

CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



AGENDA

Joint REGULAR Meeting

Wednesday, December 13, 2017 * 6:00 P. M.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

PUBLIC MEETING ACCESS

The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live on Cox Communications-Channel 19, Time Warner-Channel 24, and AT&T U-verse Channel 99. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's website.

AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is available at City Hall, the Solana Beach Branch Library (157 Stevens Ave.), La Colonia Community Ctr., and online www.cityofsolanabeach.org. Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings. Writings and documents regarding an agenda of an open session meeting, received after the official posting, and distributed to the Council for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be uploaded online with the courtesy agenda posting. Materials submitted for consideration should be forwarded to the City Clerk's department 858-720-2400. The designated location for viewing public documents is the City Clerk's office at City Hall during normal business hours.

SPEAKERS

Please submit a speaker slip to the City Clerk prior to the meeting, or the announcement of the Section/Item, to provide public comment. Allotted times for speaking are outlined on the speaker's slip for each agenda section: Oral Communications, Consent, Public Hearings and Staff Reports.

AMERICAN DISABILITIES ACT TITLE 2

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

CITY COUNCILMEMBERS

Mike Nichols, Mayor

Ginger Marshall, Deputy Mayor

David A. Zito, Councilmember

Jewel Edson, Councilmember

Judy Hegenauer, Councilmember

Gregory Wade
City Manager

Johanna Canlas
City Attorney

Angela Ivey
City Clerk

SPEAKERS:

Please submit your speaker slip to the City Clerk prior to the meeting or the announcement of the Item. Allotted times for speaking are outlined on the speaker's slip for Oral Communications, Consent, Public Hearings and Staff Reports.

READING OF ORDINANCES AND RESOLUTIONS:

Pursuant to Solana Beach Municipal Code Section 2.04.460, at the time of introduction or adoption of an ordinance or adoption of a resolution, the same shall not be read in full unless after the reading of the title, further reading is requested by a member of the Council. If any Councilmember so requests, the ordinance or resolution shall be read in full. In the absence of such a request, this section shall constitute a waiver by the council of such reading.

CALL TO ORDER AND ROLL CALL:

CLOSED SESSION REPORT: (when applicable)

FLAG SALUTE:

APPROVAL OF AGENDA:

C. STAFF REPORTS: (C.1.)

Submit speaker slips to the City Clerk.

C.1. Annual Mayoral Rotation: Mayor / Deputy Mayor Appointments. (File 0430-20)

Recommendation: That the City Council

1. Nominate and Appoint the 2018 Mayor and Deputy Mayor for a term of December 13, 2017 to December 12, 2018.
 - a. Mayor calls for a nomination of a new Mayor. Call for the vote.
 - b. Newly appointed Mayor calls for nomination of a Deputy Mayor. Call for the vote.

[Item C.1. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

PROCLAMATIONS/CERTIFICATES: *Ceremonial*

None at the posting of this agenda

PRESENTATIONS: *Ceremonial items that do not contain in-depth discussion and no action/direction.*

None at the posting of this agenda

ORAL COMMUNICATIONS:

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

An opportunity for City Council to make brief announcements or report on their activities. These items are not agendaized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. - A.5.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for October 28, 2017 through November 24, 2017.

[Item A.1. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.2. General Fund Adopted Budget for Fiscal Year 2017-2018 Changes. (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2017-2018 General Fund Adopted Budget.

[Item A.2. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.3. Underground Utility District along Nardo, Granados, Rios, Corto, Lirio, Palmitas and Via de Vista. (File 1010-90)

Recommendation: That the City Council

1. Adopt **Resolution 2017-158**, approving the payment to SDG&E of \$53,710 from the City's share of CPUC Rule 20A funds in seed money to cover the design costs for the preparation of preliminary plans and preliminary cost estimate by SDG&E for the Nardo/Granados/Rios Underground Utility District that would include properties along Nardo Avenue, South Granados Avenue, South Rios Avenue, Corto Street, Lirio Street, Palmitas Street and Via de Vista.

[Item A.3. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.4. Residential Solid Waste Management Agreement. (File 1030-15)

Recommendation: That the City Council

1. Adopt **Resolution 2017-170** authorizing the assignment of the residential solid waste management Franchise Agreement from Coast Waste Management to EDCO Waste and Recycling Services; and
2. Authorize the City Manager to negotiate a new comprehensive Franchise Agreement with EDCO for consideration by Council at a future Council meeting.

[Item A.4. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.5. Community Grant Program Awards. (File 0330-25)

Recommendation: That the City Council

1. Adopt **Resolution 2017-171** authorizing the funding for all community grant applicants for financial assistance under the Fiscal Year 2017-18 Community Grant Program.

[Item A.5. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

NOTE: The City Council shall not begin a new agenda item after 10:30 p.m. unless approved by a unanimous vote of all members present. (SBMC 2.04.070)

B. PUBLIC HEARINGS: (B.1. – B.4.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designees for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.1. Public Hearing: 201 Lomas Santa Fe, Applicant: AT&T Mobility, Case 17-17-15.
(File 0610-60)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council disclosures, Receive public testimony, Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15301 of the State CEQA Guidelines; and
3. Adopt **Resolution 2017-167** conditionally approving a Conditional Use Permit (CUP), Development Review Permit (DRP) and Structure Development Permit (SDP) for a new WCF and associated equipment located on the roof of an existing commercial office building at 201 Lomas Santa Fe, Solana Beach.

[Item B.1. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

B.2. Public Hearing: 225 Pacific Avenue, Applicants: Mark and Felicia Barr, Case 17-12-21. (File 0600-40)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the Council can make the required findings, adopt **Resolution 2017-138**, approving the request for a Development Review Permit (DRP) and Structure Development Permit (SDP) modification for the proposed single-family residence and attached garage at 225 Pacific Avenue.

[Item B.2. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

B.3. Public Hearing: 781 E. Solana Circle, Applicant: Corsetti, Case 17-17-25. (File 0600-40)

Recommendation: That the City Council

The proposed project meets the minimum objective requirements under the Park Del Mar Development regulations and the underlying SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2017-166** conditionally approving a Development Review Permit (DRP) modification to allow for the construction of a 894 square foot addition to the existing, one-story, single-family residence and garage at 781 East Solana Circle.

[Item B.3. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

B.4. Public Hearing: Introduce (1st Reading) Ordinance 484 - Solana Beach Floodplain Overlay Zone to Comply with the National Flood Insurance Program. (File 0850-20)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing.
2. If the Council could make the findings as required under SMBC section 17.76.070, introduce **Ordinance 484** to amend the Solana Beach Floodplain Overlay Zone (Sections 17.80.020, 17.80.090 and 17.80.120) of the SBMC.

[Item B.4. Report \(click here\)](#)

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C. STAFF REPORTS: (C.2. - C.5.)

Submit speaker slips to the City Clerk.

C.2. Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016-17. (File 0310-22)

Recommendation: That the City Council

1. Accept and file the City of Solana Beach Comprehensive Annual Financial Report (CAFR) for the fiscal year July 1, 2016 – June 30, 2017.
2. Accept and file the Communication of Internal Control related matters identified in an Audit letter.
3. Accept and file the Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets letter.
4. Accept and file the Auditor's Communication with those charged with Governance letter.
5. Accept and file the Report on Compliance for the Housing Successor.

[Item C.2. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C.3. La Colonia Skate Park. (File 0720-30)

Recommendation: That the City Council

1. Provide feedback on the various design elements including:
 - a. The updated Skate Park design including signage and the donor wall;
 - b. The options for the sound wall and/or noise attenuation barrier along the northern boundary of the Skate Park;
 - c. The full mini full basketball court concepts and alignments; and
2. Adopt **Resolution 2017-159**:
 - a. Finding that the Project is exempt from CEQA pursuant to Section 15332 (In-fill Development Projects) of the State CEQA Guidelines.
 - b. Authorizing the City Engineer to complete the design plans and specifications package and advertise for construction bids.

[Item C.3. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C.4. Adopt (2nd Reading) Ordinance 483 Establishing a Community Choice Aggregation (CCA) Program. (File 1010-40)

Recommendation: That the City Council

1. Adopt **Ordinance 483** to establish the Solana Beach CCA program.

[Item C.4. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C.5. Adopt (2nd Reading) Ordinance 482 Related to Minimum Average Workspace.
(File 0610-10)

Recommendation: That the City Council

1. Adopt (2nd Reading) **Ordinance 482** adding Section 17.60.200 to the SBMC to establish a minimum average workspace of at least 125 square feet per employee working in a business space.

[Item C.5. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

WORKPLAN COMMENTS:

Adopted June 8, 2016

COMPENSATION & REIMBURSEMENT DISCLOSURE:

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

COUNCIL COMMITTEE REPORTS:

Regional Committees: (outside agencies, appointed by this Council)

- a. City Selection Committee (meets twice a year) – Nichols (Edson, alternate).
- b. County Service Area 17 – Marshall (Nichols, alternate).
- c. Escondido Creek Watershed Authority – Marshall/Staff (no alternate).
- d. League of Ca. Cities' San Diego County Executive Committee – Nichols (Edson, alternate) and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee – Nichols (Edson, alternate)
- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG) – Nichols (Edson, alternate)
- g. North County Dispatch JPA – Marshall (Edson, alternate).
- h. North County Transit District – Edson (Nichols, alternate)
- i. Regional Solid Waste Association (RSWA) – Nichols (Hegenauer, alternate).
- j. SANDAG – Zito (Primary), Edson (1st alternate), Nichols (2nd alternate) and any subcommittees.
- k. SANDAG Shoreline Preservation Committee – Zito (Hegenauer, alternate).
- l. San Dieguito River Valley JPA – Hegenauer (Nichols, alternate).
- m. San Elijo JPA – Marshall, Zito (City Manager, alternate).
- n. 22nd Agricultural District Association Community Relations Committee – Marshall, Edson.

Standing Committees: (All Primary Members) (Permanent Committees)

- a. Business Liaison Committee – Zito, Edson.
- b. Solana Beach-Del Mar Relations Committee – Nichols, Zito
- c. Highway 101 / Cedros Ave. Development Committee – Edson, Nichols.
- d. Fire Dept. Management Governance & Organizational Evaluation – Edson, Hegenauer
- e. I-5 Construction Committee – Zito, Edson.
- f. Parks and Recreation Committee – Nichols, Zito
- g. Public Arts Committee – Marshall, Hegenauer.
- h. School Relations Committee – Nichols, Hegenauer.

ADJOURN:

Next Regularly Scheduled Meeting is January 10, 2018

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO } §
CITY OF SOLANA BEACH }

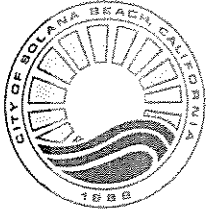
I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the December 13, 2017 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on December 6, 2017 at 3:15 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 6:00 p.m., December 13, 2017, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk
City of Solana Beach, CA

UPCOMING CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:

Regularly Scheduled, or Special Meetings that have been announced, as of this Agenda Posting. Dates, times, locations are all subject to change. See the City's Commission's website or the City's Events Calendar for updates.

- **Budget & Finance Commission**
Thursday, December 21, 2017, 6:30 p.m. (City Hall)
- **Climate Action Commission**
Wednesday, December 20, 2017, 5:30 p.m. (City Hall)
- **Parks & Recreation Commission**
Thursday, December 14, 2017, 4:00 p.m. (Fletcher Cove Community Center)
- **Public Arts Commission**
Tuesday, December 26, 2017, 5:30 p.m. (City Hall)
- **View Assessment Commission**
Tuesday, December 19, 2017, 6:00 p.m. (Council Chambers)



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Finance
SUBJECT: Register of Demands

BACKGROUND:

Section 3.04.020 of the Solana Beach Municipal Code requires that the City Council ratify a register of demands which represents all financial demands made upon the City for the applicable period.

Register of Demands- 10/28/17 through 11/24/17		
Check Register-Disbursement Fund (Attachment 1)		\$ 569,302.51
Council Payroll	November 2, 2017	3,997.66
Federal & State Taxes	November 2, 2017	429.15
PERS Retirement (EFT)	November 2, 2017	518.00
Net Payroll	November 3, 2017	212,559.03
Federal & State Taxes	November 3, 2017	68,589.58
PERS Retirement (EFT)	November 3, 2017	43,227.92
Retirement Payroll	November 15, 2017	9,539.00
Net Payroll	November 15, 2017	169.78
Federal & State Taxes	November 15, 2017	6.80
PERS Retirement (EFT)	November 15, 2017	53.74
		<hr/>
TOTAL		\$ <u>908,393.17</u>

DISCUSSION:

Staff certifies that the register of demands has been reviewed for accuracy, that funds are available to pay the above demands, and that the demands comply with the adopted budget.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

The register of demands for October 28, 2017 through November 24, 2017 reflects total expenditures of \$908,393.17 from various City funding sources.

CITY COUNCIL ACTION: _____

WORK PLAN:

N/A

OPTIONS:

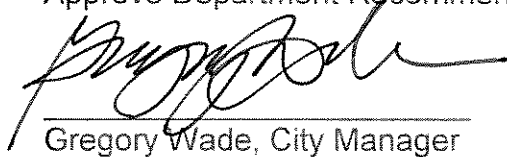
- Ratify the register of demands.
- Do not ratify and provide direction.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council ratify the above register of demands.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Check Register – Disbursement Fund

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

PENTAMATION
DATE: 11/22/2017
TIME: 06:47:27

SELECTION CRITERIA: transact.gl_cash='1011' and transact.chk_date between '20171026 00:00:00.000' and '20171124 00:00:00.000'
ACCOUNTING PERIOD: 5/18

CASH ACCT CHECK NO	ISSUE DT VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT	
FUND - 001 - GENERAL FUND							
1011	91322	11/02/17 1135	AFFORDABLE PIPELINE SERV 00165006530	H-STORM DRAIN MAINT	0.00	1,140.00	
1011	91322	11/02/17 1135	AFFORDABLE PIPELINE SERV 45992376510	9327.60-CCTV/CLN STRM	0.00	778.50	
TOTAL CHECK							1,918.50
1011	91323	11/02/17 2137	AFLAC 001	OCTOBER 17	0.00	980.68	
1011	91324	11/02/17 4815	ATLAS ENVIRONMENTAL SERV 00165006530	ARRKST SVC-502 PACIFI	0.00	240.00	
1011	91325	11/02/17 5174	MEGAN BAVIN 00158005400	TTC TRAINING-BAVIN	0.00	1,750.00	
1011	91326	11/02/17 2424	BJ'S RENTALS 00165006530	ELECTRIC BOOM - FS	0.00	429.31	
1011	91327	11/02/17 4602	SAN CASTELLANO 00178007110	TREE LIGHTING-SOUND	0.00	375.00	
1011	91328	11/02/17 1561	CDW GOVERNMENT INC 00158005450	EMAIL FILTERING	0.00	1,650.00	
1011	91329	11/02/17 3551	CITY NATIONAL BANK 32008007230	CHVRON #12-015 12/08	0.00	10,617.26	
1011	91329	11/02/17 3551	CITY NATIONAL BANK 31708007210	ABAG#11-02212/01	0.00	13,892.40	
1011	91329	11/02/17 3551	CITY NATIONAL BANK 32008007230	CHVRON #12-015 12/08	0.00	24,569.75	
1011	91329	11/02/17 3551	CITY NATIONAL BANK 31708007210	ABAG#11-02212/01	0.00	126,800.00	
TOTAL CHECK							175,879.41
1011	91330	11/02/17 1388	CITY OF CARLSBAD 00165006520	WOIP COST SHR FY17/18	0.00	314.92	
1011	91331	11/02/17 1295	CITY OF DEL MAR 001	SPRNG 17 FIRE 98CLASS	0.00	2,016.00	
1011	91332	11/02/17 4279	CITY PLACE PLANNING, INC 21355005550	1714.08 AAT SOLANA 101	0.00	1,237.50	
1011	91332	11/02/17 4279	CITY PLACE PLANNING, INC 21355005550	1714.08 AAT SOLANA 10	0.00	1,017.50	
TOTAL CHECK							2,255.00
1011	91333	11/02/17 127	COX COMMUNICATIONS INC 00158005450	CTVINTPMT 10/19-11/18	0.00	530.30	
1011	91334	11/02/17 134	DIXIELINE LUMBER CO INC 00165006560	BATHRM SIGN/MNT TAPE	0.00	99.45	
1011	91334	11/02/17 134	DIXIELINE LUMBER CO INC 00165006560	HEX BOLT	0.00	2.02	
1011	91334	11/02/17 134	DIXIELINE LUMBER CO INC 00165006560	TRUCK BED SCREW	0.00	11.63	
TOTAL CHECK							113.09
1011	91335	11/02/17 4808	DONROE & ASSOCIATES, INC 00158005400	PT MNGMT ANALYST-EXAN	0.00	440.00	
1011	91336	11/02/17 269	DUDEK & ASSOCIATES INC. 21355005550	1714.29/661-781 NARDG	0.00	965.00	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 07/03-07/07	0.00	1,786.63	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 10/02-10/06	0.00	2,768.76	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 07/24-07/28	0.00	6,132.96	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 10/09-10/13	0.00	8,426.14	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 08/14-08/18	0.00	10,376.28	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 07/17-07/21	0.00	18,989.54	
1011	91337	11/02/17 94	ESGIL CORPORATION 00155005560	BLDG PRMT 09/11-09/15	0.00	26,006.45	
TOTAL CHECK							74,486.76
1011	91338	11/02/17 1792	HARRIS & ASSOC. INC. 21355005550	1715.15 PROF SVC-SEPT	0.00	146.25	

CITY OF SOLANA BEACH, CA
 CHECK REGISTER - DISBURSEMENT FUND

PERMATION
 DATE: 11/22/2017
 TIME: 08:47:27

SELECTOR CRITERIA: transact_gl_cash='1011' and transact_ck_date between '2017028 00:00:00.000' and '20171124 00:00:00.000'
 ACCOUNTING PERIOD: 5/18

