursday, July 11, 2013 4:37 PM
To: Esparza, Patty
Subject: FW: Ordinance 3893
Attachments: Gasparian letter to HBCC.docx.pdf

From: Albert Gasparian [mailto:agasparian@gwc.cccd.edu]
Sent: Thursday, July 11, 2013 4:37 PM
To: Shaw, Joe
Cc: Dombo, Johanna
Subject: Ordinance 3893

Dear Council Member Shaw,

I will be out of the state Monday and will not be able to attend the council meeting but have attached a letter personally asking for your support of the alternative action for Ordinance 3893 which maintains representation for the Coast Community College District on the Community Services Commission. Please feel free to contact me via email or call my cell 714.321.9785 if you'd like any further information.

Thank you,

Albert Gasparian
Dean of Health, Kinesiology and Athletics
Golden West College
Huntington Beach Community Services Commissioner

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7-15-2013

Agenda Item No. 19

GOLDEN WEST COLLEGE
HUNTINGTON BEACH, CA
Wes Bryan, President

July 10, 2013

Dear Mayor Boardman and Council Members;

As a current member of the Community Services Commission, long time Huntington Beach resident, and employee of Golden West College, I ask for your support for the alternative action(s) for Ordinance 3893 which maintains representation for the Coast Community College District on the Community Services Commission. While I understand the council's desire to change the composition of the commission, it is my personal and professional belief that any negative impact of adding a commissioner to the proposed action would be far outweighed by the advantages of maintaining the current lines of communication between the district and the city.

The increased population that will arrive shortly from the Beach-Edinger Corridor housing projects combined with the new City and Skate Parks being developed in close proximity to GWC will make coordination of efforts between the CCCD and the City even more critical.

Golden West College and the Huntington Beach Community Services Department have a long history of partnerships dating back to 1967. Prior to the completion of the Sports Complex, GWC served as home to city sponsored Softball Leagues as well as other city sponsored activities. The partnership of installing lights on the softball fields served both parties well for over 30 years. While there are not currently any city sponsored leagues on campus there are future opportunities to resume these types of activities and develop new ones to better serve residents of all ages. The ongoing relationship between the college and city is further demonstrated by the City of Huntington Beach currently listing Golden West College as a city facility and softball field on their official website.

It is my hope that the elimination of the CCCD representative was merely an oversight. I respectfully urge you to amend the proposed structure to the Community Services Commission by adding one additional member as a representative of the Coast Community College District.

Sincerely,

Albert Gasparian

Albert Gasparian
Dean of Health, Kinesiology and Athletics
Golden West College
Huntington Beach Community Services Commissioner

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7/15/2013

Agenda Item No. 19

15744 Goldenwest Street • P.O. Box 2748 • Huntington Beach CA 92647-0748
(714) 892-7711 • www.goldenwestcollege.edu

Andrew C. Jones, Ed.D., Chancellor

Board of Trustees
David A. Grant
Mary I. Hornbuckle
Jim Moreno
Jerry Patterson
Lorraine Prinsky, Ph.D.
Student Trustee

Coast Colleges

Inspiration. Innovation. Graduation.

Trustees
Lorraine Prinsky, Ph.D.
Mary Hornbuckle
Jerry Patterson
Jim Moreno
David Grant

Student Trustee
Kolby Keo

Chancellor
Andrew Jones, Ed.D.

July 12, 2013

Dear Mayor Boardman and Huntington Beach City Council Members,

I am writing to ask that you continue to include a member of Coast Community College District on the the Huntington Beach Community Services Commission. Albert Gasparian from Golden West College has been our representative on the Commission for many years. He has been an active participant on the Commission, representing the educational community that includes thousands of students, faculty and staff members who may work, play and reside in Huntington Beach. Through our representative on this Commission, Coast District has provided significant input to deliberations of the Community Services Commission on capital projects, parks and recreational planning. I believe that it benefits the City to continue to have representation from our educational community.

As President of the Board of Trustees at the Coast Community College District and a resident of Huntington Beach, I was quite surprised when I read that the Council was considering eliminating Coast District representation on the Commission. Golden West College and Coast Community College District have have had a mutually beneficial partnership on a number of projects over the years. Golden West College houses and supports the El Viento Program that benefits 4th-12th graders and their families from the Oakview neighborhood in Huntington Beach. The Boys and Girls Clubs of Huntington Valley Robert Mayer Child Development Preschool may be found on the campus of Golden West College. Margie Bunten, the Golden West College Foundation Director for many years, served on numerous city committees and commissions and was named by the Huntington Beach Chamber of Commerce Citizen of the Year in 2012. We were honored to have Mayor Boardman give the oath of office to three recently reelected Trustees and both Mayor Boardman and Councilmember Harper have taken an interest in Coast District matters, speaking at Board meetings in recent months. This is just a short list of Huntington Beach-CCCD relationships that come to mind quickly.

I hope for a closer relationship with the City and the Coast District and am concerned that our voices will no longer be heard on matters that are of importance to the educational community residing in Huntington Beach. As we embark on college construction projects that our neighbors endorsed with the votes for our Measure M, we believe a closer partnership between the City and Coast is more important than ever.

I respectfully request that the City Council retain a Community Service Commission seat for the Coast Community College District so that we might continue to work on our mutual areas of interest.

Thank you for your kind consideration,

Lorraine Prinsky

Lorraine Prinsky, Ph.D.
Board President, Coast Community College District
Professor Emeritus, California State University, Fullerton

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7/15/2013

Agenda Item No. 19

Coast Community College District, 1370 Adams Avenue, Costa Mesa, CA 92626
Phone (714) 438.4600 www.cccd.edu

Esparza, Patty

From: Flynn, Joan
Sent: Friday, July 12, 2013 1:53 PM
To: Esparza, Patty
Subject: Fwd: Community Servicezs Agreements w/City of HB
Attachments: Recreation Facilities Agreement - City.OVSD.pdf; ATT00001.htm; Circle View Joint Use Park Agreement.pdf; ATT00002.htm; Glen View Joint Use Park Agreement.pdf; ATT00003.htm; Haven View Joint Use Park Agreement.pdf; ATT00004.htm; Lake View Joint Use Park Agreement.pdf; ATT00005.htm; Marine View Joint Use Park Agreement.pdf; ATT00006.htm; Pleasant View Joint Use Park Agreement.pdf; ATT00007.htm; Robinwood Joint Use Park Agreement.pdf; ATT00008.htm; Park Ownership List.pdf; ATT00009.htm

Supplemental communication

Sent from my iPhone

Begin forwarded message:

From: "Cindy Pulfer" <CPulfer@ovsd.org>
To: "CITY COUNCIL" <city.council@surfcity-hb.org>
Cc: "Flynn, Joan" <jflynn@surfcity-hb.org>, "McGrath, Jennifer" <jmcgrath@surfcity-hb.org>, "Dominguez, David" <ddominguez@surfcity-hb.org>
Subject: Community Servicezs Agreements w/City of HB

This is additional information for Council person Shaw's proposed changes to the number of members
of the Community Services Commission. It appears Shaw's proposal would violate the terms and conditions
of the agreements.

Please be aware of these agreements should be assumed to be in full force and effect unless any party can demonstrate otherwise.

# # #

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7-15-13

Agenda Item No. 19

==========

Norm Westwell
normw@modernpublic.com
www.modernpublic.com

There is a price for being Free
It is the eternal vigilance of our government

1 s Cat. Copies to Jim Engle

REQUEST FOR CITY COUNCIL ACTION

Date November 21, 1985

Submitted to: Honorable Mayor and City Council

Submitted by: Charles W. Thompson, City Administrator

Prepared by: Melvin M. Bowman, Director, Community Services

Subject: RECREATION FACILITIES USE AGREEMENT

APPROVED BY CITY COUNCIL 12-2 1985 C. Buckley CITY CLERK

Consistent with Council Policy? [✓] Yes [ ] New Policy or Exception

Statement of Issue, Recommendation, Analysis, Funding Source, Alternative Actions, Attachments:

STATEMENT OF ISSUE

The city-school agreement to allow city use of selected school facilities for conduct of community recreation programs has expired and is now proposed for an open-end term.

RECOMMENDATION

Approve and authorize Mayor to execute the attached agreement with the Fountain Valley, Ocean View and Huntington Beach city school districts for utilization of school facilities for recreational uses.

ANALYSIS

The City has been utilizing various school facilities for recreation programs and activities through agreement since 1950. By providing community recreation on school property, the city promotes the general welfare of its citizens through maximum utilization of available facilities.. In the past, this agreement has been for a five-year term. Staff and representatives of the school districts recommend that the agreement be modified so it reflects an open-end term with the option of cancellation by either party sixty days after written notification. This agreement has been reviewed and approved by each school district board.

FUNDING SOURCE

None.

ALTERNATIVE ACTIONS

1. Continue with five-year agreement.
2. Discontinue city use of school district facilities.

ATTACHMENTS

Agreement.

MMB:mb
0706E/23

C-12

PIO 4/84

RECREATION FACILITY USE AGREEMENT AMONG CITY OF HUNTINGTON BEACH, OCEAN VIEW SCHOOL DISTRICT, FOUNTAIN VALLEY SCHOOL DISTRICT, AND HUNTINGTON BEACH CITY SCHOOL DISTRICT FOR JOINT USE OF SCHOOL RECREATION FACILITIES

THIS AGREEMENT is made and entered into this 7th day of November, 1985, by and among the CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California, hereinafter referred to as "CITY," and FOUNTAIN VALLEY SCHOOL DISTRICT, a political subdivision of the State of California, OCEAN VIEW SCHOOL DISTRICT, a political subdivision of the State of California, and HUNTINGTON BEACH CITY SCHOOL DISTRICT, a political subdivision of the State of California, hereinafter collectively referred to as "DISTRICTS."

WHEREAS, the parties hereto desire to promote and preserve the health and general welfare of the people of the CITY and DISTRICTS, and to cultivate and develop good citizenship by providing for an adequate program of community recreation and to conduct such a program of community recreation as will contribute to the attainment of general education and recreational objectives for the children and adults of said CITY and DISTRICTS: and

The parties hereto desire to cooperate with each other to carry out the provisions of Chapter 10, Part 7 of Division I of Title I of the Education Code of the State of California, and to that end enter into an agreement with each other to promote and

preserve the health and general welfare of the people of said CITY and DISTRICTS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises of the parties hereto, the parties hereby covenant and agree as follows:

1. SCOPE OF WORK

a. DISTRICTS shall make available to CITY certain of their school facilities for community recreational activities. The facilities so utilized shall be selected by CITY out of those facilities made available to CITY by DISTRICTS.

b. CITY use of school facilities shall be in accordance with pertinent DISTRICTS' policies in granting permits for nonschool use of facilities.

c. Schedules for use of said facilities for community recreational activities shall be established by the Director of Community Services of CITY and approved by DISTRICTS' superintendents or designated representatives.

2. FEES AND SCHEDULING OF FACILITIES IN GENERAL

a. Admission fees shall cover expenses only for a community recreational event. There shall be no rental fee charged to CITY. All fees and charges assessed for programs scheduled under this agreement shall be used for furthering the recreational activities of the students and in performance of this Agreement.

b. Each DISTRICT'S programs, events and required maintenance shall have first scheduling priority for the use of its own facilities. DISTRICTS reserve the right to schedule the

use of facilities in fair proportion for other public agencies. Schedules may be altered by mutual consent of all the parties herein. The parties agree to use their best efforts so as to avoid scheduling disputes and conflicts.

c. CITY shall select and provide certain qualified personnel to conduct recreational activities and events which take place after school hours, on weekends, and during holiday and vacation periods on the various selected DISTRICT facilities.

d. Individual DISTRICTS shall be consulted and advised as to recreational activities conducted by CITY on facilities under each DISTRICT'S own jurisdiction.

3. PERSONNEL

All personnel employed to conduct community recreational activities shall be under the supervision of CITY and shall be employed by CITY. Expenses, including but not limited to, salaries, cost of supplies, and general maintenance shall be met by CITY out of its own resources.

4. MATERIALS AND MAINTENANCE OF FACILITIES

a. CITY shall provide certain expendable material and supplies necessary for conducting community recreational programs for all ages. Equipment provided by each DISTRICT as part of the school program and suitable for community recreational use, and equipment and supplies provided by CITY and suitable for school use, shall be mutually interchangeable for the common use of CITY and DISTRICTS.

b. Custodial and maintenance services for all school facilities utilized for community recreational programs may

be provided by DISTRICTS, if requested to provide such services by CITY in writing. DISTRICTS may charge CITY for cost of providing custodial and maintenance service requested by CITY, subject to written understanding only.

5. CONTRACT ADMINISTRATOR

The CITY Contract Administrator for this Agreement shall be the Director of Community Services of CITY.

6. COMMUNITY SERVICES ADVISORY COMMISSION

The parties shall continue in existence the heretofore established advisory Community Services Commission which is composed of five (5) members at large, serving four (4) year terms and one (1) member for each of the six (6) local school DISTRICTS, (Ocean View School District, Fountain Valley School District, Huntington Beach City School District, Westminster School District, Huntington Beach Union High School District and Coast Community College District) serving one (1) year terms. The Commission shall assist the Contract Administrator in administering this agreement for the mutual benefit of the parties. All members shall be appointed by CITY. Terms of all appointees shall run concurrently with the fiscal year beginning July 1, and ending June 30 each year of the Agreement. Each participating DISTRICT shall recommend to CITY a number of candidates who are residents of their respective DISTRICT and of CITY, to represent their DISTRICT by the third Monday of June of each year, one of whom shall be appointed by CITY from each DISTRICT as such DISTRICT's representative. Appointments shall be made in the manner desired by CITY. In the event that a DISTRICT or DISTRICTS do not make

their recommendation to CITY by the first day of July of each year the CITY may appoint any qualified resident of the DISTRICT and of the CITY to a one-year term to represent such DISTRICT. Successors of members are to be appointed in a similar manner. The Mayor of CITY shall be an ex-officio member of said commission. Regular members of such commission shall receive as compensation from the CITY for their services, the sum of fifteen dollars ($15) for their attendance at each regular monthly commission meeting . Compensation shall not be paid for attendance at adjourned or special meetings.