FUND - 001 - GENERAL FUND		CASH ACCT CHECK NO	ISSUE DT VENDOR	NAME	BUDGET UNIT	DESCRIPTION	SALES TAX	AMOUNT
1011	91339	11/02/17 11	ICMA RETIREMENT TRUST-45 001	ICMA PD 11/02/17	0.00	6,868.87		
1011	91339	11/02/17 11	ICMA RETIREMENT TRUST-45 001	ICMA PD 11/03/17	0.00	8,439.75		
	TOTAL CHECK				0.00	15,308.62		
1011	91340	11/02/17 3859	ICMA RETIREMENT TRUST-RH 001	ICMA PD 11/03/17	0.00	1,999.06		
1011	91341	11/02/17 5126	KDM MERIDIAN	9903 LCP DETL MARNG	0.00	1,040.00		
1011	91342	11/02/17 4861	PATRICIA KLASSEN	RFRD 10/21/17 FCCC	0.00	500.00		
1011	91343	11/02/17 2102	LEGAL SHIELD CORP	PEP LEGAL-OCT 17	0.00	90.65		
1011	91344	11/02/17 111	MISSION LINEN & UNIFORM	LAUNDRY-PUB WORKS	0.00	1.58		
1011	91344	11/02/17 111	MISSION LINEN & UNIFORM	LAUNDRY-PUB WORKS	0.00	6.32		
1011	91344	11/02/17 111	MISSION LINEN & UNIFORM	LAUNDRY-PUB WORKS	0.00	7.10		
1011	91344	11/02/17 111	MISSION LINEN & UNIFORM	LAUNDRY-PUB WORKS	0.00	7.11		
1011	91344	11/02/17 111	MISSION LINEN & UNIFORM	LAUNDRY-PUB WORKS	0.00	12.64		
	TOTAL CHECK				0.00	34.75		
1011	91345	11/02/17 5129	KAYLA MOSHNI	MOSHNI BIKESHR 10/23	0.00	36.94		
1011	91346	11/02/17 4670	NATIONAL AUTO FLEET GROU	4ND COLORADO ID#2834	0.00	31,228.96		
1011	91346	11/02/17 4670	NATIONAL AUTO FLEET GROU	2ND COLORADO ID#2988	0.00	25,844.88		
	TOTAL CHECK				0.00	57,073.84		
1011	91347	11/02/17 50	OFFICE DEPOT INC	BATTERIES	0.00	21.74		
1011	91347	11/02/17 50	OFFICE DEPOT INC	PRINTER DRUMS	0.00	75.19		
	TOTAL CHECK				0.00	96.93		
1011	91348	11/02/17 1377	ONE DAY SIGNS	TREE LIGHT BANNERS	0.00	517.20		
1011	91349	11/02/17 5325	ONSTREAM SYSTEMS	OCR PROG 02/17-02/18	0.00	70.62		
1011	91350	11/02/17 4570	ROBERT PARKER	TREE LIGHT MUSIC-12/3	0.00	300.00		
1011	91351	11/02/17 4767	PARTNERSHIPS WITH INDUSTRY	TRASH ABTMT PE10/15	0.00	1,246.92		
1011	91352	11/02/17 1112	RANCHO SANTA FE SECURITY	RESTRM LCK/UNLOCK-OCT	0.00	515.00		
1011	91352	11/02/17 1112	RANCHO SANTA FE SECURITY	ALARM MONITORING-OCT	0.00	174.50		
	TOTAL CHECK				0.00	689.50		
1011	91353	11/02/17 5338	RODOLFO MIGUEL RODRIGUEZ	GOA CIRCUIT-HIST MUSM	0.00	500.00		
1011	91354	11/02/17 1416	SANTA FE IRRIGATION DIST	005506014 0802-090217	0.00	184.17		
1011	91354	11/02/17 1416	SANTA FE IRRIGATION DIST	005506014 0902-100217	0.00	212.72		
1011	91354	11/02/17 1416	SANTA FE IRRIGATION DIST	005506014 0802-090217	0.00	552.53		
1011	91354	11/02/17 1416	SANTA FE IRRIGATION DIST	005506014 0902-100217	0.00	638.18		
	TOTAL CHECK				0.00	1,587.58		
1011	91355	11/02/17 1073	SEASIDE HEATING & AIR CO	HVAC MAINT-OCT FC	0.00	40.00		
1011	91355	11/02/17 1073	SEASIDE HEATING & AIR CO	HVAC MAINT-OCT FS	0.00	120.00		
1011	91355	11/02/17 1073	SEASIDE HEATING & AIR CO	HVAC MAINT-OCT-CH	0.00	214.00		

PENTAMATION
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CITY OF SOLAWA BEACH, CA
 CHECK REGISTER - DISBURSEMENT FUND

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SELECTION CRITERIA: transact_gl_cash='1011' and transact_ck_date between '20171028 00:00:00.000' and '20171124 00:00:00.000'
 ACCOUNTING PERIOD: 5/18

FUND - 001 - GENERAL FUND

CASH ACCT CHECK NO	ISSUE DT	VENDOR NAME	SUBJECT UNIT	DESCRIPTION	SALES TAX	AMOUNT
TOTAL CHECK						374.00
1011	91356	11/02/17 13	SOLAWA BEACH FIREFIGHTER 001	FD DUES PD 11/03/17	0.00	778.50
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005350	FOLDERS	0.00	6.55
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00170007100	DESK CAL	0.00	12.91
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005350	BINDER/CONDIMENTS	0.00	16.35
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005350	COLOR PENCILS	0.00	24.45
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005350	NOTE PAD/HAND SOAP	0.00	27.83
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00170007100	TOOL BOX	0.00	37.27
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005200	LABEL DIVIDERS/BINDER	0.00	139.16
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005300	CALCLTR/STAPLER/HSPAD	0.00	158.16
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005350	COPY PAPER	0.00	218.66
1011	91357	11/02/17 1231	STAPLES CONTRACT & COMME 00150005400	PLASTIC CART	0.00	237.69
TOTAL CHECK					0.00	879.13
1011	91358	11/02/17 1124	THE CENTRE FOR ORGANIZAT 001	ANDREWS-ORG TRN 2017	0.00	775.00
1011	91359	11/02/17 12	UNITED WAY OF SAN DIEGO 001	UNITED WAY 11/03/17	0.00	70.00
1011	91360	11/02/17 2097	UT SAN DIEGO - NRTH COUN 00155005550	PUB HRNG-LUPA/PRIN FE	0.00	319.62
1011	91360	11/02/17 2097	UT SAN DIEGO - NRTH COUN 00155005550	PUB HRNG-ORD 482	0.00	319.62
TOTAL CHECK					0.00	639.24
1011	91361	11/02/17 3242	VAN DYRE LANDSCAPE ARCHI 25055005570	FIRE STN ART REVIEW	0.00	4,833.00
1011	91362	11/02/17 3723	WAGERORKS 00150005400	FSA ADMIN-OCT	0.00	113.00
1011	91363	11/02/17 4763	WESTERN AUDIO VISUAL 00150005450	CHAMBERS TECH-OCT	0.00	499.00
1011	91364	11/09/17 1694	ALERT-ALL CORP 00160006120	FIRE HATS	0.00	322.18
1011	91365	11/09/17 1122	APPLE ONE, INC 00150005150	TEMP HELP FE 10/21	0.00	969.84
1011	91365	11/09/17 1122	APPLE ONE, INC 00150005150	TEMP HELP FE 10/28	0.00	1,185.36
TOTAL CHECK					0.00	2,155.20
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00160006140	AUTO FUEL 10/03-11/02	0.00	315.34
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00160006170	AUTO FUEL 10/03-11/02	0.00	359.58
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00165006530	AUTO FUEL 10/03-11/02	0.00	401.18
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00165006520	AUTO FUEL 10/03-11/02	0.00	442.66
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00170007110	AUTO FUEL 10/03-11/02	0.00	44.70
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00165006560	AUTO FUEL 10/03-11/02	0.00	83.90
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00165006570	AUTO FUEL 10/03-11/02	0.00	138.33
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00165006510	AUTO FUEL 10/03-11/02	0.00	152.16
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 00160006120	AUTO FUEL 10/03-11/02	0.00	155.20
1011	91366	11/09/17 3704	ARCO GASPRO PLUS 50900007700	AUTO FUEL 10/03-11/02	0.00	166.00
TOTAL CHECK					0.00	2,258.15
1011	91367	11/09/17 4832	AT&T CALNET 3 00160006150	9391012275 9/24-10/23	0.00	164.24
1011	91367	11/09/17 4832	AT&T CALNET 3 00165006540	9391012279 9/24-10/23	0.00	44.33
1011	91367	11/09/17 4832	AT&T CALNET 3 50900007700	9391012277 9/24-10/23	0.00	13.04
TOTAL CHECK					0.00	221.61

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

SELECTION CRITERIA: transect.gl_cash='1011' and transect.chk_date between '20171028 00:00:00.000' and '20171124 00:00:00.000'
ACCOUNTING PERIOD: 5/18

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	DESCRIPTION	SALES TAX	AMOUNT
1011	91368	11/09/17	5174	MEGAN BAVIN	001	BAVIN-TTC-9/12-15	0.00	-539.94
1011	91368	11/09/17	5174	MEGAN BAVIN	00150005150	BAVIN-TTC-9/12-15	0.00	621.05
	TOTAL CHECK						0.00	81.11
1011	91369	11/09/17	5320	BAYSHORE CONSULTING GROU	45999055550	9905.02 PROF SVC-OCT	0.00	2,510.16
1011	91370	11/09/17	263	BOOT WORLD, INC.	00165006560	BOOTS-BORRONEO	0.00	45.69
1011	91370	11/09/17	263	BOOT WORLD, INC.	00165006530	BOOTS-BORRONEO	0.00	47.59
1011	91370	11/09/17	263	BOOT WORLD, INC.	00165006520	BOOTS-BORRONEO	0.00	56.72
	TOTAL CHECK						0.00	150.00
1011	91371	11/09/17	4967	RONALD BORRONEO	00165006520	REINB-RORK BOOTS	0.00	14.85
1011	91372	11/09/17	3480	BUSINESS PRINTING COMPAN	00160006120	BUS CARD-REFELD	0.00	85.90
1011	91373	11/09/17	101	CAMEO PAPER & JANITORIAL	00160006170	TISSUE-TOILET	0.00	59.86
1011	91374	11/09/17	693	CODE PUBLISHING COMPANY	00150005100	MUNI CODE UPDAT-10/27	0.00	116.50
1011	91375	11/09/17	5285	COMMERCIAL & INDUSTRIAL	459	9407-CH ROOF RT PYOUT	0.00	419.95
1011	91376	11/09/17	91	COUNTY OF SAN DIEGO	001	FY 16/17 ANIMAL SRVS	0.00	2,244.00
1011	91377	11/09/17	108	DEL MAR BLADE PRINT COMPA	00150005150	W-1208/TM 2451	0.00	65.17
1011	91378	11/09/17	134	DIXIELINE LUMBER CO INC	00165006530	BLACK TOP PATCH	0.00	78.55
1011	91378	11/09/17	134	DIXIELINE LUMBER CO INC	00165006570	LIGHT BULBS	0.00	46.46
1011	91378	11/09/17	134	DIXIELINE LUMBER CO INC	00165006560	SPRAY PAINT	0.00	10.66
1011	91378	11/09/17	134	DIXIELINE LUMBER CO INC	00165006530	PAINT ROLLERS/PAINT	0.00	22.05
1011	91378	11/09/17	134	DIXIELINE LUMBER CO INC	00165006570	WATR HEATR/STND/PAN	0.00	435.93
	TOTAL CHECK						0.00	593.65
1011	91379	11/09/17	5296	DOG WASTE DEPOF	00165006520	23 MUFT-MITT CARFONS	0.00	1,486.70
1011	91380	11/09/17	1242	DSR - DOOR SERVICE & REP	00165006570	SVR CALL-DOOR-LC	0.00	302.00
1011	91381	11/09/17	372	EMPLOYMENT DEVELOPMENT D	00150005400	SUI PE 09/30/17	0.00	1,672.00
1011	91382	11/09/17	884	ENTERMAN-ROVIN CO. INC	00160006140	DONE BRDGE-CODE ENFOR	0.00	124.44
1011	91383	11/09/17	322	FIRE ETC.	21460006120	MASANICA-TURNOUT	0.00	2,393.18
1011	91384	11/09/17	4169	FIRE STATS, LLC	00160006120	FIRE DATA-JUL17/SEPI7	0.00	459.00
1011	91385	11/09/17	2593	GOLDFARB & LIPMAN	65278007810	SA PROF SVC PE 08/31	0.00	195.00
1011	91385	11/09/17	2593	GOLDFARB & LIPMAN	65278007810	SA PROF SVC PE 09/30	0.00	700.00
	TOTAL CHECK						0.00	896.00
1011	91386	11/09/17	1792	HARRIS & ASSOC. INC.	21355005550	1714.08 101/DAHL EIR	0.00	4,290.00
1011	91387	11/09/17	3299	HELIX ENVIRONMENTAL	45994386510	9438.10 PROF SVC-SEPT	0.00	3,961.25

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

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CASH ACCT CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	----- DESCRIPTION-----	SALES TAX	AMOUNT
FUND - 001 - GENERAL FUND							
1011	91398	11/09/17	1075	IRON MOUNTAIN	00150005150	0.00	402.68
1011	91389	11/09/17	87	ISLA VERDE HOA	20575007530	0.00	425.00
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	630.00
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	12050005450	0.00	2,572.50
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	3,149.24
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	3,910.21
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	5,500.00
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	17.50
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	350.00
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	505.43
1011	91390	11/09/17	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	0.00	1,330.00
TOTAL CHECK						0.00	17,964.88
1011	91391	11/09/17	111	MISSION LINEN & UNIFORM	21100007600	0.00	1.65
1011	91391	11/09/17	111	MISSION LINEN & UNIFORM	50900007700	0.00	6.59
1011	91391	11/09/17	111	MISSION LINEN & UNIFORM	00165006520	0.00	7.41
1011	91391	11/09/17	111	MISSION LINEN & UNIFORM	00165006560	0.00	7.42
1011	91391	11/09/17	111	MISSION LINEN & UNIFORM	00165006530	0.00	13.18
TOTAL CHECK						0.00	36.25
1011	91392	11/09/17	50	OFFICE DEPOT INC	00155005550	0.00	23.25
1011	91392	11/09/17	50	OFFICE DEPOT INC	00155005350	0.00	26.54
1011	91392	11/09/17	50	OFFICE DEPOT INC	00160006140	0.00	8.37
TOTAL CHECK						0.00	58.16
1011	91393	11/09/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	0.00	250.00
1011	91393	11/09/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	0.00	250.00
TOTAL CHECK						0.00	500.00
1011	91394	11/09/17	5353	50. CALIFORNIA PRECISION	00165006530	0.00	955.63
1011	91395	11/09/17	4080	JENNIFER REED	00150005350	0.00	371.25
1011	91396	11/09/17	416	REGIONAL COMMIS SYS, MS 0	00160006120	0.00	32.50
1011	91396	11/09/17	416	REGIONAL COMMIS SYS, MS 0	00160006120	0.00	32.50
TOTAL CHECK						0.00	65.00
1011	91397	11/09/17	86	SAN ELIJO HILLS II HOA	20775007550	0.00	6,550.00
1011	91398	11/09/17	88	SANTA FE HILLS HOA	20475007520	0.00	12,250.00
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20475007520	0.00	-2,659.95
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20475007520	0.00	7,108.30
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20375007510	0.00	191.05
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	005506009	0.00	81.05
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	005506010	0.00	155.51
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	005506018	0.00	458.65
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	005506019	0.00	1,165.90
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	005506020	0.00	1,500.35

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CITY OF SOLANA BEACH, CA
 CHECK REGISTER - DISBURSEMENT FUND

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 ACCOUNTING PERIOD: 5/18

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	DESCRIPTION	SALES TAX	AMOUNT
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506014 1003-110117	0.00	260.73
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	50900007708	005506014 1003-110117	0.00	782.18
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	11695080 1003-110117	0.00	32.72
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	11695080 1003-110117	0.00	98.18
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506000 0902-110117	0.00	136.05
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506001 0902-110117	0.00	81.03
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506002 0902-110117	0.00	386.96
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20875007580	005506003 0902-110117	0.00	399.79
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506004 0902-110117	0.00	81.05
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506005 0902-110117	0.00	214.83
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506006 0902-110117	0.00	129.83
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506007 0902-110117	0.00	102.95
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506008 0902-110117	0.00	400.10
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506011 0902-110117	0.00	316.88
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506012 0902-110117	0.00	1,591.46
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005506013 0902-110117	0.00	120.47
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20375007510	005979008 0902-110117	0.00	564.83
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	00165006550	005979001 0902-110117	0.00	106.68
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	20375007510	007732000 0715-091517	0.00	-191.05
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	001	REV PREPAY TO SFYD	0.00	-160.00
1011	91400	11/09/17	141	SANTA FE IRRIGATION DIST	001		0.00	13,256.55
TOTAL CHECK								
1011	91401	11/09/17	156	SHARP REES-STEALY MEDICA	00150005400	PRE-EMPLOYMNT SCREEN	0.00	749.00
1011	91402	11/09/17	1231	STAPLES CONTRACT & CORNE	00155005550	MARKERS/STRG BOX	0.00	27.23
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	21355005550	1714.29/SOL HGHLD-OCT	0.00	2,420.00
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	21355005550	1714.20/959 GENEVIEVE	0.00	750.00
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	45999036190	9903 PROF SVC LCP-OCT	0.00	3,520.00
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	45099266190	9926 PROF SVC SHD-OCT	0.00	220.00
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	00155005550	PROF SVC OCT	0.00	1,210.00
1011	91403	11/09/17	3066	SUMMIT ENVIRONMENTAL GRO	21355005550	1717.27/235-245 PACIFI	0.00	375.00
TOTAL CHECK								8,495.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	21355005550	1717.32/514 VIA DE LA	0.00	424.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	21355005550	1717.15 PROF SVC-OCT	0.00	2,216.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	21355005550	1717.17/105 N. CEDROS	0.00	1,782.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	21355005550	1716.17/100 BORDER AVE	0.00	332.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	21355005550	1716.19/200 MARINE VIE	0.00	207.00
1011	91404	11/09/17	4959	TELECOM LAW FIRM	00150005250	PROF SVC-SEP	0.00	1,032.00
TOTAL CHECK								5,993.00
1011	91405	11/09/17	4534	TRAFFIC SUPPLY, INC	00165006550	RED TRAFFIC PAINT	0.00	556.18
1011	91406	11/09/17	2097	UT SAN DIEGO - NRTH COUN	45999055550	9905.02-PH ORD 483	0.00	319.62
1011	91407	11/09/17	5019	TIFFANY WADE	00155005550	MILEAGE 8/3-9/28	0.00	15.03
1011	91408	11/16/17	2379	AA FARNSWORTH'S BACKFLOW	00165006550	BACKFLOW ANNUAL TEST	0.00	370.00
1011	91409	11/16/17	4643	AAIR PURIFICATION SYSTEM	00160006120	HOSE REPAIR-FD	0.00	105.00