City-wide municipal and school recreational programs shall be operated by CITY, as defined above, and direct program operation shall be under CITY's direction. It is understood that operation of individual programs on school grounds shall be supervised by recreation supervisors responsible to CITY.

Use of school vehicles for the purpose of transporting recreational program participants on approved trips and excursions shall be governed by DISTRICTS' policies and final decisions as to the recreational use of said vehicles shall be at the discretion of DISTRICTS' superintendents.

7. TERMS AND OPTION TO TERMINATE

The term of this Agreement shall commence July 1, 1984, and shall continue in effect until terminated by CITY, upon sixty (60) days' written notice to each party at the address shown herein. Any DISTRICT may terminate the agreement, as to itself, upon sixty (60) days written notice to each of the parties to this agreement, at the address shown herein.

8. INDEMNIFICATION, DEFENSE, HOLD HARMLESS

a. Neither DISTRICT nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any activities described in this agreement. Pursuant to Government Code Section 895.4, CITY shall fully defend, indemnify and hold DISTRICT harmless from any liability imposed for injury (as defined by Government Code Section 810.8), occurring by reason of anything done or omitted to be done by CITY under or in connection with any activities described in this Agreement.

b. Neither CITY nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any DISTRICT under or in connection with any activities described in this agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4 any DISTRICT shall fully defend, indemnify and hold CITY harmless from any liability imposed for injury (as defined by Government Code Section 819.8), occurring by reason of anything done or omitted to be done by any DISTRICT under or in connection with any activities described in this agreement.

9. AMENDMENTS

This agreement may be amended from time to time by mutual agreement in writing of the parties hereto.

10. NOTICES

Any notices pursuant to this Agreement shall be deemed delivered, if in writing, deposited in the United States Postal Service with postage prepaid and addressed to each party as follows:

CITY:

CITY OF HUNTINGTON BEACH
Attn: Director, Community Services
2000 Main Street
Huntington Beach, CA 92648

DISTRICTS:

OCEAN VIEW SCHOOL DISTRICT
19940 "B" Street
Huntington Beach, CA 92647

FOUNTAIN VALLEY SCHOOL DISTRICT
17210 Oak Street
Fountain Valley, CA 92708

HUNTINGTON BEACH CITY SCHOOL DISTRICT
20451 Craimer
Huntington Beach, CA 92646

REST OF PAGE NOT USED

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on the day, month and year first above written.

CITY OF HUNTINGTON BEACH

By _____
Mayor

ATTEST:

_____
City Clerk 12/2/85

APPROVED AS TO FORM:

_____
City Attorney

APPROVED AS TO CONTENT:

_____
City Administrator

INITIATED AND APPROVED:

_____
Director, Community Services

OCEAN VIEW SCHOOL DISTRICT:

By _____

By _____

FOUNTAIN VALLEY SCHOOL DISTRICT:

By _____

By _____

HUNTINGTON BEACH CITY
SCHOOL DISTRICT:

By _____

_____

CIRCLE VIEW 2/17/75

ORIGINAL COPY
for Master File
MUST BE RETURNED
TO CITY CLERK

JOINT DEVELOPMENT - CIRCLE VIEW SCHOOL

COMMUNITY RECREATION AGREEMENT

THIS AGREEMENT, hereinafter called Community Recreation Agreement, between the CITY OF HUNTINGTON BEACH, a municipal corporation, hereinafter called "CITY" and the OCEAN VIEW SCHOOL DISTRICT, hereinafter called "DISTRICT";

W I T N E S S E T H

WHEREAS, DISTRICT owns the property known as the Circle View School Site located at 6261 Hooker Street, in the City of Huntington Beach on which an elementary school is located, and

CITY desires to use and develop a portion of the aforesaid property as a neighborhood park, and

It is in the best interests of CITY and DISTRICT that an agreement be entered into for the use of a portion of said Circle View school property for park and recreational purposes as hereinafter set forth;

NOW, THEREFORE, CITY and DISTRICT agree as follows:

1. That subject to conditions set forth, CITY is hereby granted the right to use the hereinafter described portion of Circle View school property for park and recreational purposes. The said portion of property of Circle View school is as set forth on the map attached hereto, marked Exhibit "A" and by this reference made a part hereof.

2. This agreement shall be for a period of fifteen (15) years, commencing on the date this document is fully executed by all parties. At the end of fifteen (15) years, by mutual agreement, this agreement may be extended.

3. CITY shall not be required to pay any fees or other charges for its use of the site. The consideration to DISTRICT shall be the construction, operation and maintenance of facilities and the providing by CITY of recreational services to the citizens of CITY and DISTRICT.

4. CITY and DISTRICT shall work jointly in the planning of the park facility and programs to insure that the property

and recreation program used are developed to the best interest of both parties.

5. CITY agrees, prior to the construction of proposed facilities, which includes a portion of DISTRICT'S site, to consult with DISTRICT on all construction schedules. Construction shall begin at a time when funds become available and actual construction will not interfere with the educational processes of DISTRICT. CITY agrees to pay all costs of construction and development of the portion of the site to be used for park purposes. CITY agrees to consult with DISTRICT as to the type and specifications of equipment and facilities to be constructed on said site. Any buildings constructed by CITY shall meet all standards required by the Education Code. Their location and design is subject to approval by DISTRICT.

6. CITY shall have the responsibility for the efficient operation of a jointly-approved park program. The park and facilities shall be open on equal terms to all residents of CITY and DISTRICT. Use of the facilities by DISTRICT shall be without fee, and any operating expenses will be borne by CITY.

7. CITY agrees that it will maintain at its cost, the designated park site in an attractive manner as approved by DISTRICT, and will use all approved methods necessary to achieve and maintain said park site so as to be an asset to the neighborhood. That portion of all utilities used by CITY shall be paid by CITY. DISTRICT agrees to furnish the park area with drinking and irrigation water.

8. CITY shall name DISTRICT as coinsured in its liability policy and shall save and hold DISTRICT harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by CITY, on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by CITY in a safe condition or which might arise from activities supervised by employees of CITY

or DISTRICT. Initially, this liability policy shall be not less than One Million Dollars ($1,000,000). The adequacy of this amount shall be reviewed every five (5) years. DISTRICT shall save and hold CITY harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by DISTRICT on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by DISTRICT in a safe condition or which might arise from activities supervised by employees of CITY or DISTRICT.

9. This Community Recreation Agreement may be terminated by either party at any time and for any reason upon 180 days written notice to the other, termination to be effective June 30 of a fiscal year. If DISTRICT desires to exercise its right to terminate this agreement, DISTRICT shall reimburse CITY for the improvements placed on the site by CITY in an amount equal to the depreciated value of said improvements as of the date the cancellation is to be effective. In the event the parties cannot agree upon the depreciated value of the improvements, such value will be determined by an independent appraiser appointed by and satisfactory to DISTRICT and CITY. The expense of such appraisal shall be borne equally by both parties. In the event the parties shall not agree upon said appraiser, the presiding judge of the Superior Court for the State of California, County of Orange, shall appoint the appraiser.

In the event CITY chooses to exercise its right to terminate this agreement, all improvements placed on the site shall become the property of DISTRICT without the necessity of formal documentation of transfer. Should DISTRICT not want such improvements, CITY shall remove said improvements within six (6) months or less and return the site to its original condition insofar as possible. Upon any cancellation of this agreement,

CITY shall remove all personal property belonging to CITY. CITY'S liability insurance shall be written to cover any cancellation period until buildings are removed or title is received by DISTRICT.

10. All structures constructed on the site and all personal property placed or installed thereon by CITY and owned by CITY shall remain the property of CITY. At the termination of this agreement, CITY shall remove from the site, all structures and personal property belonging to CITY and shall return the site to its original condition insofar as possible unless DISTRICT indicates its desire, within thirty (30) days after such termination, to assume title to such improvements, in which case title thereto shall vest in DISTRICT without the necessity of formal documentation of transfer.

11. DISTRICT reserves the right to establish the hours of use in case a conflict arises between the community recreation program and the educational program of DISTRICT.

12. If the site or improvements thereon are destroyed by fire, war, earthquake, flood, storm or other casualty beyond the control of the parties hereto to such an extent that they cannot be restored to their previous condition within 120 days after the casualty, CITY shall have the option to restore the site and improvements thereon to their condition as of the date of the casualty. In the event CITY does not elect to perform such restoration, this agreement shall terminate and CITY shall remove all improvements and personal property from the site and return the site to its original condition, unless otherwise mutually agreed. If the site and improvements are destroyed by any of the causes enumerated above and in the event they can be restored within 120 days after the casualty, CITY shall restore them as soon as feasible and the agreement shall continue in full force and effect.

IN WITNESS WHEREOF, CITY, by order of its City Council, has caused this Community Recreation Agreement to be executed on its behalf by the Mayor of said City Council and attested by the Clerk thereof, and DISTRICT has caused this Community Recreation Agreement to be executed by its Board of Trustees.

DATED this 17th day of February, 1970.

CITY OF HUNTINGTON BEACH, a municipal corporation

By N. John V. V. Green
Mayor

ATTEST:

Paul C. Jones
City Clerk

APPROVED AS TO FORM:

Lou Ann Marshall
Asst City Attorney

DATED this 17th day of March, 1970.

OCEAN VIEW SCHOOL DISTRICT

By Ralph H. Dave
President, Board of Trustees

By G. James Shaffer
Clerk, Board of Trustees

APPROVED AS TO FORM:

County Counsel

2/7/72

GLENN VIEW

JOINT DEVELOPMENT - COMMUNITY RECREATION AGREEMENT

THIS AGREEMENT, hereinafter called Joint Development - Community Recreation Agreement, between the CITY OF Huntington Beach, California, a municipal corporation, hereinafter called "CITY" and the Ocean View School District, hereinafter called the "DISTRICT",

W I T N E S S E T H

WHEREAS, DISTRICT owns the property known as the Glen View School located at 6621 Glen Drive in the City of Huntington Beach California, on which an elementary school is located, and

CITY desires to use and develop a portion of the aforesaid property as a neighborhood park, and

It is in the best interests of CITY and DISTRICT that an agreement be entered into for the use of a portion of said Glen View School property for park and recreational purposes as hereinafter set forth;

NOW, THEREFORE, CITY and DISTRICT agree as follows:

1. That subject to conditions set forth, CITY is hereby granted the right to use the hereinafter described portion of Glen View School School property for park and recreational purposes. The said portion of property of Glen View School is as set forth on the map attached hereto, marked Exhibit "A" and by this reference made a part hereof.

2. This agreement shall be for a period of fifteen (15) years, commencing on the date this document is fully executed by all parties. At the end of fifteen (15) years, by mutual agreement, this agreement may be extended.

3. CITY shall not be required to pay any fees or other charges for its use of the site. The consideration to DISTRICT shall be the construction, operation and maintenance of facilities and the providing by CITY of recreational services to the citizens of CITY AND DISTRICT.

4. CITY and DISTRICT shall work jointly in the planning of the park facility and programs to insure that the property and recreation program used are developed to the best interest of both parties.

5. CITY agrees, prior to the construction of proposed facilities,

which includes a portion of DISTRICT'S site, to consult with DISTRICT on all construction schedules. Construction shall begin at a time when funds become available and actual construction will not interfere with the educational processes of DISTRICT. CITY agrees to pay all costs of construction and development of the portion of the site to be used for park purposes, and to repair any damage to DISTRICT'S sprinkler system, playground equipment and/or other district facilities or equipment, caused by reason of CITY developing site. CITY agrees to consult with DISTRICT as to the type and specifications of equipment and facilities to be constructed on said site. Any buildings constructed by CITY shall meet all standards required by the Education Code. Their location and design is subject to approval by DISTRICT.

6. City shall have the responsibility for the efficient operation of a jointly-approved park program. The park and facilities shall be open on equal terms to all residents of CITY and DISTRICT. Use of the facilities by DISTRICT shall be without fee, and any operating expenses will be borne by CITY.

7. CITY agrees that it will maintain at its cost, the designated park site in an attractive manner as approved by DISTRICT, and will use all approved methods necessary to achieve and maintain said park site so as to be an asset to the neighborhood. That portion of all utilities used by CITY shall be paid by CITY.

8. CITY shall name DISTRICT as coinsured in its liability policy and shall save and hold DISTRICT harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by CITY, on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by CITY in a safe condition or which might arise from activities supervised by employees of CITY OR DISTRICT. Initially, this liability policy shall be not less than One Million Dollars ($1,000,000.00). The adequacy of this amount shall be reviewed every five (5) years. DISTRICT shall save and hold CITY harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or

which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by DISTRICT on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by DISTRICT in a safe condition or which might arise from activities supervised by employees of CITY or DISTRICT.

9. This Joint Development - Community Recreation Agreement may be terminated by either party at any time and for any reason upon 180 days' written notice to the other, termination to be effective June 30 of a fiscal year. If DISTRICT desires to exercise its right to terminate this agreement, DISTRICT shall reimburse CITY for the improvements placed on the site by CITY in an amount equal to the depreciated value of said improvements as of the date the cancellation is to be effective. In the event the parties cannot agree upon the depreciated value of the improvements, such value will be determined by an independent appraiser appointed by, and satisfactory to, DISTRICT and CITY. The expense of such appraisal shall be borne equally by both parties. In the event the parties shall not agree upon said appraiser, the presiding judge of the Superior Court for the State of California, County of Orange, shall appoint the appraiser.