CITY OF SOLANA BEACH, CA
 CHECK REGISTER - DISBURSEMENT FUND

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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	91410	11/16/17	4711	ABEL PEREZ	00165006520	MILEAGE 11/02/17	0.00	6.42
1011	91411	11/16/17	5137	ABLE PATROL & GUARD, INC	00170007110	FCCC SECURITY-OCT	0.00	500.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	O-SEWER CLEANING	0.00	570.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	J-SEWER CLEANING	0.00	575.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	G-SEWER CLEANING-600	0.00	600.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	G-SEWER CLEANING-600	0.00	600.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	L-SEWER CLEANING	0.00	605.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	50900007700	E-SEWER CLEANING-10564	0.00	5,282.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	00165006520	O-STORM DRAIN MAINT	0.00	570.00
1011	91412	11/16/17	1135	AFFORDABLE PIPELINE SERV	00165006520	K-STORM DRAIN MAINT	0.00	1,100.00
	TOTAL CHECK						0.00	9,902.00
1011	91413	11/16/17	1122	APPLE ONE, INC	00150005150	TEMP HELP PE 11/04	0.00	969.84
1011	91414	11/16/17	4832	AT&T CALNET 3	00160006170	9391053651 9/25-10/24	0.00	216.01
1011	91414	11/16/17	4832	AT&T CALNET 3	00160006120	9391012280 9/24-10/23	0.00	333.59
1011	91414	11/16/17	4832	AT&T CALNET 3	00150005450	9391062899 9/24-10/23	0.00	164.24
1011	91414	11/16/17	4832	AT&T CALNET 3	00150005450	9391012278 9/24-10/23	0.00	2,229.15
1011	91414	11/16/17	4832	AT&T CALNET 3	00150005450	9391012282 9/24-10/23	0.00	19.32
1011	91414	11/16/17	4832	AT&T CALNET 3	00150005450	9391053641 9/24-10/23	0.00	163.30
	TOTAL CHECK						0.00	3,125.61
1011	91415	11/16/17	2424	BJ'S RENTALS	00165006560	TILLER 13HP GAS-LCP	0.00	93.31
1011	91415	11/16/17	2424	BJ'S RENTALS	00165006570	LIFT SCISSOR-FD	0.00	219.75
	TOTAL CHECK						0.00	313.06
1011	91416	11/16/17	3480	BUSINESS PRINTING COMPAN	00150005350	WINDOW ENVELOPES	0.00	327.01
1011	91417	11/16/17	5051	CINTAS CORPORATION NO. 2	00165006570	FIRST AID SUPPLIES-CH	0.00	142.26
1011	91418	11/16/17	2631	CLEAN STREET	00165006550	STREET SWP-OCT	0.00	3,173.00
1011	91419	11/16/17	4437	CMS BUSINESS FORMS, INC	00160006140	PRKNG CITATION FORMS	0.00	1,949.41
1011	91420	11/16/17	1491	COASTAL FRONTIERS INC	45099266190	9926 SHLM MNT TSK#1	0.00	3,052.00
1011	91421	11/16/17	3902	CORODATA RECORDS MANAGEM	00150005150	RECORDS STRG-OCT	0.00	274.56
1011	91422	11/16/17	2165	CULLIGAN OF SAN DIEGO	00160006170	DRNGNG WTR SVC-ROV	0.00	38.00
1011	91423	11/16/17	2629	D & D DISPOSAL INC	00160006130	ANIMAL DISPOSAL-OCT	0.00	130.00
1011	91424	11/16/17	108	DEL MAR BLUE PRINT COMPA	00170007110	TREE LIGHTING FLYERS	0.00	51.99
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006570	WHT PANEL/ADHESIVE	0.00	116.99
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006530	OIL	0.00	9.57
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006570	WATER FLEX LINE	0.00	15.51
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006570	SWEAT WATERFLEX	0.00	15.99
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006570	PAINT/ PAINT BRUSH	0.00	34.30
1011	91425	11/16/17	134	DIXIELINE LUMBER CO INC	00165006570	LED STRIPLIGHT	0.00	86.19

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CITY OF SOLANA BEACH, CA
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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	SUBJECT UNIT	DESCRIPTION	SALES TAX	AMOUNT
TOTAL CHECK								
1011	91426	11/16/17	269	DUDEK & ASSOCIATES INC.	50998336510	9833 PUMP STN-PE09/29	0.00	278.55
1011	91427	11/16/17	884	EHFENMANN-ROVIN CO. INC	00160006120	HOME BADGE-FD	0.00	2,225.00
1011	91428	11/16/17	3706	HAWTHORNE MACHINERY CO	00160006120	2471 RPR REGEN SYSTM	0.00	235.04
1011	91429	11/16/17	3299	HELIX ENVIRONMENTAL	45994386510	9438.10 PROF SVC-OCT	0.00	748.79
1011	91430	11/16/17	11	ICMA RETIREMENT TRUST-45	001	ICMA PD 11/17/17	0.00	5,322.50
1011	91431	11/16/17	3859	ICMA RETIREMENT TRUST-RH	001	ICMA PD 11/17/17	0.00	8,432.11
1011	91432	11/16/17	5356	MISSION LINEN & UNIFORM	21100007600	RFND:17-292/569 SAN L	0.00	2,010.55
1011	91432	11/16/17	5356	MISSION LINEN & UNIFORM	001	RFND:17-292/569 SAN L	0.00	70.00
1011	91432	11/16/17	5356	MISSION LINEN & UNIFORM	214	RFND:17-292/569 SAN L	0.00	72.00
TOTAL CHECK								135.00
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	277.00
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	1.58
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	6.32
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	7.10
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	7.11
1011	91433	11/16/17	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-FUB WORKS	0.00	12.64
TOTAL CHECK								34.75
1011	91434	11/16/17	4522	NISSHO OF CALIFORNIA	00165006530	STREET LNDSCP SVC-OCT	0.00	1,170.89
1011	91434	11/16/17	4522	NISSHO OF CALIFORNIA	00165006560	PRKS LNDSCP SVC-OCT	0.00	10,217.21
1011	91434	11/16/17	4522	NISSHO OF CALIFORNIA	00165006570	PUBFAC LNDSCP SVC-OCT	0.00	1,651.12
1011	91434	11/16/17	4522	NISSHO OF CALIFORNIA	20375007510	MID#33 LNDSCP SVC-OCT	0.00	2,918.42
1011	91434	11/16/17	4522	NISSHO OF CALIFORNIA	20875007580	CRT LNDSCP SVC-OCT	0.00	2,912.62
TOTAL CHECK								18,770.26
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1715.03/738 CASTRO ST	0.00	250.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1714.08/343 HWY 101	0.00	250.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1714.36/716 RAWL PL	0.00	250.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.07/801 GENEVIEVE	0.00	375.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1716.03/330 S. CEDROS	0.00	375.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1716.25/309 SOLANA HI	0.00	375.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1712.25/225 PACIFIC	0.00	375.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1716.30/635 CANYON	0.00	375.00
1011	91435	11/16/17	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.36/850 AVOCADO	0.00	500.00
TOTAL CHECK								3,125.00
1011	91436	11/16/17	4767	PARTNERSHIPS WITH INDUST	00165006570	TRASH ABTPT PE10/31	0.00	1,321.92
1011	91437	11/16/17	619	PURE FLO - CMGR #24581	00150005350	DRINK WATER-OCT	0.00	210.72
1011	91438	11/16/17	3307	PURE FLO WATER-LC	00170007110	DRINK WATER-OCT	0.00	21.19
1011	91439	11/16/17	5355	READY AMERICA INC	00150005200	EE APPR-EMRG KITS	0.00	2,549.45

CITY OF SOLANA BEACH, CA
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FUND - 001 - GENERAL FUND

CASH ACCT CHECK NO	ISSUE DT VENDOR	NAME	BUDGET UNIT	DESCRIPTION	SALES TAX	AMOUNT
1011	91440	11/16/17 1040	REVENUE & COST SPECIALIS 00150005300	COSTEFEE STDY-PE10/25	0.00	6,237.50
1011	91441	11/16/17 2265	SANCON ENGINEERING, INC 509	9856.16 SWR CT PAYOUT	0.00	18,556.50
1011	91441	11/16/17 2265	SANCON ENGINEERING, INC 50998566510	9856.16SWR CT FINAL	0.00	4,170.00
TOTAL CHECK					0.00	22,726.50
1011	91442	11/16/17 141	SANTA FE IRRIGATION DIST 00160006120	M#P004085 07/01-09/01	0.00	-487.70
1011	91442	11/16/17 141	SANTA FE IRRIGATION DIST 00160006120	005512000 0701-090117	0.00	487.70
1011	91442	11/16/17 141	SANTA FE IRRIGATION DIST 00160006120	005512000 0902-110117	0.00	513.98
TOTAL CHECK					0.00	513.98
1011	91443	11/16/17 5357	SES SECURE E-WASTE SOLUT 00150005450	HRD DRIVE DESTRUCTION	0.00	288.05
1011	91444	11/16/17 13	SOLANA BEACH FIREFIGHTER 001	FD DUES PD 11/17/17	0.00	823.50
1011	91445	11/16/17 4842	SUPPLYWORKS, INC 00165006560	BLEACH/GLOVES/POLISH	0.00	287.22
1011	91445	11/16/17 4842	SUPPLYWORKS, INC 00165006570	BLEACH/GLOVES/POLISH	0.00	287.23
TOTAL CHECK					0.00	574.45
1011	91446	11/16/17 3980	TURNOUT MAINTENANCE COMP 21460006120	MITCHELL-TROUF MAINT	0.00	183.00
1011	91447	11/16/17 40	UNDERGROUND SVC ALERT OF 00165006510	DIG ALERT-NOV	0.00	163.45
1011	91448	11/16/17 12	UNITED WAY OF SAN DIEGO 001	UNITED WY PD 11/17/17	0.00	70.00
1011	91449	11/16/17 2097	UT SAN DIEGO - NRTH COUN 00150005150	ORD 481-ADOPT SUMMRY	0.00	48.01
1011	91449	11/16/17 2097	UT SAN DIEGO - NRTH COUN 50998566510	9856.18-BID# 2017-10	0.00	603.58
TOTAL CHECK					0.00	651.59
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 21100007600	PW CELL 10/02-11/01	0.00	5.57
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 50900007700	PW CELL 10/02-11/01	0.00	5.57
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00165006520	PW CELL 10/02-11/01	0.00	5.57
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00165006540	PW CELL 10/02-11/01	0.00	11.15
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00165006560	PW CELL 10/02-11/01	0.00	11.15
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00165006510	PW CELL 10/02-11/01	0.00	11.15
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00165006530	PW CELL 10/02-11/01	0.00	16.72
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00150005450	IT CELL 09/24-10/23	0.00	114.03
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00160006120	FIRE CELL 9/29-10/28	0.00	154.12
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 00160006140	CODES CELL 9/29-10/28	0.00	38.28
1011	91450	11/16/17 30	VERIZON WIRELESS-SD 27060006120	FIRE IPAD 9/29-10/28	0.00	114.03
TOTAL CHECK					0.00	487.34
1011	91451	11/16/17 178	VISTA PAINTY CORPORATION 00165006570	WHITE PAINT-CH	0.00	264.83
1011	91452	11/16/17 4844	WARWICK GROUP CONSULTANT 45099266190	9926 PROF SVC-OCT	0.00	5,375.00
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	W7830PT UPSTRS-OCT	0.00	199.60
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	EXCESS CLR-9/21-10/21	0.00	221.88
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	EXCESS BLK-9/21-10/21	0.00	27.98
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	D95CP PLNG LEASE-OCT	0.00	555.18
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	EXCESS CPYS 9/21-10/21	0.00	64.23
1011	91453	11/16/17 37	XEROX CORPORATION 00150005350	W7830PT CLRS-OCT	0.00	218.99

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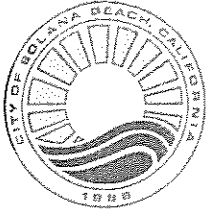
CITY OF SOLANA BEACH, CA
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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VERDOR	NAME	BUDGET UNIT	DESCRIPTION	SALES TAX	AMOUNT
1011	91453	11/16/17	37	XEROX CORPORATION	00150005350	EXCESS CUR-9/21-10/21	0.00	122.50
1011	91453	11/16/17	37	XEROX CORPORATION	00150005350	EXCESS DLK-9/21-10/21	0.00	34.26
	TOTAL CHECK						0.00	1,444.62
1011	91454	11/22/17	3973	C2 PRINT AND MEDIA MANAG	00170007110	VET DAY PROGRAMS	0.00	53.86
1011	91455	11/22/17	1056	CALIFORNIA PARK & RECREA	00170007110	CPRS MEMBERSHIP-WENGER	0.00	170.00
1011	91456	11/22/17	1295	CITY OF DEL MAR	00150005450	IF MAINT SUPPORT-OCT	0.00	1,500.00
1011	91457	11/22/17	5268	MALCOLM DOMAIN	001	C47897-11/03/17	0.00	558.37
1011	91458	11/22/17	5262	GEORGE HILLS COMPANY, IN	12050005460	PROF SVC-OCT	0.00	66.40
1011	91459	11/22/17	1011	HDL-HINDERLITER, DE LLAM	00150005300	Q4 CY17 STAK-CONTRACT	0.00	1,095.62
1011	91459	11/22/17	1011	HDL-HINDERLITER, DE LLAM	00150005300	Q2 CY17 STAK AUDIT	0.00	2,292.24
	TOTAL CHECK						0.00	3,387.86
1011	91460	11/22/17	4165	KANE BALLNER & BERNAN	65278007810	SA PROF SVC PE 10/31	0.00	240.00
1011	91461	11/22/17	3362	RAHAEEL'S PARTY RENTALS	00170007110	THREE LUNG EQPMNT RNTL	0.00	1,744.18
1011	91462	11/22/17	2823	WELLS FARGO BANK	67385008530	ADMIN FEE NOV17-NOV18	0.00	450.00
1011	91462	11/22/17	2823	WELLS FARGO BANK	65278007820	SA ADMIN FINAL 12/17	0.00	918.00
	TOTAL CHECK						0.00	1,368.00
	TOTAL CASH ACCOUNT						0.00	569,302.51
	TOTAL FUND						0.00	569,302.51
	TOTAL REPORT						0.00	569,302.51



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Finance
SUBJECT: Report on Changes Made to the General Fund Adopted Budget for Fiscal Year 2017-2018

BACKGROUND:

Staff provides a report at each Council meeting that lists changes made to the current Fiscal Year (FY) General Fund Adopted Budget.

The information provided in this Staff Report lists the changes made through November 15, 2017.

DISCUSSION:

The following table reports the revenue, expenditures, and transfers for 1) the Adopted General Fund Budget approved by Council on June 14, 2017 (Resolution 2017-095) and 2) any resolutions passed by Council that amended the Adopted General Fund Budget.

GENERAL FUND - ADOPTED BUDGET PLUS CHANGES						
As of November 15, 2017						
Action	Description	Revenues	Expenditures	Transfers from GF		Net Surplus
Reso 2017-195	Adopted Budget	17,611,600	(16,932,700)	(372,400) (1)	\$	306,500
Reso 2017-122	Marine Safety MOU	-	(11,340)	-		295,160
Reso 2017-123	Salary and Comp Plan	-	(75,500)	-		219,660
Reso 2017-126	Miscellaneous MOU	-	(53,600)	-		166,060
(1) Transfers to:						
	Debt Service for Public Facilities		152,400			
	City CIP Fund		220,000	372,400		

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA

COUNCIL ACTION:

FISCAL IMPACT:

N/A

WORK PLAN:

N/A

OPTIONS:

- Receive the report.
- Do not accept the report

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council receive the report listing changes made to the FY 2017-2018 General Fund Adopted Budget.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Engineering Department
SUBJECT: **Consideration of Resolution No. 2017-158 – Approving Seed Money for an Underground Utility District along Nardo, Granados, Rios, Corto, Lirio, Palmitas and Via de Vista**

BACKGROUND:

In September 2017, City Staff received a petition from residents along Nardo Avenue, South Granados Avenue, South Rios Avenue, Corto Street, Lirio Street, Palmitas Street and Via de Vista for formation of a district to underground the existing overhead utility lines along all or parts of these streets. After receiving the petition and verifying that the 70% threshold was met, Staff started the process by engaging San Diego Gas and Electric (SDG&E) to verify the boundary of the district and to provide a cost estimate for design of the undergrounding project (herein referred to as the Nardo/Granados/Rios Underground Utility District).

In accordance with Council Policy No. 13, California Public Utility Commission's (CPUC) Rule 20A funding may be used to pay SDG&E for preliminary engineering costs. Per the revised Policy, the maximum amount to be allocated as "seed" or "front" money from CPUC Rule 20A funds shall be 100% of the initial design cost with a maximum of \$25.00 per linear foot of overhead infrastructure proposed to be undergrounded as determined by SDG&E.

This item is before the City Council for the consideration of Resolution No. 2017-158 (Attachment 1) to approve the use of the seed money to pay SDG&E for the preliminary design costs associated with the Nardo/Granados/Rios Underground Utility District (UUD).

COUNCIL ACTION:

DISCUSSION:

The neighborhood coordinators for the Nardo/Granados/Rios UUD submitted a petition requesting the formation of the underground district in September 2017. Consistent with the provisions of Council Policy No. 13 (Attachment 2), 70% of the properties within the proposed district boundaries were in support of forming the district. Following the implementation procedures set forth in Council Policy No. 13, SDG&E was notified of the proposed underground utility assessment district. A map of the proposed district boundaries is included as Attachment 3.

Per Council Policy No. 13, the City Council may approve seed money to be used for the preparation of preliminary plans and a preliminary cost estimate by SDG&E. The revised Policy allows for the allocation of CPUC Rule 20A funds for 100% of the seed money needed, up to \$25.00 per linear foot of overhead wires being removed. The current price for the SDG&E preliminary design is \$6.36 per linear foot. The length of the overhead wires that would be removed is 8,445 feet, so the cost for SDG&E to design the project is \$53,710. If authorized by the City Council, the entire SDG&E design fee can be funded from the Rule 20A allocations. If the district is ultimately formed, then the Rule 20A funds would be paid back to the City's share of Rule 20A account from the proceeds collected from the property owners within the district. If the district fails, the Rule 20A funds would be lost. In either case, no General Fund money would be at risk. There is currently approximately \$1,050,000 of available funds in the City's Rule 20A account.

CEQA COMPLIANCE STATEMENT:

Underground Utility District projects are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15302(d) of the State CEQA Guidelines.

FISCAL IMPACT:

There are additional fiscal impacts associated with the proposed action such as Staff time to administer the project. The amount of seed money requested to pay SDG&E for the preliminary design plans and cost estimate is \$53,710 and would be paid from the City's share of CPUC Rule 20A funds pursuant to City Council Policy No. 13. If the district is ultimately formed, then the Rule 20A funds would be paid back to the City Rule 20A account with the proceeds collected from the property owners within the district. If the district fails, the Rule 20A funds would be lost. In either case, no General Fund money would be at risk. There is currently approximately \$1,050,000 of available funds in the City's Rule 20A account.

WORK PLAN:

This project is not identified in the Fiscal Year (FY) 2017/18 Work Plan.

OPTIONS:

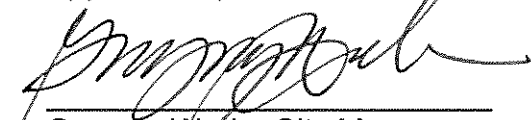
- Approve \$53,710 in seed money from the CPUC Rule 20A funds.
- Don't approve the request for seed money.
- Provide direction.

DEPARTMENT RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 2017-158, approving the payment to SDG&E of \$53,710 from the City's share of CPUC Rule 20A funds in seed money to cover the design costs for the preparation of preliminary plans and preliminary cost estimate by SDG&E for the Nardo/Granados/Rios Underground Utility District that would include properties along Nardo Avenue, South Granados Avenue, South Rios Avenue, Corto Street, Lirio Street, Palmitas Street and Via de Vista.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution No. 2017-158
2. Council Policy No. 13
3. Map of properties included in the Nardo/Granados/Rios UUD

RESOLUTION 2017-158

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE PAYMENT OF \$53,710 FROM THE CITY'S SHARE OF CPUC RULE 20A FUNDS IN SEED MONEY FOR THE NARDO/GRANADOS/RIOS UNDERGROUND UTILITY DISTRICT

WHEREAS, in 2010, the City Council revised the section of the Solana Beach Municipal Code (SBMC) and Council Policy No. 13 that address underground utility districts throughout the City; and

WHEREAS, in April 2016, the City Council revised the Policy so that the maximum amount to be allocated as "seed" or "front" money from CPUC Rule 20A funds shall be 100% of the initial design cost with a maximum of \$25.00 per linear foot; and

WHEREAS, in September 2017, City Staff received a petition from residents along Nardo Avenue, South Granados Avenue, South Rios Avenue, Corto Street, Lirio Street, Palmitas Street and Via de Vista for formation of a district to underground the existing overhead utility lines along all or parts of these streets (herein referred to as the Nardo/Granados/Rios Underground Utility District).

WHEREAS, the petition submitted by the Nardo/Granados/Rios Underground Utility District requesting the formation of the district was consistent with the provisions of Council Policy No. 13 and contained signatures that were in support of forming the district from 70% of the properties within the proposed boundaries of the district.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council approves the payment of \$53,710 from the City's share of CPUC Rule 20A funds in seed money to cover the design costs for the preparation of preliminary plans and preliminary cost estimate by SDG&E for the Nardo/Granados/Rios Underground Utility District that would include properties along Nardo Avenue, South Granados Avenue, South Rios Avenue, Corto Street, Lirio Street, Palmitas Street and Via de Vista.

PASSED AND ADOPTED this 13th day of December, 2017, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk

CITY OF SOLANA BEACH	Policy No. 13
COUNCIL POLICY	Adopted: 08/19/2003 Resolution 2003-110 Revised: 04/26/2006 Resolution 2006-066 Revised: 10/27/2010 Resolution 2010-152 Revised: 04/13/2016 by minute order Effective: 04/13/2016
GENERAL SUBJECT: Utility Undergrounding Policy	
SPECIFIC SUBJECT: Utility Undergrounding Policy for Municipality-Initiated Assessment Districts, Rule 20B	

PURPOSE: To establish a policy to underground the existing overhead lines in residential neighborhoods, to promote the benefit of undergrounding and encourage the formation of undergrounding districts at the neighborhood level.

BACKGROUND: From time to time residents in the City request information from staff about the process for undergrounding utilities in their neighborhood. Due to California Public Utilities Commission (CPUC) 20A guidelines on what constitutes a 20A conversion district, many times these residential neighborhoods don't qualify for Rule 20A funding. CPUC Rule 20A funds are the set-aside funds from a portion of SDG&E revenues, received from the City of Solana Beach, for undergrounding electric utilities. In general, Rule 20A requires that the funds be used for projects in high traffic or public use areas (see Rule 20A packet). The City's Rule 20A funds are used to underground utility lines on Major Arterials and commercial Collector Streets. Rule 20B projects are resident-initiated utility undergrounding assessment districts. Rule 20A funds may be used to "seed" or "front" preliminary engineering costs for Rule 20B projects, but the funds must be reimbursed to the Rule 20A account upon successful completion of a Rule 20B district.

POLICY:

The City Council establishes the following policy for the formation of 20B utility underground districts.

1. General Provisions

It is the desire of the City Council to be responsive to residents who agree to be assessed for utility undergrounding, as well as to respect those who do not wish to pay for utility undergrounding.

Therefore;

- a) The City will respond to the requests of those desiring undergrounding, rather than initiating utility undergrounding districts.
- b) Initially, the City Council will require a 70% showing of support of property owners benefiting from the assessment district before any "seed" or "front" money will be appropriated.
- c) A majority vote of the property owners, by assessment, is necessary before the City may form a utility district.
- d) All utility undergrounding districts shall comply with all applicable laws, including, but not limited to the California Constitution and applicable state codes.

2. Funding shall be as follows:

- a. Proposed underground conversion area will be a 20B assessment district. One hundred percent (100%) of the cost will be assessed to property owners.
- b. Assessment payments may be made in cash or spread out up to 20 years.
- c. Assessment payments will be billed on the County Tax Bill.
- d. Property owner is responsible for the connections from the property line to the private service panel.
- e. Any "seed" or "front" money in formation of the district that come from Rule 20A funds shall be reimbursed to the City by the property owners within the conversion boundary in the event of formation of the assessment district.
- f. Maximum amount to be allocated as "seed" or "front" money from CPUC Rule 20A funds shall be 100% of the initial design cost with a maximum of twenty-five dollars (\$25.00) per linear foot of overhead infrastructure proposed to be undergrounded as determined by SDG&E.

3. Implementation Procedures

- a. Generally the neighborhood that initiates the process of utility undergrounding assigns a Neighborhood Coordinator and circulates the City-approved petition among property owners. The City Council approved petition is attached to this policy. The Neighborhood Coordinator will prepare the boundary map of the properties proposed to be in the district per the results of the circulated petition.
- b. 70% of the property owners included in the proposed district must sign the approved petition in order to begin the process for forming the assessment district.
- c. If 70% of the property owners in the proposed district approve formation of the assessment district, the Neighborhood Coordinator may submit the petitions to the City Engineering Department for verification.

- d. A representative from City Staff will notify SDG&E of the proposed assessment district and will provide SDG&E with a map showing the boundaries of the assessment district. SDG&E will then provide the City with a "ballpark" cost estimate to convert the overhead electric lines to underground. Based on the existing layout of the electrical infrastructure, the proposed assessment boundaries may be modified by SDG&E.
- e. After signatures are verified by the Engineering Department, the City Council shall be requested to approve "seed" money to pay for the preparation of preliminary plans and preliminary cost estimate by SDG&E. This preliminary cost estimate will be more accurate than the earlier "ballpark" estimate.
- f. With the new preliminary costs (from SDG&E), the Neighborhood Coordinator will circulate a second petition within the proposed district for a further count of signatures based on the preliminary cost estimate for each property owner. A petition of the property owners in the proposed district must indicate that at least 70% wish to go forward with the formation process. Proposed boundaries of the district are submitted with the petition.
- g. If 70% of the property owners in the proposed district sign the petition in step (f), Staff will require a deposit to retain an assessment engineer. The deposit amount will be calculated by multiplying the total number of properties in the proposed district by \$500, with a minimum amount of \$20,000. The City will refund the excess deposit amounts after the final bond counsel and assessment engineer costs are determined. Expenditures are controlled by the City. A reimbursement agreement between the City and district proponents shall govern the deposited funds.
- h. Using the above (g) information, Bond Counsel prepares the petition and drafts the reimbursement agreement between the City and proponents of the project. Residents within the proposed boundaries of the assessment district then submit the required deposit utilizing the formula listed above (g).
- i. To formally initiate the assessment district, the Bond Counsel reviews the petition and prepares a resolution initiating proceedings to consider formation of the district for City Council approval.
- j. Next, the City Council approves the reimbursement agreement, accepts the petition, approves the boundary map and declares its intention to form the district and orders the preparation of an Engineer's Report.
- k. The Assessment Engineer's Report will include a map of the district boundary, a description of the improvements, an estimate of the total

costs of the improvements, the methodology by which the special benefit is determined and the assessments are to be spread, as well as the amount to be assessed upon each parcel.

- l. City Council approves by resolution the Engineer's Report and sets the time, date and location of the Public Hearing.
- m. Public Hearing and Assessment ballots are mailed. The notice will contain the estimated total assessment amount chargeable to the district, the amount chargeable to the record owner's parcel, the basis for assessment, information regarding the Public Hearing, and summary of the procedures for the completion, return, and tabulations of the assessment ballots.
- n. The City Council conducts a Public Hearing at which the City Council considers objections, if any, to the proposed assessment. Following closure of the Public Hearing, the City Clerk tabulates ballots and reports to the City Council. Assessment ballots are weighted on the basis of the dollar amount assessed to each parcel for which the ballot is submitted. If a majority (50% plus 1) of the weighted assessment or more than 40% of the total parcels ballots returned opposes the proposed assessment, the City Council may not levy the assessment. If a majority of the weighted assessment and 60% of the total parcels ballots returned are in favor, the City Council, in its discretion, may adopt a resolution declaring the amounts of the tabulation of assessment ballots, approve the Engineer's Report, authorize the proposed improvement described in the report, confirm the assessment and direct the City Clerk to file an assessment diagram and notice of assessment with the County Recorder's Office.
- o. The City Clerk records a Notice of Assessment with the County Recorder's office. The Finance Director then mails a statement of assessment to each property to be assessed.
- p. Property Owners have the option to pay all or portion of the assessment during the cash collection period – 30 days.
- q. Following closure of the cash collection period, all uncollected assessment will be levied against the properties over a number of years and collected on the tax roll.
- r. City Council will authorize the issuance of bonds.
- s. The City shall provide at least 15 days written notice prior to construction stating that at their own cost, every person owning, operating, leasing, occupying or renting a building or structure within a district shall construct and provide that portion of the service connection on his property necessary to connect to the UUD facilities. Such work may be done by

the contractor, or the public utility, public agency or city performing the conversion work, and the cost thereof included in the assessment to be levied upon such lot or parcel provided, that the owner shall execute a written request therefor and file the same with the City. Any such request shall expressly authorize the contractor, public utility, public agency or city, and their respective officers, agents and employees to enter upon such lot or parcel for such purpose and shall waive any right of protest or objection in respect of the doing of such work and the inclusion of the cost thereof in said assessment.

- t. Any written request executed pursuant to section 2(s) shall be filed with the City not later than the date fixed for commencement of construction of the conversion. A written request executed after such date shall not be accepted for filing by the City unless it shall contain the written approval of the contractor, public utility, public agency or city which is authorized to perform such work or improvement.
- u. In the event any person does not comply with subsections 2(s) and 2(t), the city engineer shall provide written notice to the property, via posting and U.S. mail, that power to that property shall be disconnected and all overhead services wires and associated facilities will be removed. Such notice shall be provided at least five days prior to disconnection and removal.
- v. After provision of the notice in subsection 2(u), the if there is still no compliance with subsections 2(s) and 2(t), the city engineer shall have the authority to order the disconnection and removal of any and all overhead service wires and associated facilities providing utility to that property. Any costs of future reconnection to the property shall be at the cost of the owner, operator, lessee, occupier or renter of that property.
- w. Utility companies will prepare the project design plans and complete construction.
- x. If a property owner sells the property or passes away during the assessment process, the Neighborhood Coordinator(s) must notify the City immediately, so that the City can properly notify the new owner or estate representative of the ongoing UUD process.

Attachments: 1. Petition

Nardo/Granados/Rios UUD Proposed District Boundary Map





STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: City Manager's Department
SUBJECT: Resolution 2017-170 – Council Consideration of Approving Assignment of Residential Solid Waste Management Franchise Agreement to EDCO Waste & Recycling Services, Inc.

BACKGROUND:

The City of Solana Beach (City) originally entered into Franchise Agreements (Agreements) with EDCO Waste and Recycling Services (EDCO) for commercial solid waste and recycling collection services and Coast Waste Management (WM) for residential solid waste and recycling services effective August 1, 1993. The City amended the Agreements on February 8, 2002 extending the term to February 28, 2009. Under provisions of the Agreements, extensions were subsequently granted. The last significant amendments to the Agreements occurred in March 2005 and included an automatic one-year extension clause.

The City was recently notified by EDCO and WM that they have negotiated a contract to assign all WM's rights and obligations under the residential Franchise Agreement to EDCO. In order to finalize the assignment of the rights and obligations, the City must authorize the assignment of that contract. EDCO is already performing commercial solid waste and recycling collection services to the City and is providing residential services to the cities of Coronado, Encinitas, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Marcos and Vista. City Staff is familiar with EDCO and satisfied with the service it has provided to the commercial customers over the life of their Franchise Agreement with the City.

This item is before the City Council to consider approving Resolution 2017-170 (Attachment 1) authorizing the assignment of the residential solid waste management Franchise Agreement from Coast Waste Management to EDCO Waste and Recycling Services.

CITY COUNCIL ACTION:

DISCUSSION:

The City is one of only three jurisdictions in the County (the others being the City of San Diego and County of San Diego) that have multiple waste haulers within their city boundaries. There are clear advantages of having a sole provider, especially in a small jurisdiction, such as consolidating the customer service experience for those that live and work in the community, creating efficiencies for City Staff in having to manage only one Franchise Agreement and to communicate with only one hauler instead of two, developing a stronger relationship between waste hauler and the community through community events, consolidating extra services provided by the hauler such as the Annual Bulky Item Cleanup Event, Community Shred Day, Holiday Tree Collection and Recycling Program and providing educational outreach efforts.

If approved by Council, EDCO would be responsible for implementing all components currently contained in both the residential and commercial Franchise Agreements. The transition would be as seamless as possible, with EDCO assuming the same route schedule as WM and utilizing the same WM containers for the first six (6) months. This extended lead-in time would give EDCO the ability to transition from WM containers to EDCO containers in an efficient manner and would allow residents to be eased into the transition. EDCO would also develop a Solana Beach specific website, Frequently Asked Questions (FAQ) document and four-panel mailer sent first class to all residents highlighting the provider change. EDCO plans to have four distinct contacts with the residents prior to the initial day of collection, scheduled for January 2, 2018. A proposed transition plan is provided in Attachment 2 to this staff report.

The purpose of this action before the City Council is to approve the assignment of the current residential Franchise Agreement to EDCO. Should the Council approve this assignment, Staff recommends that the Council authorize the City Manager to negotiate a comprehensive long-term Franchise Agreement with EDCO that would contain updated terms and conditions more reflective of a contemporary solid waste Franchise Agreement, particularly given the fact that the current Agreements were established 24 years ago. Staff's expectation is to return to Council in early 2018 with a new comprehensive Franchise Agreement for Council consideration.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

No fiscal impact as a result of this item. EDCO has negotiated with WM to assign the residential Franchise Agreement to EDCO and any costs associated with the transition will be borne by EDCO.

WORK PLAN:

This item is not identified in the Work Plan.

OPTIONS:

- Approve Resolution 2017-170 authorizing the assignment of the residential solid waste management Franchise Agreement from Coast Waste Management to EDCO Waste and Recycling Services.
- Do not approve Resolution 2017-170.
- Provide direction.


DEPARTMENT RECOMMENDATION:

Staff recommends the City Council:

1. Adopt Resolution 2017-170 authorizing the assignment of the residential solid waste management Franchise Agreement from Coast Waste Management to EDCO Waste and Recycling Services; and
2. Authorize the City Manager to negotiate a new comprehensive Franchise Agreement with EDCO for consideration by Council at a future Council meeting.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation


FOR Gregory Wade, City Manager

Attachments:

1. Resolution No. 2017-170
2. Proposed Transition Plan

RESOLUTION NO. 2017-170

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING ASSIGNMENT OF RESIDENTIAL SOLID WASTE MANAGEMENT FRANCHISE AGREEMENT TO EDCO WASTE & RECYCLING SERVICES, INC.

WHEREAS, effective August 1, 1993, and as amended by agreements dated February 8, 2002 and March 1, 2005, the City entered into agreements with Coast Waste Management, Inc., a California Corporation, and USA Waste of California, Inc., a Delaware corporation (collectively "Waste Management") for residential solid waste and recycling collection services (the "Residential Franchise Agreement"); and

WHEREAS, Waste Management desires to assign all its rights and obligations under the Residential Franchise Agreement to EDCO Waste & Recycling Services, Inc. ("EDCO") and EDCO desires to accept such an assignment; and

WHEREAS, EDCO is already performing commercial solid waste and recycling collection services to the City pursuant to a commercial franchise agreement with the City; and

WHEREAS, Public Resources Code ("PRC") section 40059(a)(2) allows a local governmental agency to determine "[w]hether the services are to be provided by means of nonexclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding, or if, in the opinion of its governing body, the public health, safety, and well-being so require, by partially exclusive or wholly exclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding"; and

WHEREAS, PRC section 40059(a)(2) also states: "The authority to provide solid waste handling services may be granted under terms and conditions prescribed by the governing body of the local governmental agency by resolution or ordinance"; and

WHEREAS, it is the opinion of the City Council that public health, safety, and well-being require exclusive negotiations for the provision of commercial and residential solid waste and recycling collection services without competitive bidding.

NOW THEREFORE, the City Council of the City of Solana Beach, California does resolve as follows:

1. That the foregoing recitations are true and correct.
2. The City Council hereby approves of the assignment of the Residential Franchise Agreement from Waste Management to EDCO. The City Manager is hereby authorized to enter into and sign an amendment to the Residential Franchise

Agreement, in a form pre-approved by the City Attorney, to effectuate the assignment.

3. Pursuant to PRC section 40059(a), the City Council hereby authorizes the City Manager to enter into exclusive negotiations with EDCO for a period of one year from the adoption of this resolution regarding the provision of commercial and residential solid waste and recycling collection services and the possible amendment and modification of the City's current residential and commercial franchise agreements for such services.

PASSED AND ADOPTED this 13th day of December 2017, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA CANLAS, City Attorney

ANGELA IVEY, City Clerk

City of Solana Beach
Integrated Waste & Recycling Collection Services

Initial Conversion - 2018

Wednesday, December 13 th -	City Council considers new Agreement
Thursday, December 14 th	EDCO Solana Beach residential web page activated Initial Contact - Four panel mailer sent via first class to all residents highlighting provider change, FAQ, web page and telephone. Confirm bin order / cart order / automated green order
Thursday, December 21 st	Second Contact - Postcard sent via first class mail with telephone number and web page references
Friday, December 22 nd	Third Contact - Initial Billing including: <ul style="list-style-type: none">- How to Read your new Bill flyer- <i>Environmental Times</i> w/ Welcome Letter- Automated Billing sign up info
Saturday, December 30 th	Fourth Contact - Robocall Holiday Delay reminder / PM Christmas Tree roll-off deliveries to City sites
Tuesday, January 2, 2018	Initial Day of Collection Christmas Tree collection Full Standby collection crews available



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: City Manager's Office
SUBJECT: **FY 2017/18 Community Grant Program Awards**

BACKGROUND:

On May 4, 2004, the City Council adopted Resolution No. 2004-68 approving Council Policy No. 14 establishing the Community Grant Program (Grant Program) and Application Guidelines for the Grant Program.

At the September 27, 2017 City Council meeting, the City Council authorized the Fiscal Year (FY) 2017/18 Community Grant Program. The FY 2017/18 Adopted Budget contains an appropriation in the amount of \$25,000 to fund the Community Grants Program. The City receives a combined \$10,000 in contributions from EDCO and Waste Management as part of their community enhancement efforts, which is used to fund a portion of this program.

At the November 15, 2017 City Council meeting, the grant applicants gave a presentation on their respective program requests. There are a total of ten applications for a maximum funding request of \$48,000.

This item is before the City Council to select the FY 2017/18 Community Grant Program recipients.

DISCUSSION:

The following ten (10) applications were received by the City during the solicitation period.