In the event CITY chooses to exercise its right to terminate this agreement, all improvements placed on the site shall become the property of DISTRICT without the necessity of formal documentation of transfer. Should DISTRICT not want such improvements, CITY shall remove said improvements within six (6) months or less and return the site to its original condition insofar as possible. Upon any cancellation of this agreement, CITY shall remove all personal property belonging to CITY. CITY'S liability insurance shall be written to cover any cancellation period until buildings are removed or title is received by DISTRICT.

10. All structures constructed on the site and all personal property placed or installed thereon by CITY and owned by CITY shall remain the property of CITY. At the termination of this agreement, CITY shall remove from the site all structures and personal property belonging to CITY and shall return the site to its original condition insofar as possible unless DISTRICT indicates

its desire, within thirty days after such termination, to assume title to such improvements, in which case title thereto shall vest in DISTRICT without the necessity of formal documentation of transfer.

11. DISTRICT reserves the right to establish the hours of use in case a conflict arises between the community recreation program and the educational program of DISTRICT.

12. If the site or improvements thereon are destroyed by fire, war, earthquake, flood, storm or other casualty beyond the control of the parties hereto to such an extent that they cannot be restored to their previous condition within 120 days after the casualty, CITY shall have the option to restore the site and improvements thereon to their condition as of the date of the casualty. In the event CITY does not elect to perform such restoration, this agreement shall terminate and CITY shall remove all improvements and personal property from the site and return the site to its original condition, unless otherwise mutually agreed. If the site and improvements are destroyed by any of the causes enumerated above and in the event they can be restored within 120 days after the casualty, CITY shall restore them as soon as feasible and the agreement shall continue in full force and effect.

IN WITNESS WHEREOF, CITY, by order of its City Council, has caused this Joint-Development - Community Recreation Agreement to be executed on its

behalf by the Mayor of said City Council and attested by the Clerk thereof, an DISTRICT has caused this Joint Development - Community Recreation Agreement to be executed by its Board of Education.

DATED this 23rd day of February, 1972.

CITY OF CITY OF HUNTINGTON BEACH,
a municipal corporation

By George C. McLaughlin
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DATED this 7th day of February, 1972.

OCEAN VIEW SCHOOL DISTRICT
OF ORANGE COUNTY, CALIFORNIA

By
President, Board of Education

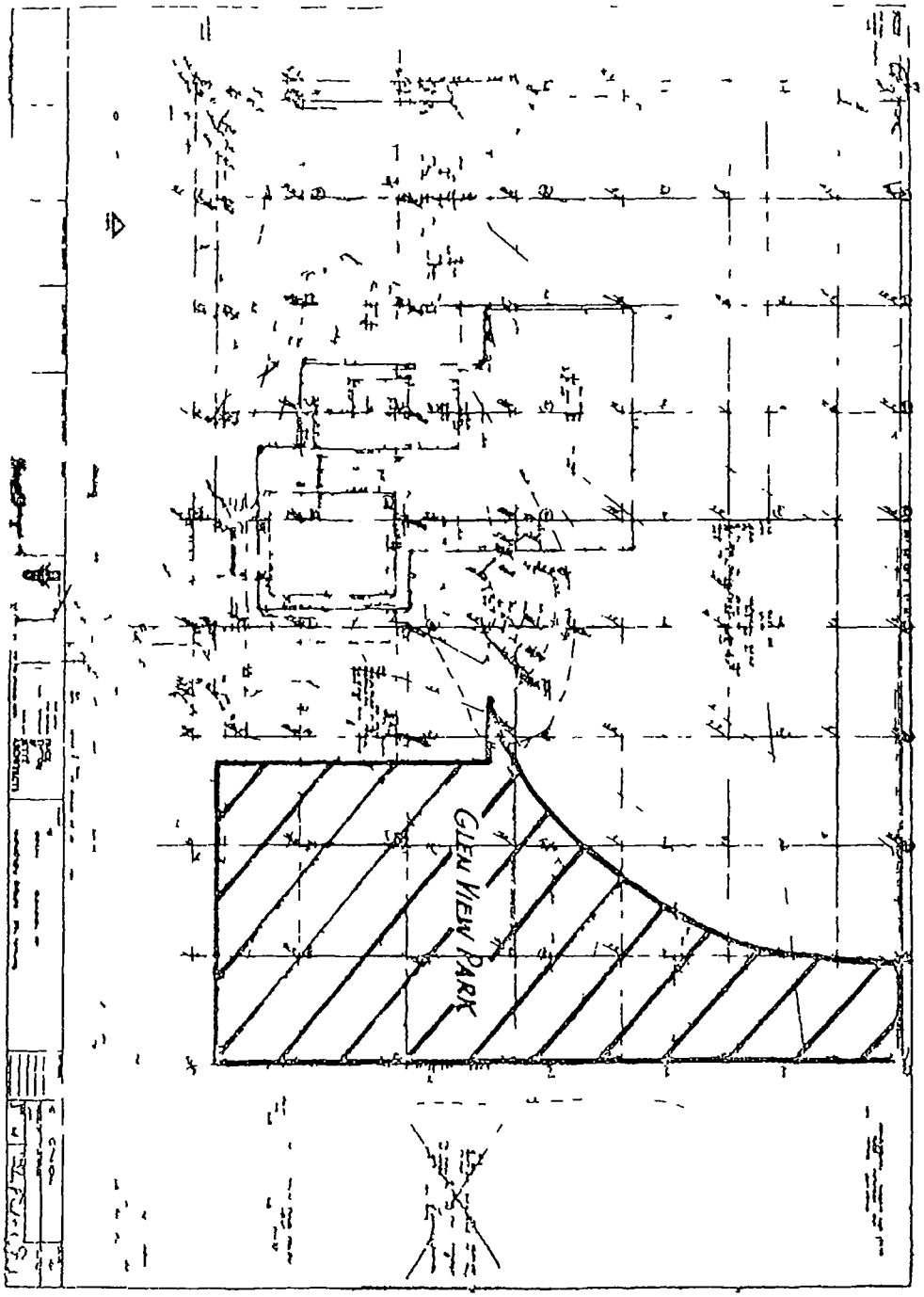
By
Clerk, Board of Education

APPROVED AS TO FORM:

County Counsel

APPROVED AS TO FORM
ADRIAN KUYPER, County Counsel
ORANGE COUNTY, CALIFORNIA

By John F. Powell
Deputy


GLEN VIEW PARK

3/23/72

HAVEN VIEW

JOINT DEVELOPMENT - COMMUNITY RECREATION AGREEMENT

THIS AGREEMENT, hereinafter called Joint Development - Community Recreation Agreement, between the CITY OF Huntington Beach, California a municipal corporation, hereinafter called "CITY" and the Ocean View School District, hereinafter called the "DISTRICT",

W I T N E S S E T H

WHEREAS, DISTRICT owns the property known as the Haven View School located at 16081 Waikiki Lane in the City of Huntington Beach California, on which an elementary school is located, and

CITY desires to use and develop a portion of the aforesaid property as a neighborhood park, and

It is in the best interests of CITY and DISTRICT that an agreement b entered into for the use of a portion of said Haven View School property for park and recreational purposes as hereinafter set forth;

NOW, THEREFORE, CITY and DISTRICT agree as follows:

1. That subject to conditions set forth, CITY is hereby granted th right to use the hereinafter described portion of Haven View School property for park and recreational purposes. The said portion of property of Haven View School is as set forth on the map attached hereto, marked Exhibit "A" and by this reference made a part hereof.