Applicant	Amount Requested
American Association of University Women	\$1,000 - \$5,000
Assistance League Rancho San Dieguito	\$3,000
Boys and Girls Club of San Dieguito	\$5,000
Casa De Amistad	\$5,000
Community Resource Center	\$5,000
La Colonia de Eden Gardens	\$5,000
North Coast Repertory Theatre	\$5,000
North County Immigration & Citizenship Center	\$5,000
Reality Changers	\$5,000
Solana Beach Civic and Historical Society	\$5,000
Total	\$44,000 - \$48,000

CITY COUNCIL ACTION: _____

The complete applications were included in a separate binder that was distributed to Council prior to the November 15, 2017 City Council meeting. The City's FY 2017/18 Adopted Budget contains an appropriation in the amount of \$25,000 to be used to fund community grants. In past years, the Council has authorized an additional \$5,000 from the Reserve Public Arts Account to be used to fund the North Coast Repertory Theatre grant application.

Santa Fe Christian (SFC) Schools Cooperation

Six years ago, the City and SFC created a unique partnership to more efficiently and effectively assist the non-profit organizations that specifically serve the Eden Gardens community. This partnership, which has included a \$15,000 contribution from SFC in past years, has allowed for both the City and SFC to maximize its limited resources to provide the most benefit for this underserved population. Staff reported at the November 15, 2017 Council meeting that SFC confirmed at that time that they could contribute \$10,000 to the Community Grant Program for this cycle. Staff is happy to report that SFC has recently notified the City that they will now contribute the full \$15,000 that they have in the past.

At the November 15, 2017 Council meeting, the City Council directed Staff to research potential additional funding sources to attempt to bridge the funding gap so that all applications could be funded this cycle. With SFC committing an additional \$5,000 from what was reported at last Council meeting, the funding gap has been reduced to \$3,000. The funding breakdown is as follows:

City's FY 2017/18 Adopted Budget -	\$25,000
Public Arts Reserve Account -	\$ 5,000
Santa Fe Christian Schools -	<u>\$15,000</u>
Total -	\$45,000

During discussion by Council at the November 15th meeting, Council Members expressed a desire to fund all grant applicants at their requested funding amounts. As such, City Staff is recommending that \$3,000 be appropriated when Staff presents the mid-year budget report to Council when it is expected that there will be additional revenues to cover this amount. If no additional revenues are available, the \$3,000 will be expended from the City Manager's contingency account. As done in past fiscal years, the community grant appropriations for the Public Arts Reserve account and for the SFC contribution will also be done as part of the mid-year budget report.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

The FY 2017/18 Adopted Budget contains an appropriation in the amount of \$25,000 to be used to fund community grants, subject to the City Council's discretion. The appropriation is budgeted in the Contribution to Other Agencies expenditure account in the City Council budget unit.

If Council approves funding the full \$48,000 in requested Community Grants, the following funds are available to cover this amount:

City's FY 2017/18 Adopted Budget -	\$25,000
Public Arts Reserve Account -	\$ 5,000
Santa Fe Christian Schools -	\$15,000
<u>Mid-year budget appropriation</u>	<u>\$ 3,000</u>
Total -	\$48,000

Staff is anticipating that there will be additional revenues to cover the \$3,000 mid-year budget appropriation when Staff presents the mid-year budget report to Council. If no additional revenues are available, the \$3,000 will be expended from the City Manager's contingency account. As done in past fiscal years, the community grant appropriations for the Public Arts Reserve account and for the SFC contribution will also be done as part of the mid-year budget report.

WORK PLAN: N/A

OPTIONS:

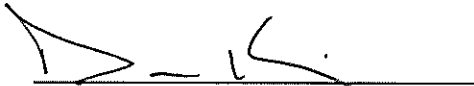
- Approve Staff recommendation
- Approve Staff recommendation with modifications
- Deny Staff recommendation and provide direction

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2017-171 (Attachment 1) authorizing the funding for all community grant applicants for financial assistance under the FY 2017/18 Community Grant Program.

CITY MANAGER RECOMMENDATION:

Approve Department Recommendation


for Gregory Wade, City Manager

Attachments:

1. Resolution 2017-171

RESOLUTION NO. 2017-171

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING CITY COUNCIL FUNDING FOR SELECTED COMMUNITY GRANT RECIPIENTS FOR FINANCIAL ASSISTANCE UNDER THE FISCAL YEAR (FY) 2017/18 COMMUNITY GRANT PROGRAM

WHEREAS, the City Council approved the offering of the FY 2017/18 Community Grant Program for community service organizations who seek program financial assistance on September 27, 2017; and

WHEREAS, the City Council has approved the allocation of \$25,000 for the purpose of funding the FY 2017/18 Community Grant Program in the FY 2017/18 Adopted Budget; and

WHEREAS, the City Council has received Requests for Financial Assistance for the FY 2017/18 Community Grant Program, reviewed all applications, and has determined the selection of the FY 2017/18 grant recipients and award amounts pursuant to Council Policy No. 14 (Policy) including all subsequent amendments made by the City Council to the Policy.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. Council has reviewed all FY 2017/18 Community Grant requests and has determined the selection of the FY 2017/18 grant recipients and award amounts pursuant to Council Policy No. 14, and authorizes the funding for the selected community grants recipients for financial assistance under the FY 2017/18 Community Grant Program.

PASSED AND ADOPTED this 13th day of December, 2017, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Community Development Department
SUBJECT: **CUP/DRP/SDP for a New Wireless Communications Facility at 201 Lomas Santa Fe (Case # 17-17-15 Applicant: AT&T Mobility) Resolution 2017-166**

BACKGROUND:

The Applicant, AT&T Mobility (hereinafter referred to as "Applicant"), is requesting the approval of a Conditional Use Permit (CUP), Development Review Permit (DRP) and Structure Development Permit (SDP) to construct a new Wireless Communication Facility (WCF) on top of an existing commercial office building at 201 Lomas Santa Fe. The Applicant is proposing to increase the height of an existing elevator tower in order to construct a new antenna enclosure that would conceal 12 panel antennas, 32 Remote Radio Units (RRU's), six surge suppressors, and two GPS antennas behind fiber reinforced plastic screening colored and textured to match the existing building. A new ground level equipment enclosure that would contain four stack-mounted radio equipment cabinets, one power cabinet, one battery cabinet and telephone and electric utility panels on a concrete slab foundation. The enclosure would be located in the location that is currently a landscape planter adjacent to the building entrance. The antenna enclosure would increase the width and depth of the top 12 feet of the existing tower by three feet and the height by four feet. The highest point of the proposed antennas will be 41.5 feet above the existing grade and 153.2 feet above the existing grade. Solana Beach Municipal Code (SBMC) section 17.60.120(G)(1) indicates that all WCF's are subject to a CUP and must comply with City Council Policy 21. A DRP is required for "any new commercial development or construction (including any structural addition to existing development) located within any commercial zone which results in an increase of more than 500 feet of gross floor area or to the overall building envelope." The proposed addition would exceed 16 feet in height from the existing grade and therefore, requires a Structure Development Permit (SDP).

This item is before the City Council to approve, conditionally approve or deny the Applicant's request for a CUP, DRP, and SDP for a new WCF at 201 Lomas Santa Fe, Solana Beach, as contained in Resolution 2017-167 (Attachment 1).

CITY COUNCIL ACTION:

DISCUSSION:

The new WCF at 201 Lomas Santa Fe is proposed in order to relocate an existing site that is being decommissioned due to an expired lease at the current property. The existing property is on the southeast corner of the intersection of Lomas Santa Fe and South Rios Avenue. The property is currently developed with a commercial office structure commonly known as the Wedbush Building. The property is located within the Scenic Area Overlay Zone (SAOZ). The proposed project can be found exempt from the SAOZ regulations according to SBMC 17.48.101.D.1, because it is considered a minor addition to an existing structure, which doesn't increase the existing building envelope or floor area by more than 10 percent or require more than 50 cubic yards of grading.

A CUP is required to locate a commercial transmission and receiving antenna on a property within the Office Professional (OP) Zone. Solana Beach Municipal Code (SBMC) Section 17.60.120.G requires the approval of a CUP for all WCF's that are in compliance with City Council Policy 21. City Council Policy 21 indicates that WCF's are allowed in all zones with the approval of a CUP that is in compliance with the guidelines established by the policy and that these shall be followed in the review of CUP's for new WCF's as well as extensions and amendments to existing installations. A DRP is required for "any new commercial development or construction (including any structural addition to existing development) located within any commercial zone which results in an increase of more than 500 feet of gross floor area or to the overall building envelope." And a Structure Development Permit (SDP) is required for this project pursuant to SBMC section 17.63.040.A because the proposed addition exceeds 16 feet in height from the existing grade.

A draft Resolution has been provided based upon the information provided in this report and the City consultant's analysis of the proposed project. It includes the applicable SBMC sections in italicized text. Council may direct Staff to modify the Resolution to reflect the findings and conditions it deems appropriate as a part of the Public Hearing process.

Conditional Use Permit:

In addition to meeting zoning requirements, the Council can approve, or conditionally approve a CUP only if all of the findings listed below can be made.

1. Before granting a conditional use permit, the Planning Director or City Council shall make all of the following findings:
 - a. That the proposed use is in accord with the general plan, the general intent of this title, and the purposes of the zone in which the site is located.

- b. That the proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
 - c. That the proposed use complies with each of the applicable provisions of the zoning ordinance, unless a variance is granted pursuant to SBMC 17.68.020.
2. If the conditional use permit is for the purpose of permitting an expansion, restoration, or extension of a nonconforming use or structure then only the findings of Chapter 17.16 SBMC must be made.

According to City Council Policy 21, the City Council shall consider the following factors when reviewing a CUP for a WCF:

- a. Compliance with the guidelines listed in Council Policy 21
- b. Height and Setbacks
- c. Proximity to residential uses
- d. The nature of uses on adjacent and nearby properties
- e. Surrounding topography and landscape
- f. Quality and compatibility of design and screening
- g. Impacts on public views and the visual quality of the surrounding area
- h. Availability of other facilities and buildings for co-location

The proposed WCF is proposed to be located on an existing building that is located on property within the Office Professional (OP) Zone. According to the County Assessor's records the existing structure was constructed onsite prior to the City's Incorporation. As designed, the project includes the construction of a new antenna enclosure on the top of the existing elevator tower in order to mount 12 panel antennas, 32 Remote Radio Units (RRU's), six surge suppressors, and two GPS antennas behind fiber reinforced plastic screening colored and textured to match the existing building. The Applicant would remove a portion of the existing retaining wall that surrounds an existing landscape planter and excavate the soil and remove the existing vegetation in order to pour a concrete slab for an equipment enclosure. A new door and landing would also be constructed to provide access to the equipment enclosure. Inside the enclosure the Applicant would install four stack-mounted radio equipment cabinets, one power cabinet, one battery cabinet and telephone and electric utility panels. In addition, an existing diseased tree adjacent to the proposed equipment enclosure would be removed and replaced with the proposed project. Project plans are provided in Attachment 2.

The proposed project could be found to be consistent with the City's General Plan designation of Office/Professional which provides for professional office and general office in addition to other compatible uses such as religious facilities, educational institutions, parks and recreation facilities, and public utilities. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development of commercial land uses which strengthen the City's economic base and offer a range of commercial enterprises to meet the needs of the residents and visitors.

Telecom Law Firm PC is the City's third-party telecom consultant hired to review all WCF projects submitted to the City. They have provided three reports providing their analysis of the proposed site (Attachment 3). Their analysis includes the following: 1) whether Section 6409(a) applies to the subject project, 2) whether the proposed project complies with the Solana Beach Municipal Code and City Council Policy 21, 3) whether potential alternatives exist that deserve additional consideration, and 4) whether the proposed site demonstrates planned compliance with the federal radio frequency exposure guidelines.

The project site is not subject to Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012 regarding mandatory approval because AT&T is proposing to construct a new site rather than collocate or modify the transmission equipment of an existing site.

In 2008, the City Council adopted Council Policy 21 to establish the review and approval guidelines for Wireless Communications Facilities. Council Policy 21, section A.1 Location Guidelines for Placement of WCF's, lists the preferred locations for WCF's in descending order of preference. The fourth most preferred location is on property within the "Other Non-Residential Zones" (which would include the OP Zone).

Council Policy 21, Section A.2, requires that in all areas of the City:

WCFs should locate where least visible to the public and where least disruptive to the appearance of the host property. Furthermore, no WCF should be installed on an exposed ridgeline or in a location readily visible from a public place, recreation area, scenic area or residential area unless it is satisfactorily located and/or screened so it is hidden or disguised to fit with the surrounding site design, architecture, and landscaping.

No portion of the proposed antenna supports or equipment will be visible to the public. The proposed antenna enclosure will be constructed to screen all of the proposed antennas and RRU's. The remaining equipment proposed with this permit will be placed in a below grade equipment enclosure previously used as a landscape planter.

Section B.1 Design Guidelines indicates that:

All aspects of the WCF, including the supports, antennas, screening methods, and equipment shall exhibit "stealth" design techniques so they visually blend into the background or the surface on which they are mounted. Subject to City approval, developers should use false architectural elements (e.g., cupolas, bell towers, dormers, and chimneys), architectural treatments (e.g., colors and materials), elements replicating natural features (e.g., trees and rocks), landscaping, and other creative means to hide or disguise WCFs. Stealth can also refer to facilities completely hidden by existing improvements, such as parapet walls.

The original project design did not comply with maximum height limit for the OP Zone and other potential sites within the area were identified that would rank higher under the Council Policy 21 stealth design and location guidelines. Staff had the Applicant provide an analysis of several other single and multi-site locations with the surrounding area that could be considered as potential alternative site locations. However, in order to consider these sites, additional information was required. The analysis of these locations is discussed in more detail in the reports provided by Telecom Law Firm PC (Attachment 3). The Applicant has since redesigned the project to be in compliance with the maximum building height regulations of the zone. Therefore, the proposed project could be found to be in compliance with Council Policy 21 and the underlying zoning regulations. If the Council determines that they are unable to make the required findings and approve the project, Staff would request additional information from the Applicant in order to fully analyze the alternative site locations discussed in the attached reports.

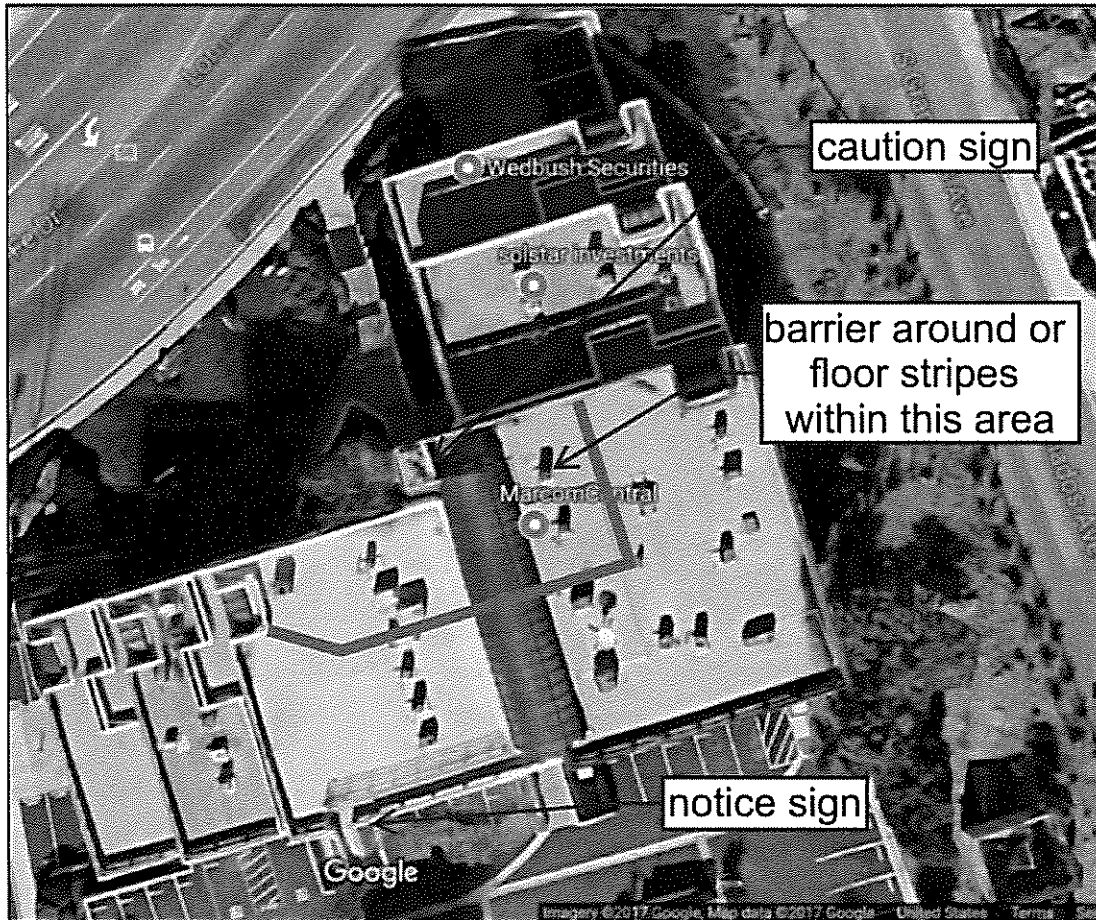
As designed, the proposed antenna enclosure will be located at the top of the existing elevator tower on the north side of the existing building. The enclosure will increase the width and depth of the top 12 feet of the tower by approximately three feet and will increase the overall height of the tower by four feet. The height of the tower would be 41.5 feet from the existing grade directly adjacent to the tower. The highest portion of the antenna enclosure would be at the same height as the existing skylight. The SBMC indicates that the maximum building height for the OP Zone is 45 feet in height. City Council Policy 21 indicates that WCF's should adhere to the existing height limitations for structures and buildings of the zone in which they are located. Because the tallest point of the panel antennas is below 45 feet, it could be found that the proposed antennas adhere to the height limitations for the structures of the zone in which they are located.

According to SBMC 17.28.030, the minimum required setbacks for development in the OP Zone are 15 feet for the front, zero feet for the rear and 15 feet for the street side yards. If the property abuts a residentially zoned property to the side or rear, the required setback is increased to 15 feet. Council Policy 21 indicates that all WCF's and proposed equipment should adhere to the building setbacks for the Zone in which they are located. The Policy also requires that if the project site is next to a residential zone, the WCF should be set back from the residential boundary a minimum distance equal to the above-ground height of the antenna. The property directly east of the site is zoned Low Medium Residential (LMR) and properties to the south of the site are zoned Low Residential (LR). Properties north are Zoned Light Commercial (LC) and west are Special Commercial (SC). As designed, the proposed WCF meets the required setbacks and the closest residentially zoned property is located 175 feet to the south. The proposed antenna and equipment enclosures could be found in compliance with the setback requirements.