2. This agreement shall be for a period of fifteen (15) years, commencing on the date this document is fully executed by all parties. At the end of fifteen (15) years, by mutual agreement, this agreement may be extended.

3. CITY shall not be required to pay any fees or other charges for its use of the site. The consideration to DISTRICT shall be the construction, operation and maintenance of facilities and the providing by CITY of recreational services to the citizens of CITY AND DISTRICT.

4. CITY and DISTRICT shall work jointly in the planning of the par facility and programs to insure that the property and recreation program used are developed to the best interest of both parties.

5. CITY agrees, prior to the construction of proposed facilities,

which includes a portion of DISTRICT'S site, to consult with DISTRICT on all construction schedules. Construction shall begin at a time when funds become available and actual construction will not interfere with the educational processes of DISTRICT. CITY agrees to pay all costs of construction and development of the portion of the site to be used for park purposes, and to repair any damage to DISTRICT'S sprinkler system, playground equipment and/or other district facilities or equipment, caused by reason of CITY developing site. CITY agrees to consult with DISTRICT as to the type and specifications of equipment and facilities to be constructed on said site. Any buildings constructed by CITY shall meet all standards required by the Education Code. Their location and design is subject to approval by DISTRICT.

6. City shall have the responsibility for the efficient operation of a jointly-approved park program. The park and facilities shall be open on equal terms to all residents of CITY and DISTRICT. Use of the facilities by DISTRICT shall be without fee, and any operating expenses will be borne by CITY.

7. CITY agrees that it will maintain at its cost, the designated park site in an attractive manner as approved by DISTRICT, and will use all approved methods necessary to achieve and maintain said park site so as to be an asset to the neighborhood. That portion of all utilities used by CITY shall be paid by CITY.

8. CITY shall name DISTRICT as coinsured in its liability policy and shall save and hold DISTRICT harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by CITY, on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by CITY in a safe condition or which might arise from activities supervised by employees of CITY OR DISTRICT. Initially, this liability policy shall be not less than One Million Dollars ($1,000,000.00). The adequacy of this amount shall be reviewed every five (5) years. DISTRICT shall save and hold CITY harmless from any or all claims or causes of action fo injury to persons, including death, or damage to property resulting from or

which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by DISTRICT on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by DISTRICT in a safe condition or which might arise from activities supervised by employees of CITY or DISTRICT.

9. This Joint Development - Community Recreation Agreement may be terminated by either party at any time and for any reason upon 180 days' written notice to the other, termination to be effective June 30 of a fiscal year. If DISTRICT desires to exercise its right to terminate this agreement, DISTRICT shall reimburse CITY for the improvements placed on the site by CITY in an amount equal to the depreciated value of said improvements as of the date the cancellation is to be effective. In the event the parties cannot agree upon the depreciated value of the improvements, such value will be determined by an independent appraiser appointed by, and satisfactory to, DISTRICT and CITY. The expense of such appraisal shall be borne equally by both parties. In the event the parties shall not agree upon said appraiser, the presiding judge of the Superior Court for the State of California, County of Orange, shall appoint the appraiser.

In the event CITY chooses to exercise its right to terminate this agreement, all improvements placed on the site shall become the property of DISTRICT without the necessity of formal documentation of transfer. Should DISTRICT not want such improvements, CITY shall remove said improvements within six (6) months or less and return the site to its original condition insofar as possible. Upon any cancellation of this agreement, CITY shall remove all personal property belonging to CITY. CITY'S liability insurance shall be written to cover any cancellation period until buildings are removed or title is received by DISTRICT.

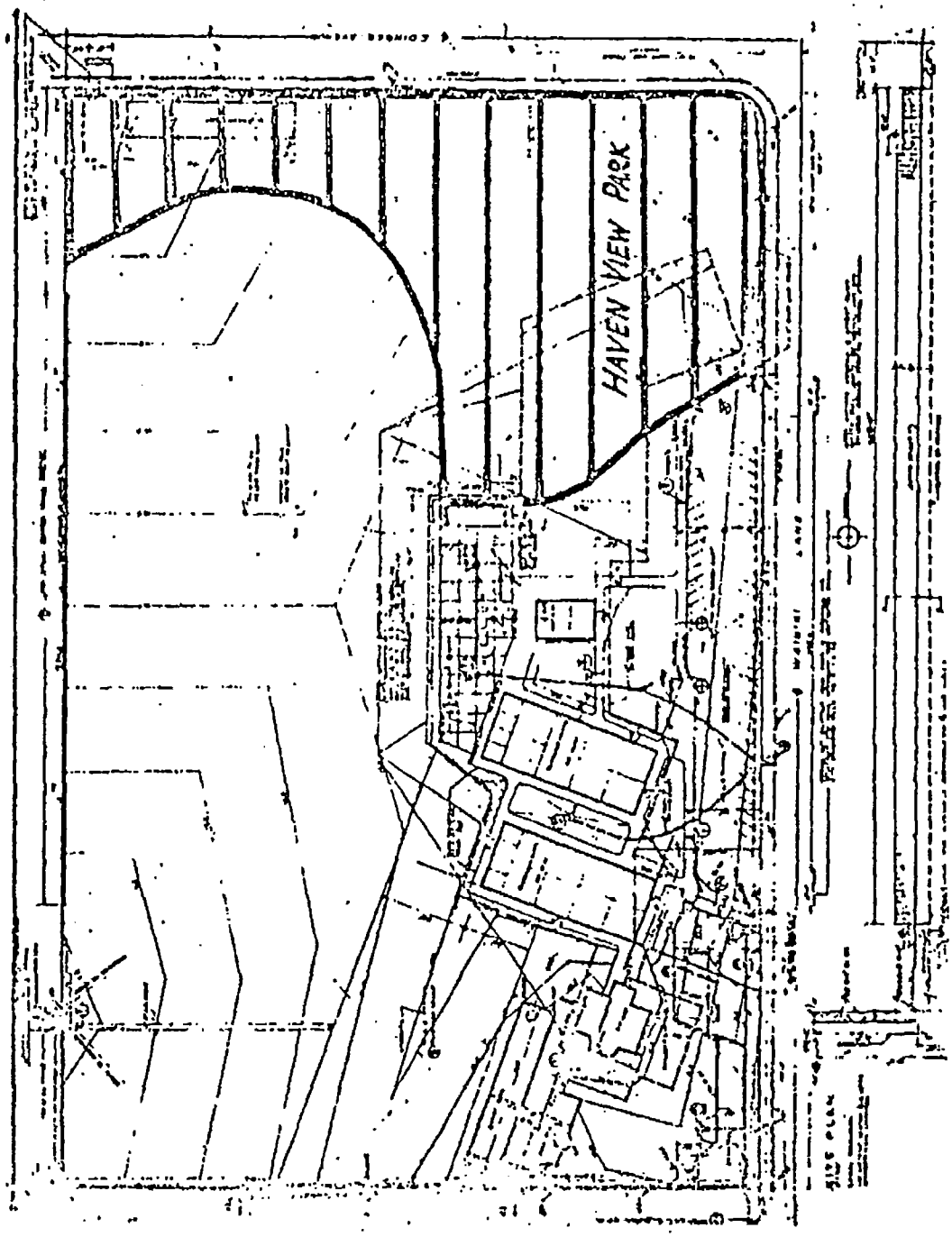
10. All structures constructed on the site and all personal property placed or installed thereon by CITY and owned by CITY shall remain the property of CITY. At the termination of this agreement, CITY shall remove from the site all structures and personal property belonging to CITY and shall return the site to its original condition insofar as possible unless DISTRICT indicates