The Federal Communications Commission sets the safety standards for Radio Frequency (RF) in the United States. The City is not permitted to set its own standards regardless of whether higher, lower, or even the same as the FCC's standards. The Commission does permit the City to determine whether the proposed wireless project meets the required RF safety requirements. The Applicant provided a RF emissions

report. The Federal Communications Commission (FCC) indicates that certain types of wireless projects are deemed to be categorically excluded or not subject to further RF evaluation if the antennas' supporting structure is not a building or shared to perform some other function and the lowest portion of the transmitting antenna is at least 10 meters above ground (approximately 32.8 feet). The proposed project does not qualify for this categorical exclusion because the antennas are attached to an occupied building. The Applicant has submitted an updated third party Radio Frequency Safety Survey Report Prediction prepared by Waterford Compliance dated March 30, 2017. This report indicates that there would be a controlled access zone extending approximately 34 feet horizontally from the face of the antennas at roughly the height of the antennas at all four antenna sectors. The existence of the controlled access zone does not mean that the project violates the FCC rules; rather, it indicates that the carrier must affirmatively restrict public access to that area so that members of the general population (including trespassers) cannot unknowingly enter and be exposed to radio emissions in excess of those allowed by the FCC. To comply with the existing FCC rules and FCC OET Bulletin 65 rules regarding RF safety, conditions of project approval have been recommended that require the following:

1. Permittee shall keep all access points to the main/uppermost rooftop area closed and locked at all times except when active maintenance is being performed on the main/uppermost rooftop or the equipment on the main/uppermost rooftop.
2. Permittee shall install, and at all times maintain in good condition, an "RF Information" or "RF Notice" sign at any main/uppermost rooftop access point(s). Permittee shall install the sign(s) required under this condition so that a person may clearly see and understand the sign before he or she accesses the main/uppermost rooftop area. The sign(s) required under this condition shall be placed in a location where it will be visible whether the door, hatch or other barrier to the main/uppermost rooftop area is in both the open or closed position (e.g., placed on the wall adjacent to the door where it would not be covered by the door in the open position).
3. Permittee shall install, and at all times maintain in good condition, a polyurethane chain-link barrier in approximately the locations shown in Figure 1 below. Permittee shall also install, and at all times maintain in good condition an "RF Caution" sign on the chain-link barrier in locations where they will be visible to a person approaching the antennas from the main/uppermost rooftop area. In the alternative, Permittee may install alternating floor stripes within the area shown in the figure below:



4. Permittee shall keep the access point to the antenna enclosure closed and locked at all times, except when active maintenance is being performed on the antenna enclosure or the equipment within the antenna enclosure.
5. Permittee shall install, and at all times maintain in good condition, an “RF Caution” sign adjacent to the access ladder leading to the antenna enclosure. Permittee shall install the sign required under this condition so that a person may clearly see and understand the sign before he or she accesses the antenna enclosure. The sign required under this condition shall be placed in a location where it will be visible whether the door, hatch or other barrier to the antenna enclosure is in both the open or closed position.
6. Permittee shall ensure that all signage complies with FCC OET Bulletin 65 or ANSI C95.2 for color, symbol, and content conventions. All such signage shall at all times provide a working local or toll-free telephone number to its network operations center, and such telephone number shall be able to reach a live person who can exert transmitter power-down control over this site as required by the FCC.

As conditioned, the project will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvement in the vicinity as determined by the FCC based on its exposure limits.

Development Review Permit Compliance (SBMC Section 17.68.40):

A DRP is required for “any new commercial development or construction (including any structural addition to existing development) located within any commercial zone which results in an increase of more than 500 feet of gross floor area or to the overall building envelope.”

In addition to meeting the zoning requirements, the project must also be found in compliance with development review criteria. The following is a list of the development review criteria topics:

1. Relationship with Adjacent Land Uses
2. Building and Structure Placement
3. Landscaping
4. Roads, Pedestrian Walkways, Parking, and Storage Areas
5. Grading
6. Lighting
7. Usable Open Space

The Council may approve, or conditionally approve, a DRP only if all of the findings listed below can be made. Resolution 2017-167 provides the full discussion of the required findings below:

1. The proposed development is consistent with the general plan and all applicable requirements of this title, including special regulations, overlay zones, and specific plans.
2. The proposed development complies with the development review criteria.
3. All required permits and approvals issued by the city, including variances, conditional use permits, comprehensive sign plans, and coastal development permits have been obtained prior to or concurrently with the development review permit.
4. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the applicant obtaining the required permit or approval from the other agency.

If the above findings cannot be made, the Council shall deny the DRP. The following is a discussion of the applicable development review criteria as they relate to the proposed project.

Relationship with Adjacent Land Uses:

The property is located within the OP Zone and the SAOZ. Properties to the west are located within the Special Commercial (SC) Zone and developed with the Minute Shop liquor store, to the north are in the Light Commercial Zone and are developed with a two story mixed retail and office building. Properties to the east are located within the Low Medium Residential (LMR) Zone and to the south properties are within the Low Residential (LR) Zone. The residentially zoned lots are developed with a mix of one and two story, single family residences. The project site is currently developed with a multi-level office building with a parking lot located towards the southern property line. The project, as designed, is consistent with the specific development standards of the OP Zone as described in SBMC Sections 17.24.010 and 17.12.020. The proposed development could be found to be consistent with the objectives of the General Plan as it encourages the development of commercial land uses which strengthen the City's economic base and offer a range of commercial enterprises to meet the needs of the residents and visitors.

The property is located within the SAOZ, however, as mentioned previously can be found exempt from the specific requirements of the overlay zone because it is a minor modification. As a condition of project approval, the Applicant would be required to obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission prior to the issuance of a Building Permit.

Building and Structure Placement:

The proposed WCF addition would increase the height, depth, and width of the existing elevator enclosure in order to provide space to install three antennas in four sectors and associated equipment. The soil and vegetation will be removed from an existing planter area at the ground level in order to provide a below grade equipment enclosure.

The OP Zone has required setbacks of 15 feet for the front, 15 feet for a street side and 15 feet for the rear when it is abutting residentially zoned properties. As designed the proposed equipment enclosure would be setback approximately 70 feet from Lomas Santa Fe and the antenna enclosure would be setback approximately 90 feet. The maximum building height for the OP zone is 45 feet as measured from the lower of the existing or proposed grade, the tallest point of the proposed antenna enclosure would be approximately 41.5 feet above the existing grade directly adjacent to the enclosure.

Fences, Walls and Retaining Walls:

A portion of an existing retaining wall will be removed and replaced with the construction of the equipment enclosure. A condition of approval has been added to require that the Applicant paint and texture the CMU retaining walls around the equipment enclosure to match the existing walls in the stairwells.

Landscape:

The project is not subject to the water efficient landscaping regulations of SBMC Chapter 17.56. According to SBMC Section 17.56.040, the regulations apply to modified irrigated landscaped areas that exceed 500 square feet. As designed, approximately 158 square feet of landscaped area will be removed in order to construct the below grade equipment enclosure. The Applicant would remove a portion of the existing retaining wall that surrounds an existing landscape planter and excavate the soil and remove the existing vegetation in order to pour a concrete slab. In addition, an existing diseased tree adjacent to the proposed equipment enclosure would be removed and replaced with the proposed project.

Parking:

No additional parking is required for an unmanned WCF.

Grading:

The proposed grading quantities include 29.4 cubic yards for the excavation to be exported off-site in order to remove the existing plant and soil from the planter box and construct a below grade equipment enclosure for the proposed WCF.

Lighting:

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

Usable Open Space:

The project consists of the construction of a new WCF on an existing office building, therefore, usable open space and recreational facilities are neither proposed nor required according to SBMC Section 17.20.040.

Structure Development Permit Compliance:

The proposed antenna enclosure will exceed 16 feet in height from the pre-existing grade therefore, the project must comply with all of the requirements of SBMC Chapter 17.63 (View Assessment) and the Applicants must complete the SDP process. Story poles were erected onsite and a Story Pole Height Certificate was issued by a licensed land surveyor on August 2, 2017, which showed a maximum building height of 41.5 feet. The highest story pole was certified at 153.2 feet above Mean Sea Level (MSL) as measured from the existing grade.

Notices were mailed to all property owners and residents within 300 feet of the property and the deadline to file for View Assessment was November 22, 2017. No applications

for view assessment were received. Therefore, the requirements for the approval of a SDP have been met. The SDP will be issued administratively with the CUP and DRP should the Council determine that the findings can be made to approve the project.

As a condition of project approval, once construction has begun, the Applicant will be required to submit a height certification, prior to the framing inspection, for the tallest portion of the proposed antenna enclosure. The Height Certification will be signed by a licensed land surveyor and will verify that the framing materials and the proposed roofing materials will not exceed the maximum building heights approved by the SDP.

Public Hearing Notice:

Notices of the City Council public hearing for the project were mailed to property owners and occupants within 300 feet of the proposed project site more than 10 days prior to the planned public hearing date of December 13, 2017. As of the date of preparation of this Staff Report, Staff has not received any letters, phone calls, or e-mails from neighbors or interested parties in support of, or in opposition to, the proposed project.

Conditions from the Community Development Department as well as the City's consultant have been incorporated into the Resolution of Approval (Attachment 1). In conclusion, Staff recommends the City Council adopt Resolution 2017-167.

CEQA COMPLIANCE STATEMENT:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the State CEQA Guidelines.

FISCAL IMPACT: N/A

WORKPLAN: N/A

OPTIONS:

- Approve Staff recommendation adopting the attached Resolution 2017-167.
- Approve Staff recommendation subject to additional specific conditions necessary for the City Council to make all required findings for the approval of a CUP and DRP.
- Direct Staff to analyze alternative site locations.
- Deny the project if all required findings for the CUP and/or the DRP cannot be made.

DEPARTMENT RECOMMENDATION:

Because the Act mandates that the project be approved, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council disclosures, Receive public testimony, Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15301 of the State CEQA Guidelines; and
3. Adopt Resolution 2017-167 conditionally approving a CUP/DRP/SDP for a new WCF and associated equipment located on the roof of an existing commercial office building at 201 Lomas Santa Fe, Solana Beach.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution 2017-167
2. Project Plans
3. Report from Telecom Law Firm

RESOLUTION NO. 2017-167

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A CONDITIONAL USE PERMIT, DEVELOPMENT REVIEW PERMIT AND STRUCTURE DEVELOPMENT PERMIT FOR A NEW WIRELESS COMMUNICATIONS FACILITY LOCATED ON THE EXISTING COMMERCIAL STRUCTURE AT 201 LOMAS SANTA FE, SOLANA BEACH

APPLICANT: AT&T Mobility
CASE NO.: 17-17-15 CUP/DRP/SDP

WHEREAS, AT&T Mobility (hereinafter referred to as "Applicant") has submitted an application for a Conditional Use Permit (CUP), Development Review Permit (DRP) and Structure Development Permit (SDP) pursuant to Title 17 (Zoning) of the Solana Beach Municipal Code (SBMC) and City Council Policy 21; and

WHEREAS, the Applicant is proposing a new WCF location in order to replace a WCF being removed from the commercial structure at 505 Lomas Santa Fe; and

WHEREAS, at the hearing on December 13, 2017, the City Council received and considered evidence concerning the proposed application; and

WHEREAS, on December 13, 2017, the public hearing was conducted pursuant to the provisions of Solana Beach Municipal Code Section 17.72.030; and

WHEREAS, the City Council of the City of Solana Beach found the application request exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearings, and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. That the request for a CUP/DRP/SDP to construct a new WCF located on the top of the existing elevator tower of an existing commercial office building and a ground level equipment enclosure at 201 Lomas Santa Fe is conditionally approved based upon the following Findings and subject to the following Conditions:
3. FINDINGS
 - A. In accordance with Section 17.68.010 (Conditional Use Permit) of the City of

Solana Beach Municipal Code, the City Council finds the following:

I. Before granting a Conditional Use Permit, the Planning Director or City Council shall make all of the following findings:

a. The proposed use is in accord with the General Plan, the general intent of this title, and the purposes of the zone in which the site is located.

General Plan Consistency: The proposed project, as conditioned, is consistent with the City's General Plan designation of Office/Professional which provides for professional office and general office in addition to other compatible uses such as religious facilities, educational institutions, parks and recreation facilities, and public utilities. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development of commercial land uses which strengthen the City's economic base and offer a range of commercial enterprises to meet the needs of the residents and visitors.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17), which delineates Permitted Uses and Structures (SBMC Section 17.24.020 and 17.24.030), and provides for uses which allow an Applicant to locate a commercial transmission and receiving antenna on a property within the OP Zone. Further, the proposed project adheres to all property development regulations established for the OP Zone and cited by the SBMC Section 17.24.030.

The design of the proposed project is consistent with the provisions for minimum yard dimensions (i.e. setbacks) and maximum building height. The project also complies with City Council 21 regulations as required by SBMC Section 17.60.120 for height, setbacks, proximity to residential uses, the uses of surrounding properties, quality and compatibility of design and screening, and impacts to public views and visual quality of the surrounding areas.

b. The proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

The Applicant has submitted an updated third party Radio Frequency Safety Survey Report Prediction prepared by Waterford Compliance dated March 30, 2017. This report

indicates that there would be a controlled access zone extending approximately 34 feet horizontally from the face of the antennas at roughly the height of the antennas at all four antenna sectors. The existence of the controlled access zone does not mean that the project violates the FCC rules; rather, it indicates that the carrier must affirmatively restrict public access to that area so that members of the general population (including trespassers) cannot unknowingly enter and be exposed to radio emissions in excess of those allowed by the FCC. Therefore, the project will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvement in the vicinity as determined by the FCC based on its exposure limits.

- c. *That the proposed use complies with each of the applicable provision of the zoning ordinance, unless a variance is granted pursuant to SBMC 17.68.020*

The proposed project complies with the property development regulations of SBMC 17.24.030, as well as the Wireless Communications Facilities guidelines of City Council Policy 21, which are required according to SBMC Section 17.60.120 for maximum height, setbacks, proximity to residential properties, impacts on public views and visual quality of the surrounding area.

- II. *If the Conditional Use Permit is for the purpose of permitting an expansion, restoration or extension of a nonconforming use or structure then only the findings of Chapter 17.16 SBMC must be made.*

The proposed project is not for the purpose of permitting an expansion, restoration or extension of a nonconforming use or structure.

- B. In accordance with Section 17.68.040 (Development Review Permit) of the City of Solana Beach Municipal Code, the City Council finds the following:

- I. *The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones, and specific plans.*

General Plan Consistency: The proposed project, as conditioned, is consistent with the City's General Plan designation of Office/Professional which provides for professional office and general office in addition to other compatible uses such as religious facilities, educational institutions, parks and recreation facilities, and public utilities. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the

development of commercial land uses which strengthen the City's economic base and offer a range of commercial enterprises to meet the needs of the residents and visitors.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17), which delineates Permitted Uses and Structures (SBMC Section 17.24.020 and 17.24.030), and provides for uses which allow an Applicant to locate a commercial transmission and receiving antenna on a property within the OP Zone. Further, the proposed project adheres to all property development regulations established for the OP Zone and cited by the SBMC Section 17.24.030.

The design of the proposed project is consistent with the provisions for minimum yard dimensions (i.e. setbacks) and maximum building height. The project also complies with City Council 21 regulations as required by SBMC Section 17.60.120 for height, setbacks, proximity to residential uses, the uses of surrounding properties, quality and compatibility of design and screening, and impacts to public views and visual quality of the surrounding areas.

II. The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040(F):

a. Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and complementary to existing development in the immediate vicinity of the project site and the surrounding neighborhood. The development as proposed shall also be compatible in scale, apparent bulk, and massing with such existing development in the surrounding neighborhood. Site planning on or near the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects.

The property is located within the OP Zone and the SAOZ. Properties to the west are located within the Special Commercial (SC) Zone and developed with the Minute Shop liquor store, to the north are in the Light Commercial Zone and are developed with a two story mixed retail and office building. Properties to the east are located within the Low Medium Residential (LMR) Zone and to the south properties are within the Low Residential (LR) Zone. The residentially zoned lots are developed with a mix of one and two story, single family residences. The project site is currently developed with a multi-level office building with a parking lot located towards the southern property line. The project, as designed, is

consistent with the specific development standards of the OP Zone as described in SBMC Sections 17.24.010 and 17.12.020. The proposed development could be found to be consistent with the objectives of the General Plan as it encourages the development of commercial land uses which strengthen the City's economic base and offer a range of commercial enterprises to meet the needs of the residents and visitors.

The property is located within the SAOZ, however, as mentioned previously can be found exempt from the specific requirements of the overlay zone because it is a minor modification. As a condition of project approval, the Applicant would be required to obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission prior to the issuance of a Building Permit.

- b. *Building and Structure Placement: Buildings and structures shall be sited and designed to minimize adverse impacts on the surrounding properties and designed in a manner which visually and functionally enhance their intended use and complement existing site topography. Multi-family residential buildings shall be sited to avoid crowding and to allow for a functional use of the space between buildings.*

The proposed WCF addition would increase the height, depth, and width of the existing elevator enclosure in order to provide space to install three antennas in four sectors and associated equipment. The soil and vegetation will be removed from an existing planter area at the ground level in order to provide a below grade equipment enclosure.

The OP Zone has required setbacks of 15 feet for the front, 15 feet for a street side and 15 feet for the rear when it is abutting residentially zoned properties. As designed the proposed equipment enclosure would be setback approximately 70 feet from Lomas Santa Fe and the antenna enclosure would be setback approximately 90 feet. The maximum building height for the OP zone is 45 feet as measured from the lower of the existing or proposed grade, the tallest point of the proposed antenna enclosure would be approximately 41.5 feet above the existing grade directly adjacent to the enclosure.

- c. *Landscaping: The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. To the maximum extent practicable, landscaping and plantings shall be used to screen parking areas, storage areas, access roads, and other service uses of the site. Trees and other large plantings shall not obstruct significant views when installed or at maturity. Drought*

tolerant plant materials and water conserving irrigation systems shall be incorporated into all landscaping plans.

The project is not subject to the water efficient landscaping regulations of SBMC Chapter 17.56. According to SBMC Section 17.56.040, the regulations apply to modified irrigated landscaped areas that exceed 500 square feet. As designed, approximately 158 square feet of landscaped area will be removed in order to construct the equipment enclosure. The Applicant would remove a portion of the existing retaining wall that surrounds an existing landscape planter and excavate the soil and remove the existing vegetation in order to pour a concrete slab. In addition, an existing diseased tree adjacent to the proposed equipment enclosure would be removed and replaced with the proposed project.

- d. *Roads, Pedestrian Walkways, Parking and Storage Areas: Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.*

No additional parking is required for an unmanned WCF.

- e. *Grading: To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.*

The proposed grading quantities include 29.4 cubic yards for the excavation to be exported off-site in order to remove the existing plant and soil from the planter box and construct a below grade equipment enclosure for the proposed WCF.

- f. *Lighting: Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).*

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

- g. Usable Open Space: Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.*

The project consists of the construction of a new WCF on an existing office building, therefore, usable open space and recreational facilities are neither proposed nor required according to SBMC Section 17.20.040.

- III. All required permits and approvals issued by the City, including variances, conditional use permits, comprehensive sign plans, and coastal development permits, have been obtained prior to or concurrently with the development review permit.*

All required permits are being processed concurrently with the CUP. As a condition of project approval, the Applicant shall obtain approval from the CCC prior to issuance of Building Permits.

- IV. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the applicant obtaining the required permit or approval from the other agency.*

As a condition of project approval, the Applicant will be required to obtain approval from the California Coastal Commission (CCC) prior to the issuance of Building Permits.