its desire, within thirty days after such termination, to assume title to such improvements, in which case title thereto shall vest in DISTRICT without the necessity of formal documentation of transfer.

11. DISTRICT reserves the right to establish the hours of use in case a conflict arises between the community recreation program and the educational program of DISTRICT.

12. If the site or improvements thereon are destroyed by fire, war, earthquake, flood, storm or other casualty beyond the control of the parties hereto to such an extent that they cannot be restored to their previous condition within 120 days after the casualty, CITY shall have the option to restore the site and improvements thereon to their condition as of the date of the casualty. In the event CITY does not elect to perform such restoration, this agreement shall terminate and CITY shall remove all improvements and personal property from the site and return the site to its original condition, unless otherwise mutually agreed. If the site and improvements are destroyed by any of the causes enumerated above and in the event they can be restored within 120 days after the casualty, CITY shall restore them as soon as feasible and the agreement shall continue in full force and effect.

IN WITNESS WHEREOF, CITY, by order of its City Council, has caused this Joint Development - Community Recreation Agreement to be executed on its


HAVEN VIEW PARK

behalf by the Mayor of said City Council and attested by the Clerk thereof, and DISTRICT has caused this Joint Development - Community Recreation Agreement to be executed by its Board of Education

DATED this 23rd day of March, 1972

CITY OF CITY OF HUNTINGTON BEACH,
a municipal corporation

By George B. McCracken
Mayor

ATTEST:

Paul C. Jones
City Clerk

APPROVED AS TO FORM

City Attorney

DATED this 7th day of February, 1972

OCEAN VIEW SCHOOL DISTRICT
OF ORANGE COUNTY, CALIFORNIA

By
President, Board of Education

By James Clerk
Clerk, Board of Education

APPROVED AS TO FORM

County Counsel

APPROVED AS TO FORM
ORANGE COUNTY, CALIFORNIA
By Deputy

LAKE VIEW 2/17/70

ORIGINAL COPY
for Master File
MUST BE RETURNED
TO CITY CLERK

JOINT DEVELOPMENT - LAKE VIEW SCHOOL

COMMUNITY RECREATION AGREEMENT

THIS AGREEMENT, hereinafter called Community Recreation Agreement, between the CITY OF HUNTINGTON BEACH, a municipal corporation, hereinafter called "CITY and the OCEAN VIEW SCHOOL DISTRICT, hereinafter called "DISTRICT";

W I T N E S S E T H

WHEREAS, DISTRICT owns the property known as the Lake View School Site located at 17451 Zeider Lane, in the City of Huntington Beach on which an elementary school is located, and

CITY desires to use and develop a portion of the aforesaid property as a neighborhood park, and

It is in the best interests of CITY and DISTRICT that an agreement be entered into for the use of a portion of said Lake View School property for park and recreational purposes as hereinafter set forth;

NOW, THEREFORE, CITY and DISTRICT agree as follows:

1. That subject to conditions set forth, CITY is hereby granted the right to use the hereinafter described portion of Lake View School property for park and recreational purposes. The said portion of property of Lake View School is as set forth on the map attached hereto, marked Exhibit "A" and by this reference made a part hereof.

2. This agreement shall be for a period of fifteen (15) years, commencing on the date this document is fully executed by all parties. At the end of fifteen (15) years, by mutual agreement, this agreement may be extended.

3. CITY shall not be required to pay any fees or other charges for its use of the site. The consideration to DISTRICT shall be the construction, operation and maintenance of facilities and the providing by CITY of recreational services to the citizens of CITY and DISTRICT.

4. CITY and DISTRICT shall work jointly in the planning

of the park facility and programs to insure that the property and recreation program used are developed to the best interest of both parties.

5. CITY agrees, prior to the construction of proposed facilities, which includes a portion of DISTRICT'S site, to consult with DISTRICT on all construction schedules. Construction shall begin at a time when funds become available and actual construction will not interfere with the educational processes of DISTRICT. CITY agrees to pay all costs of construction and development of the portion of the site to be used for park purposes. CITY agrees to consult with DISTRICT as to the type and specifications of equipment and facilities to be constructed on said site. Any buildings constructed by CITY shall meet all standards required by the Education Code. Their location and design is subject to approval by DISTRICT.

6. CITY shall have the responsibility for the efficient operation of a jointly-approved park program. The park and facilities shall be open on equal terms to all residents of CITY and DISTRICT. Use of the facilities by DISTRICT shall be without fee, and any operating expenses will be borne by CITY.

7. CITY agrees that it will maintain at its cost, the designated park site in an attractive manner as approved by DISTRICT, and will use all approved methods necessary to achieve and maintain said park site so as to be an asset to the neighborhood. That portion of all utilities used by CITY shall be paid by CITY. DISTRICT agrees to furnish the park area with drinking and irrigation water.

8. CITY shall name DISTRICT as coinsured in its liability policy and shall save and hold DISTRICT harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by CITY, on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by CITY in a safe condition or which might arise from activities supervised by employees of CITY

or DISTRICT. Initially, this liability policy shall be not less than One Million Dollars ($1,000,000). The adequacy of this amount shall be reviewed every five (5) years. DISTRICT shall save and hold CITY harmless from any or all claims or causes of action for injury to persons, including death, or damage to property resulting from or which may arise by reason of any dangerous or defective condition of equipment or other improvements installed or constructed by DISTRICT on property owned by DISTRICT, or a failure to maintain said equipment and improvements installed or constructed by DISTRICT in a safe condition or which might arise from activities supervised by employees of CITY or DISTRICT.

9. This Community Recreation Agreement may be terminated by either party at any time and for any reason upon 180 days written notice to the other, termination to be effective June 30 of a fiscal year. If DISTRICT desires to exercise its right to terminate this agreement, DISTRICT shall reimburse CITY for the improvements placed on the site by CITY in an amount equal to the depreciated value of said improvements as of the date the cancellation is to be effective. In the event the parties cannot agree upon the depreciated value of the improvements, such value will be determined by an independent appraiser appointed by and satisfactory to DISTRICT and CITY. The expense of such appraisal shall be borne equally by both parties. In the event the parties shall not agree upon said appraiser, the presiding judge of the Superior Court for the State of California, County of Orange, shall appoint the appraiser.