- C. In accordance with Section 17.63.040 (Structure Development Permit) of the Solana Beach Municipal Code, the City Council finds the following:

- I. Notices were mailed to all property owners and residents within 300 feet of the property and the deadline to file for View Assessment was November 22, 2017. No applications for View Assessment were received.

Therefore, the requirements for the approval of a SDP have been met. The SDP will be issued administratively with the CUP and DRP.

As a condition of project approval, once construction has begun, the Applicant will be required to submit a height certification prior to the framing inspection. The Height Certification will be signed by a

licensed land surveyor and will verify that the framing materials and the proposed roofing materials will not exceed the maximum building height of 41.5 feet from the existing grade or 153.2 feet above MSL as approved by the SDP.

4. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicant shall provide for and adhere to the following conditions:

A. Community Development Department Conditions:

- I. Building Permit plans must be in substantial conformance with the plans presented to the City Council on December 13, 2017, located in the project file with a submittal date of November 30, 2017.
- II. The Applicant shall obtain required California Coastal Commission (CCC) approval of a Coastal Development Permit, Waiver or Exemption as determined necessary by the CCC, prior to the issuance of a building permit.
- III. Any new exterior lighting fixtures shall be in conformance with the City-Wide Lighting Regulations of SBMC 17.60.060.
- IV. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities that render them detrimental to the surrounding area.
- V. This permit will automatically expire 10 years and one day from its issuance, except when California Government Code § 65964(b), as may be amended or superseded in the future, authorizes the City to establish a shorter term for public safety or substantial land use reasons. Any other permits or approvals issued in connection with any collocation, modification or other change to this wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed-approved under federal or state law, will not extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law.
- VI. Before Permittee submits any applications to the Building Department, Permittee must incorporate this permit, all conditions associated with this permit and the approved photo simulations into the project plans (the "**Approved Plans**"). Permittee must construct, install and operate the wireless facility in strict compliance with the Approved Plans. Any alterations, modifications or other changes to the Approved Plans, whether requested by Permittee or required by other departments or public agencies with jurisdiction over the wireless facility, must be submitted in a written request subject to the

Director's prior review and approval, who may refer the request to the original approval authority if the Director finds that the requested alteration, modification or other change substantially deviates from the Approved Plans or implicates a significant or substantial land-use concern.

- VII. Permittee shall keep the site, which includes without limitation any and all improvements, equipment, structures, access routes, fences and landscape features, in a neat, clean and safe condition in accordance with the Approved Plans and all conditions in this permit. Permittee shall keep the site area free from all litter and debris at all times. Permittee, at no cost to the City, shall remove and remediate any graffiti or other vandalism at the site within 48 hours after Permittee receives notice or otherwise becomes aware that such graffiti or other vandalism occurred.
- VIII. Permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law ("**Laws**") applicable to Permittee, the subject property, the wireless facility or any use or activities in connection with the use authorized in this permit, which includes without limitation any Laws applicable to human exposure to RF emissions. Permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen Permittee's obligations to maintain compliance with all Laws. In the event that the City fails to timely notice, prompt or enforce compliance with any applicable provision in the Solana Beach Municipal Code, any permit, any permit condition or any applicable law or regulation, the applicant or permittee will not be relieved from its obligation to comply in all respects with all applicable provisions in the Solana Beach Municipal Code, any permit, any permit condition or any applicable law or regulation.
- IX. Permittee shall use all reasonable efforts to avoid any and all undue or unnecessary adverse impacts on nearby properties that may arise from Permittee's or its authorized personnel's construction, installation, operation, modification, maintenance, repair, removal and/or other activities at the site. Permittee shall not perform or cause others to perform any construction, installation, operation, modification, maintenance, repair, removal or other work that involves heavy equipment or machines except during normal construction work hours authorized by the Solana Beach Municipal Code. The restricted work hours in this condition will not prohibit any work required to prevent an actual, immediate harm to property or persons, or any work during an emergency declared by the City. The Director or the Director's designee may issue a stop work order for

any activities that violates this condition.

- X. Permittee expressly acknowledges and agrees that the City's officers, officials, staff or other designee may enter onto the site and inspect the improvements and equipment upon reasonable prior notice to Permittee; provided, however, that the City's officers, officials, staff or other designee may, but will not be obligated to, enter onto the site area without prior notice to support, repair, disable or remove any improvements or equipment in emergencies or when such improvements or equipment threatens actual, imminent harm to property or persons. Permittee will be permitted to supervise the City's officers, officials, staff or other designee while any such inspection or emergency access occurs.
- XI. Permittee shall furnish the Director with accurate and up-to-date contact information for a person responsible for the wireless facility, which includes without limitation such person's full name, title, direct telephone number, facsimile number, mailing address and email address. Permittee shall keep such contact information up-to-date at all times and immediately provide the Director with updated contact information in the event that either the responsible person or such person's contact information changes.
- XII. Permittee must maintain complete and accurate copies of all permits and other regulatory approvals issued in connection with the wireless facility, which includes without limitation this approval, the approved plans and photo simulations incorporated into this approval, all conditions associated with this approval and any ministerial permits or approvals issued in connection with this approval. In the event that Permittee does not maintain such records as required in this condition, any ambiguities or uncertainties that would be resolved through an inspection of the missing records will be construed against Permittee. Records may be kept in electronic format.
- XIII. Permittee shall taper the FRP screen walls to the existing building façade on all sides, beginning at the bottom 1/3 of the screen wall.
- XIV. Permittee shall paint and texture the vertical cable riser to match the existing alternating colors on the building.
- XV. Permittee shall paint and texture the FRP screen walls to match the existing color on the building at the height of the screen walls.
- XVI. Permittee shall paint and texture the CMU retaining walls around the equipment enclosure to match the existing walls in the stairwells.
- XVII. Permittee shall hire and pay for a licensed arborist to select, plant

and maintain a replacement tree in an appropriate location for the species. Only ISA Certified tree workers under the supervision of a licensed arborist shall be used to install the replacement tree. The replacement tree shall be at least a 48" box size, and a type that generally does not exceed 25' in mature overall height, so as not to protrude above the roofline when viewed from vantage points in publicly accessible spaces to the east of the site location. The planting hole shall be at least three times the diameter of the root ball but only as deep as the root ball. The trunk flare at the base of the tree shall be visible after the replacement tree has been planted. Permittee shall, at all times, be responsible to maintain the replacement tree.

- XVIII. Permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by Permittee or at Permittee's direction on or about the site.
- XIX. Permittee shall install, and at times maintain in good condition, all equipment, including without limitation antennas, remote radio units, power surge suppressors, GPS antennas, equipment cabinets, power cabinets, battery cabinets and utility panels, fully concealed from public view within FRP screening or the CMU wall enclosure, as applicable.
- XX. Permittee shall keep all access points to the main/uppermost rooftop area closed and locked at all times except when active maintenance is being performed on the main/uppermost rooftop or the equipment on the main/uppermost rooftop.
- XXI. Permittee shall install, and at all times maintain in good condition, an "RF Information" or "RF Notice" sign at any main/uppermost rooftop access point(s). Permittee shall install the sign(s) required under this condition so that a person may clearly see and understand the sign before he or she accesses the main/uppermost rooftop area. The sign(s) required under this condition shall be placed in a location where it will be visible whether the door, hatch or other barrier to the main/uppermost rooftop area is in both the open or closed position (e.g., placed on the wall adjacent to the door where it would not be covered by the door in the open position).
- XXII. Permittee shall install, and at all times maintain in good condition, a polyurethane chain-link barrier in approximately the locations shown in Figure 1 below. Permittee shall also install, and at all times maintain in good condition an "RF Caution" sign on the chain-link barrier in locations where they will be visible to a person approaching the antennas from the main/uppermost rooftop area. In the

alternative, Permittee may install alternating floor stripes within the area shown in Figure 1.

- XXIII. Permittee shall keep the access point to the antenna enclosure closed and locked at all times, except when active maintenance is being performed on the antenna enclosure or the equipment within the antenna enclosure.
- XXIV. Permittee shall install, and at all times maintain in good condition, an "RF Caution" sign adjacent to the access ladder leading to the antenna enclosure. Permittee shall install the sign required under this condition so that a person may clearly see and understand the sign before he or she accesses the antenna enclosure. The sign required under this condition shall be placed in a location where it will be visible whether the door, hatch or other barrier to the antenna enclosure is in both the open or closed position.
- XXV. Permittee shall ensure that all signage complies with FCC OET Bulletin 65 or ANSI C95.2 for color, symbol, and content conventions. All such signage shall at all times provide a working local or toll-free telephone number to its network operations center, and such telephone number shall be able to reach a live person who can exert transmitter power-down control over this site as required by the FCC.
- XXVI. AT&T shall power-down the antennas whenever maintenance personnel other than AT&T perform any work on the roof of the building.
- XXVII. AT&T shall install and at all times maintain in good condition an RF Notice at all access points to the roof area. AT&T shall install the RF Notice signs in a location where anyone approaching the roof access point may clearly see the sign.
- XXVIII. AT&T shall install and at all times maintain in good condition a physical barrier that (1) restricts physical access to the controlled zones in front of the 50* TN and 240* TN sectors and (2) substantially conforms to the example provided in Figure 1, of the report dated December 5, 2013. Each barrier shall include an RF Caution sign placed where anyone approaching the barrier will clearly see it before entering the controlled zone.
- XXIX. AT&T shall ensure that all signs comply with FCC OET Bulletin 65 or ANSI C95.2 for color, symbol, and content conventions. All such signage shall at all times provide a working local or toll-free telephone number to its network operations center, and such telephone number shall be able to reach a live person who can exert transmitter power-down control over this site as required by the FCC.

- XXX. All equipment such as, but not limited to, emergency generators and air conditioners, shall be designed and operated consistent with the City's noise standards.
- XXXI. All facilities, related equipment, and landscaping shall be maintained in good condition and free from trash, debris, graffiti, and any form of vandalism. Damaged equipment and damaged, dead or decaying landscaping shall be replaced promptly.
- XXXII. Routine maintenance of equipment located in residential zones or within 100 feet of a residential district shall be conducted only during the hours of 8am and 5pm on weekdays, not including holidays. In other areas, routine maintenance may be conducted within a reasonable length of time to be determined by the City Manager or his designee in the cases of power outages and equipment failure or malfunction. Equipment "change out" and overhaul can occur any time within 30 days notice to the Director of Community Development to allow notice to property owners and residents within 300 feet of the facility.
- XXXIII. Maintenance shall not take place on Sundays or holidays.
- XXXIV. Security lighting should be kept to a minimum and should only be triggered by a motion detector where practical.
- XXXV. Within 6 months after the issuance of occupancy and with each time extension or amendment request, the developer/operator shall submit to the Planning Director either a verification that the WCF is categorically excluded from having to determine compliance with the guidelines per 47 CFR 1.1307(b)(1) or a project implementation report that provides cumulative field measurements of RF electromagnetic fields of all antennas installed at the subject site. The report shall quantify the RF emissions and compare the results with the project's preliminary proposal report submitted with the initial project application and the accepted ANSI/IEEE standards. If, on review, the Planning Director finds that the project does not meet ANSI/IEEE standards, the City may take any action necessary, as provided by law, to require compliance including, but not limited to, revoking the CUP.
- XXXVI. Any WCF that is not operated for a continuous period of 90 days will be considered abandoned.
- XXXVII. Within 90 days of receipt of notice from the City notifying the owner of such abandonment, the WCF owner must remove the facility and restore the site, as much as is reasonable and practical, to its prior

condition. If such WCF is not removed within 90 days, the WCF will be considered a nuisance and in addition to any other available remedy, will be subject to abatement under Chapter 6.04 of the SBMC. If there are two or more users of a single WCF, then this provision will not become effective until all users stop using the WCF. The provider or owner must give notice to the City of the intent to discontinue use of any facility before discontinuing the use.

5. **ENFORCEMENT:** Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.1.6 and 1.18 in addition to any applicable revocation proceedings.
6. **EXPIRATION:** The Conditional Use Permit for WCF's shall be granted for a period not to exceed ten (10) years. Upon a request for either an extension of an amendment of a CUP, the WCF should be reevaluated to assess the impact of the facility on adjacent properties, the record of maintenance and performance with reference to the conditions of approval and consistency with these guidelines. The project will expire on December 13, 2027 or sooner if the WCF is not operated for a continuous period of 90 days in that case the WCF will be considered abandoned.
7. **INDEMNIFICATION AGREEMENT:** The Applicant shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Applicant of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Applicant shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicant regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicant shall not be required to pay or perform any settlement unless such settlement is approved by Applicant.
8. **NOTICE TO APPLICANT:** Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, dedications, reservations or other exactions described in this resolution commences on the effective date of this resolution. To protest the imposition of any fee, dedications, reservations or other exactions described in this resolution you must comply with the provisions of Government Code Section 66020. Generally the resolution is effective upon expiration of the tenth day following the

date of adoption of this resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, held on the 13th day of December, 2017, by the following vote:

AYES: Councilmembers –

NOES: Councilmembers –

ABSENT: Councilmembers –

ABSTAIN: Councilmembers –

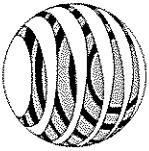
MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



SITE NUMBER: SD0925 SITE NAME: LOMAS SANTA FE

APPROVAL	DATE	SIGNATURE
P.M.:		
C.M.:		
S.A.C.:		
R.F.:		
ZONING:		

DRAWING INDEX (ZONING)

T01	TITLE SHEET
A01	SITE PLAN
A02	EQUIPMENT & ANTENNA LAYOUT PLANS
A03	ELEVATIONS
A04	ELEVATION
A05	EQUIPMENT CMU WALL ENCLOSURE AND SPECIFICATIONS
A06	ANTENNA AND IRID CONFIGURATION AND SPECIFICATIONS
A07	STORM DRAIN AND STEEL GRADE LED PLAN
C01	STORY POLE PLAN
B01	TOPOGRAPHIC SURVEY
B02	TOPOGRAPHIC SURVEY

11 SHEETS TOTAL

CODE COMPLIANCE

- 1. 2016 CALIFORNIA ADMINISTRATIVE CODE (CAC)
- 2. 2016 CALIFORNIA BUILDING CODE (CBC), VOLUMES 1, AND 2
- 3. 2016 CALIFORNIA MECHANICAL CODE (CMC)
- 4. 2016 CALIFORNIA ELECTRICAL CODE (CEC)
- 5. 2016 CALIFORNIA FIRE CODE (FC)
- 6. 2016 CALIFORNIA ENERGY CODE (CEC)
- 7. 2016 CALIFORNIA FIRE CODE (FC)
- 8. 2016 CALIFORNIA MECHANICAL CODE (CMC)
- 9. 2016 CALIFORNIA ELECTRICAL CODE (CEC)
- 10. 2016 CALIFORNIA ENERGY CODE (CEC)



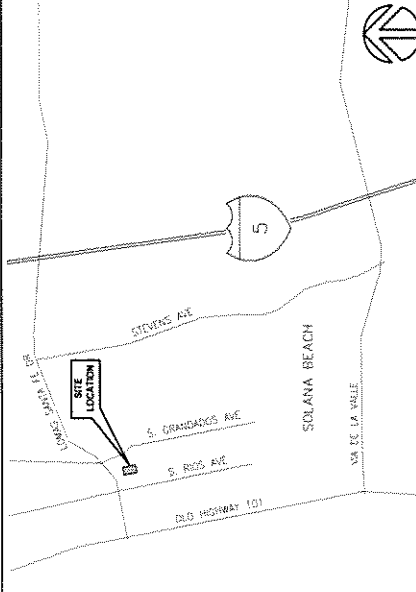
SD0925
LOMAS SANTA FE
201 LOMAS SANTA FE DRIVE
SOLANA BEACH, CA 92775

DCI PACIFIC
AIEIC WORKS
ARCHITECTURE & ENGINEERING
PLANNING & CONSTRUCTION

DIRECTIONS

- FROM AT&T SAN DIEGO OFFICE
1. TURN RIGHT ON SAN DIEGO BL. WEST
 2. TURN RIGHT ON SAN DIEGO BL. WEST
 3. TURN LEFT ONTO LOMAS SANTA FE
 4. TURN RIGHT ONTO WILMARTH RD
 5. TURN LEFT ONTO WILMARTH RD
 6. TAKE RAMP LEFT AND FOLLOW SIGNS FOR LOCAL BYPASS
 7. AT EXIT 37, TAKE RAMP RIGHT AND FOLLOW SIGNS FOR LOMAS SANTA FE DR
 8. TURN LEFT ONTO LOMAS SANTA FE DR
 9. APPROX. 71 LOMAS SANTA FE DR

VICINITY MAP



DEVELOPMENT SUMMARY

PROJECT SCOPE OF WORK:
THIS PROJECT ENTAILS THE INSTALLATION OF:
1. (1) 15' TOWER WITH 15' WIND ENVELOPE WITH STEEL GRADING LED
2. (1) 15' TOWER WITH 15' WIND ENVELOPE WITH STEEL GRADING LED
3. (13) PANEL ANTENNAS, (32) RRJ'S & (6) DC-S SURGE SUPPRESSORS
4. (7) CTS ANTENNAS

NOTE: THE TOTAL LANDSCAPE SQ. FT. SHOULD BE BELOW 500 SQ. FT.