In the event CITY chooses to exercise its right to terminate this agreement, all improvements placed on the site shall become the property of DISTRICT without the necessity of formal documentation of transfer. Should DISTRICT not want such improvements, CITY shall remove said improvements within six (6) months or less and return the site to its original condition insofar as possible. Upon any cancellation of this agreement,

CITY shall remove all personal property belonging to CITY. CITY'S liability insurance shall be written to cover any cancellation period until buildings are removed or title is received by DISTRICT.

10. All structures constructed on the site and all personal property placed or installed thereon by CITY and owned by CITY shall remain the property of CITY. At the termination of this agreement, CITY shall remove from the site, all structures and personal property belonging to CITY and shall return the site to its original condition insofar as possible unless DISTRICT indicates its desire, within thirty (30) days after such termination, to assume title to such improvements, in which case title thereto shall vest in DISTRICT without the necessity of formal documentation of transfer.

11. DISTRICT reserves the right to establish the hours of use in case a conflict arises between the community recreation program and the educational program of DISTRICT.

12. If the site or improvements thereon are destroyed by fire, war, earthquake, flood, storm or other casualty beyond the control of the parties hereto to such an extent that they cannot be restored to their previous condition within 120 days after the casualty, CITY shall have the option to restore the site and improvements thereon to their condition as of the date of the casualty. In the event CITY does not elect to perform such restoration, this agreement shall terminate and CITY shall remove all improvements and personal property from the site and return the site to its original condition, unless otherwise mutually agreed. If the site and improvements are destroyed by any of the causes enumerated above and in the event they can be restored within 120 days after the casualty, CITY shall restore them as soon as feasible and the agreement shall continue in full force and effect.

IN WITNESS WHEREOF, CITY, by order of its City Council, has caused this Community Recreation Agreement to be executed on its behalf by the Mayor of said City Council and attested by the Clerk thereof, and DISTRICT has caused this Community Recreation Agreement to be executed by its Board of Trustees.

DATED this 17th day of February, 1970.

CITY OF HUNTINGTON BEACH, a municipal corporation

By N. John V. V. Green
Mayor

ATTEST:

Paul C. Fonco
City Clerk

APPROVED AS TO FORM:

City Attorney

DATED this 17th day of March, 1970.

OCEAN VIEW SCHOOL DISTRICT

By Robert H. Bauer
President, Board of Trustees

By James Shafer
Clerk, Board of Trustees

APPROVED AS TO FORM:

County Counsel

Esparza, Patty

From: Surf City Pipeline [noreply@user.govoutreach.com]
Sent: Monday, July 15, 2013 10:26 AM
To: CITY COUNCIL; Agenda Alerts
Subject: Surf City Pipeline: Comment on an Agenda Item (notification)

Request # 14996 from the Government Outreach System has been assigned to Agenda Alerts.

Request type: Comment
Request area: City Council - Agenda & Public Hearing Comments
Citizen name: Mary Urashima
Description: Honorable Mayor Connie Boardman and City Council Members,

I encourage your support of Council Member Item #22 "Resolution requiring a minimum number of Electric Vehicle (EV) capable parking spaces for new residential, commercial and industrial developments."

The largest contributor to sustained, 24-hour air quality concerns in the South Coast Air Basin are automobiles. A study released in October, 2012, by UCLA's Institute of the Environment and Sustainability revealed that the 2011 "Carmageddon" resulted in a dramatic improvement in overall air quality, by 75 to 83 percent. The improved air quality extended for miles beyond the freeway.

One of the most significant measures we can take as a community is to establish now the infrastructure needed for the growing number of EV consumers. The easier it becomes to use alternative energy for transportation, the sooner we begin to achieve noticeable air quality improvements.

I also would suggest the Council institute a program that encourages existing retail centers to providing EV charging spaces. It can be a retail draw, as the user must wait approximately 30 minutes or more for their vehicle to charge. It is enough time for someone to enjoy a coffee or shop. Additionally, charging stations at our local parks or places like Shipley Nature Center are a perfect fit, as users may take the opportunity to enjoy these places while their vehicle is charged. This is an opportunity to encourage corporate sponsorship of charging stations, and partner with agencies such as CARB or SCAQMD to develop incentives for charging station installation.

Huntington Beach should take the lead and in addition to this proposed resolution, consider a long-term strategy regarding development of our own "electric highway" for residents and visitors.

Regards,

Mary Adams Urashima

Expected Close Date: 07/16/2013

Click here to access the request

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7/15/13

Agenda Item No. 22

RICHARDSON GRAY
415 Townsquare Lane #208, Huntington Beach, CA 92648
714-348-1928, richardson.gray@yahoo.com

2013 JUL 15 PM 2:21

HAND DELIVERED

July 12, 2013

Dear Mayor, Mayor Pro Tem, and Council Members:

For your July 15th meeting, I support your adoption of two agenda items, numbers 15 and 23. The first is Resolution No. 2013-30, directing the Chief of Police to protest any future "off-sale" ABC licenses for District 1 in Downtown. The second is Council Member Carchio's recommendation for a Downtown Task Force.

On the Downtown Task Force, I have a suggestion. In addition to Council Member Carchio's recommended members, I suggest six more. To balance the seven business representatives, I suggest that the Task Force should have three more representatives from Downtown's residential neighborhoods, bringing their number to a matching total of seven. Furthermore, I suggest that the Task Force should include three representatives from Downtown's nearby public schools, one each from Smith Elementary, Dwyer Middle, and Huntington Beach High.

My suggestion comes from the idea that our Downtown is just as much an affluent, established residential neighborhood as it is a tourist district. As such, the Downtown neighborhoods should have at least an equal voice with the tourist interests. In that the Downtown tourist district impacts the nearby schools, the parents and schoolchildren who live in our Downtown neighborhoods, too, should have an important voice concerning our tourist district. A strong quality of life for our surrounding Downtown neighborhoods and for our public schools is crucial to the long-term success of our tourist district.

I have two telling personal anecdotes on this subject. One of Downtown's major resident leaders recently sold his home and moved to another area of the City, largely due to his and his wife's fears about the bad influence that our overly rowdy Downtown tourist district was having on their young children. As he put it to me, those forty Downtown bars are never going away. For another example, my best friend of the last six years, who lives in Anaheim, a city with a much higher crime rate than Huntington Beach, will not allow her sixteen-year-old daughter to visit our Downtown, even during the days. She is fearful for her daughter's safety here.

Again, I urge you to adopt these two agenda items. Thank you for your consideration.

Sincerely yours,

Richardson Gray

SUPPLEMENTAL COMMUNICATION

Meeting Date: 7-15-13

Agenda Item No. 23

cc: Fred A. Wilson, City Manager; Joan L. Flynn, City Clerk; Kenneth W. Small, Chief of Police; Scott Hess, AICP, Director of Planning