PROPERTY INFORMATION:
LOCAL JURISDICTION:
(SEE ON SHEET A01)

EXISTING MCFs ON SAME PROPERTY:

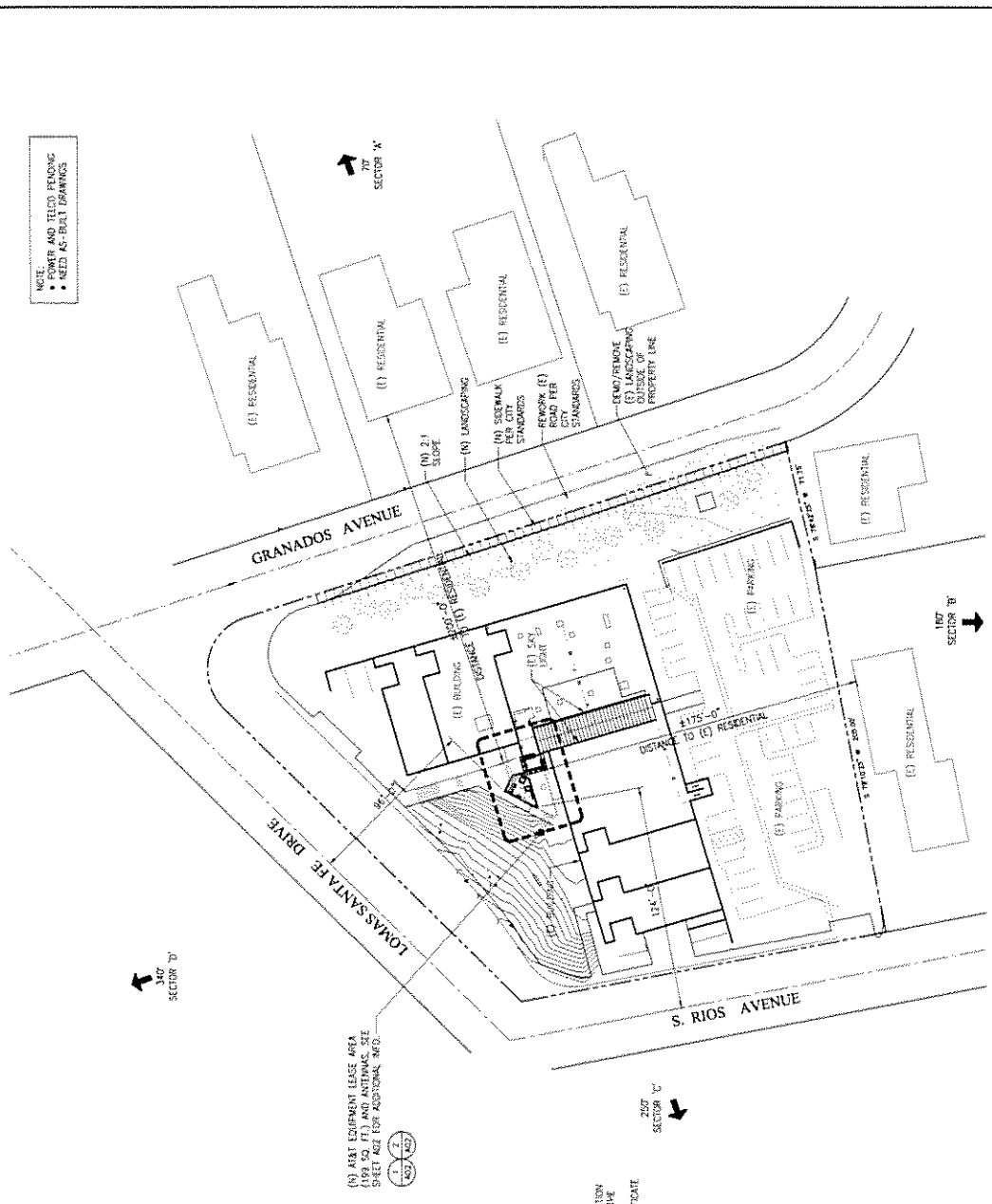
BUILDING CODE INFORMATION:
EXISTING BUILDING/STRUCTURE:
CONSTRUCTION TYPE:
SPRINKLER SYSTEM:
OCCUPANCY TYPE:
PROPOSED STRUCTURE:
CONSTRUCTION TYPE:
SPRINKLER SYSTEM:

PROJECT TEAM:
CONSTRUCTION:
PHONE:
SITE ACQUISITION:
PLANNING:
PHONE:
ARCHITECT:
PHONE:

ZONING INFORMATION:
JURISDICTION:
ZONING RESOLUTION:
EXISTING ZONING NO.:ZONING DISTRICT:
TOP OF (E) STRUCTURE:
BASE OF (E) STRUCTURE:

DATE	REVISION	BY	CHK	APP	SHEET NUMBER
10/27/17	ISSUED PER CITY COMMENTS	MM	DK	DK	T01
10/27/17	ISSUED PER CITY COMMENTS & REVISION	MM	DK	DK	
10/27/17	FINAL ISSUE AREA REVISION	MM	DK	DK	
11/02/17	INCORPORATE LOMA RELEASE 10-27-18	MM	DK	DK	
10/27/17	ISSUED FOR ZONING APPROVAL (10/28/17)	MM	DK	DK	
NO DATE	REVISION	BY	CHK	APP	
NO DATE	REVISION	BY	CHK	APP	
NO DATE	REVISION	BY	CHK	APP	
SCALE	AS SHOWN	RECORDED			

NOTE:
 • ALL DIMENSIONS AND TYPED FIGURES
 • NEED AS-BUILT DRAWINGS



As the creator and property owner of the County of San Diego, State of California, now filed as follows:
 LOTS 8 AND 9 IN BLOCK 6 OF SAN ANA BEACH, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
 AND LOTS 10 AND 11 IN BLOCK 7 OF SAN ANA BEACH, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA,
 COUNTY OF SAN DIEGO, CALIFORNIA, BEING THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO
 EXCEPT THE PORTION THAT PORTION OF SAID LOTS 8 AND 9 AS COMPARED BY THE COUNTY OF SAN DIEGO
 RECORDS AS PARCELS 0484 AND 0485 AS SHOWN BELOW.

PARCEL 0484 & 5:
 THAT PORTION OF LOTS 8 AND 9 IN BLOCK 6 OF SAN ANA BEACH ACCORDING TO MAP THEREOF NO. 1183 FILED
 IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA, WITHIN A SHEET OF LAND
 WITH THE TITLE, "CORRECTED PLAN" OF THE FOLLOWING DESCRIBED CENTERLINE:
 BEGINNING AT A POINT IN THE INTERSECTION OF PLAZA STREET AND GRANADOS AVENUE AS SHOWN
 ON SAID MAP OF SAN ANA BEACH WHICH BEARS SOUTH 89° 27' 48" WEST 276.00 FEET SUCH POINT
 BEING THE POINT OF BEGINNING OF SAID CENTERLINE; THENCE S 89° 27' 48" W 276.00 FEET TO THE
 QUARTER OF SECTION 8, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN JUAN BAUTISTA MERIDIAN; THENCE
 ALONG THE CENTER LINE OF SAID PLAZA STREET SOUTH 89° 27' 48" WEST 276.00 FEET TO THE
 POINT OF BEGINNING OF SAID CENTERLINE; THENCE S 89° 27' 48" W 276.00 FEET TO THE
 QUARTER OF SECTION 8, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN JUAN BAUTISTA MERIDIAN; THENCE
 ALONG THE CENTER LINE OF SAID ROAD SURVEY 148 DISK 107 IN CASE NO. 107 IN THE COUNTY OF SAN
 DIEGO RECORDED NOVEMBER 18, 1918 IN BOOK 1142 PAGE 382; SPECIAL RECORDS IN SAID NOTICE OF
 THE COUNTY RECORDER

PARCEL 0485 & 6:
 THAT PORTION OF LOTS 10 AND 11 IN BLOCK 7 OF SAN ANA BEACH ACCORDING TO MAP THEREOF NO. 1183 FILED
 IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, CALIFORNIA, WITHIN A SHEET OF LAND
 WITH THE TITLE, "CORRECTED PLAN" OF THE FOLLOWING DESCRIBED CENTERLINE:
 BEGINNING AT A POINT IN THE INTERSECTION OF PLAZA STREET AND GRANADOS AVENUE AS SHOWN
 ON SAID MAP OF SAN ANA BEACH WHICH BEARS SOUTH 89° 27' 48" WEST 276.00 FEET SUCH POINT
 BEING THE POINT OF BEGINNING OF SAID CENTERLINE; THENCE S 89° 27' 48" W 276.00 FEET TO THE
 QUARTER OF SECTION 8, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN JUAN BAUTISTA MERIDIAN; THENCE
 ALONG THE CENTER LINE OF SAID PLAZA STREET SOUTH 89° 27' 48" WEST 276.00 FEET TO THE
 POINT OF BEGINNING OF SAID CENTERLINE; THENCE S 89° 27' 48" W 276.00 FEET TO THE
 QUARTER OF SECTION 8, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN JUAN BAUTISTA MERIDIAN; THENCE
 ALONG THE CENTER LINE OF SAID ROAD SURVEY 148 DISK 107 IN CASE NO. 107 IN THE COUNTY OF SAN
 DIEGO RECORDED NOVEMBER 18, 1918 IN BOOK 1142 PAGE 382; SPECIAL RECORDS IN SAID NOTICE OF
 THE COUNTY RECORDER

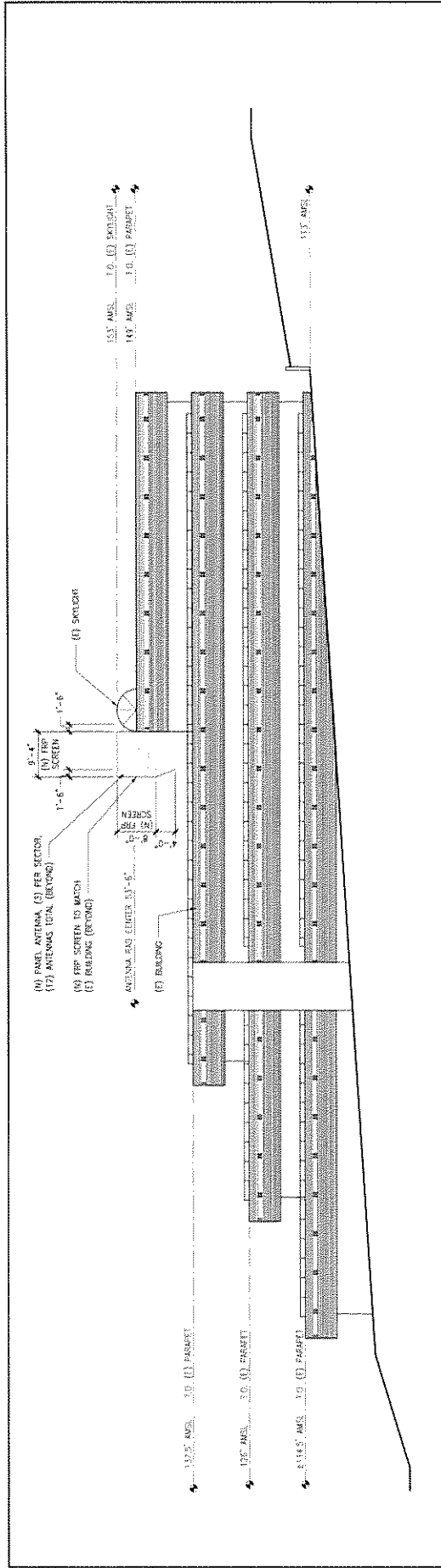
Parcel Number: 208 073 01

LEGAL DESCRIPTION

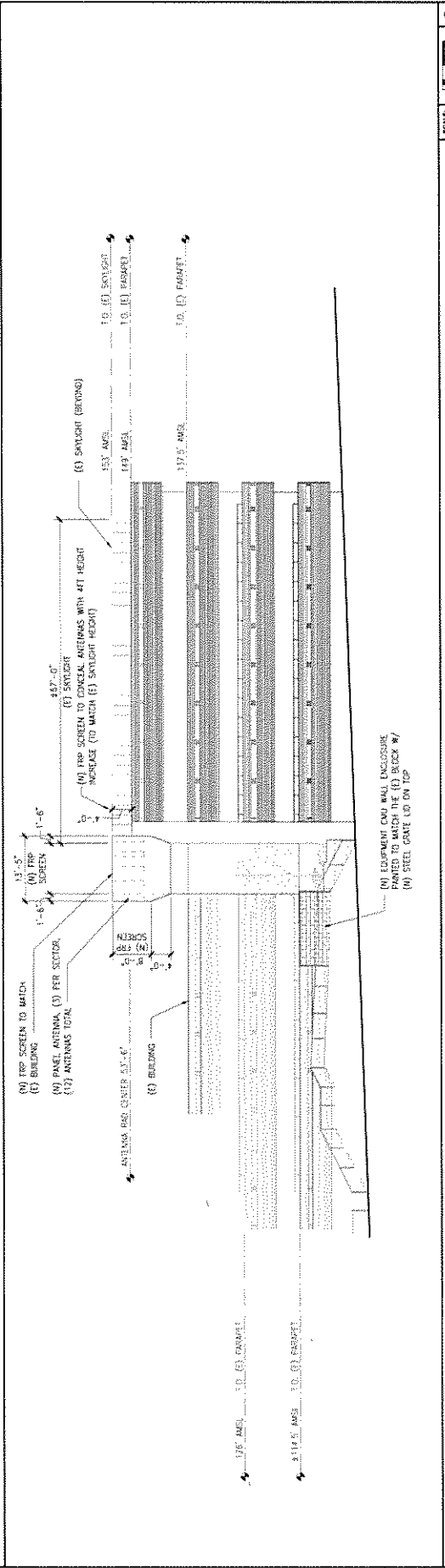
BUILDING DEPARTMENT FIRE CODE NOTES:
 1/ IN ACCORDANCE WITH THE CALIFORNIA FIRE CODE AND THE FIRE DEPARTMENT
 2/ CELL SITES:
 THE EQUIPMENT ENCLOSURE SHALL BE LABELED TO INDICATE TELECOMMUNICATIONS EQUIPMENT TO THE SATISFACTION
 OF THE FIRE DEPARTMENT. THE EQUIPMENT ENCLOSURE SHALL BE LABELED TO INDICATE THE LOCATION OF THE
 PROPER LABELED W/FA (WIRELESS FIRE ALARM) PROTECTION ASSASSIATION 704 STANDARD THAT INDICATES THE
 A SIGN IDENTIFYING THE ELECTRICAL POWER SOURCE SHALL BE POSTED IN THE FIRE DEPARTMENT PRIOR TO CERTIFICATE
 OF OCCUPANCY. THE SOURCE SHALL REMAIN IN GOOD CONDITION IN PERPETUITY.
 THE OWNER/APPLICANT SHALL PROVIDE A KNOX KEY BOX FOR EMERGENCY FIRE DEPARTMENT ACCESS

GENERIC DIMENSION:
 MAX. EXCAVATION = (108 SF x 4 FT DEPTH) / 27 = 29.4 CU YD.
 NOTE: IT IS AN (E) PLANNER BOX, PROJECT IS ONLY EXCAVATING SAND/DIRT INSIDE (E) PLANNER BOX

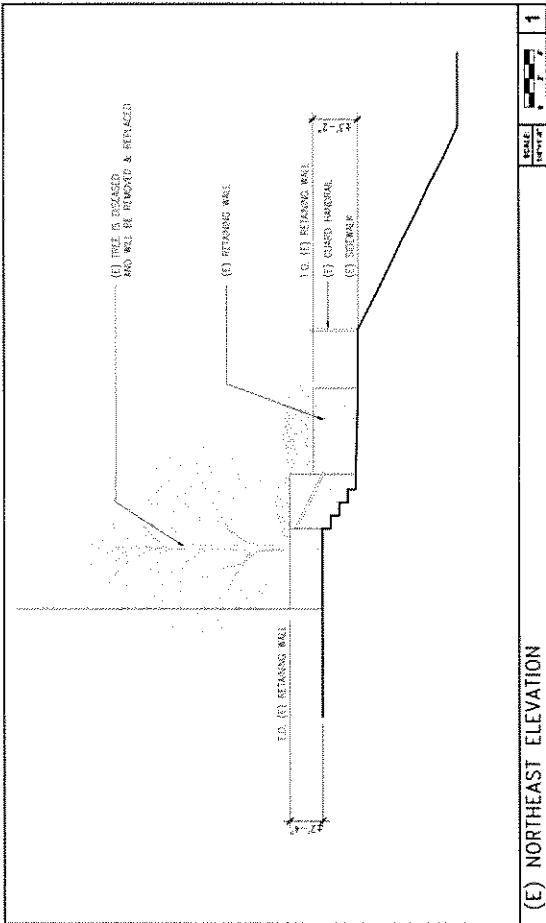
 7301 FROSE STREET, EAST, RIVERVIEW SAN DIEGO, CA 92111-4227	 DePratti Inc.	SD0925 LOMAS SANTA FE 201 LOMAS SANTA FE DRIVE SOLANA BEACH, CA 92075		DCI PACIFIC AIEIC WORKS ARCHITECTURAL ENGINEERING CONSULTING 10000 LANTANA SAN DIEGO, CA 92126		SITE PLAN SHEET NUMBER A01	
		SCALE: AS SHOWN REVISIONS NO. DATE BY CHK BY DATE		1 02/28/17 02:23 PM CITY COMMENTS & FIRE DEPT. 147 506 DDC 2 07/26/17 02:23 PM CITY COMMENTS & FIRE DEPT. 147 506 DDC 3 08/17/17 EQUIPMENT LEASE AREA REVISION 144 506 DDC 4 11/21/18 APPROPRIATE SIGN REVISION (E)-7-16 144 506 DDC 5 12/22/18 SIGNAL FOR EXISTING APPROX. 1100X 103 144 506 DDC NO DATE BY CHK BY DATE			



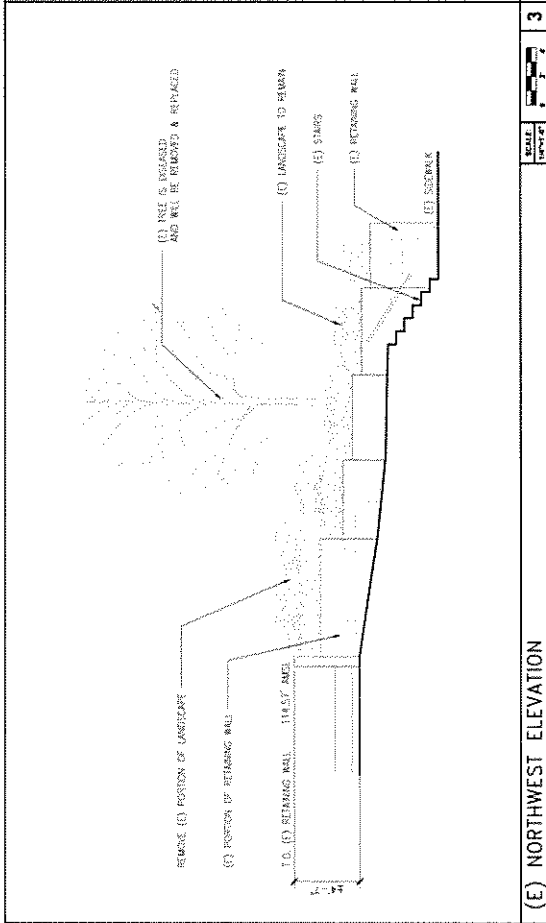
SOUTH ELEVATION



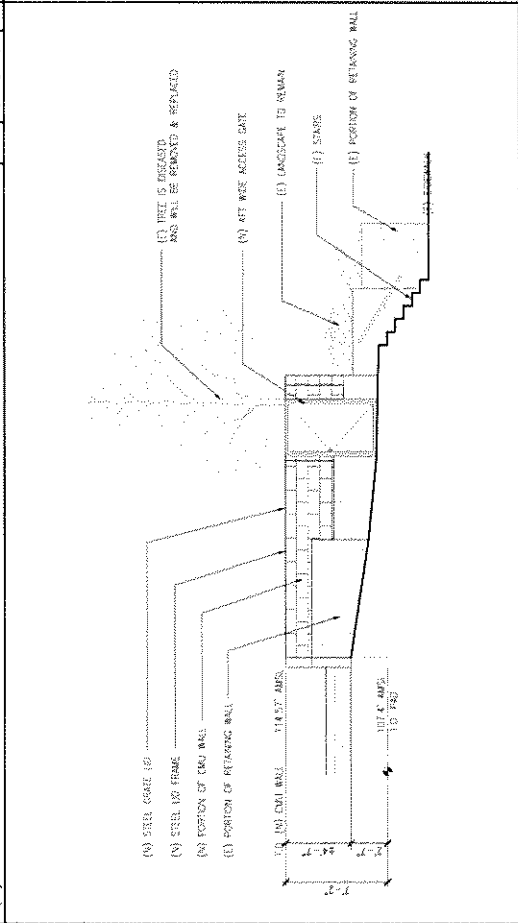
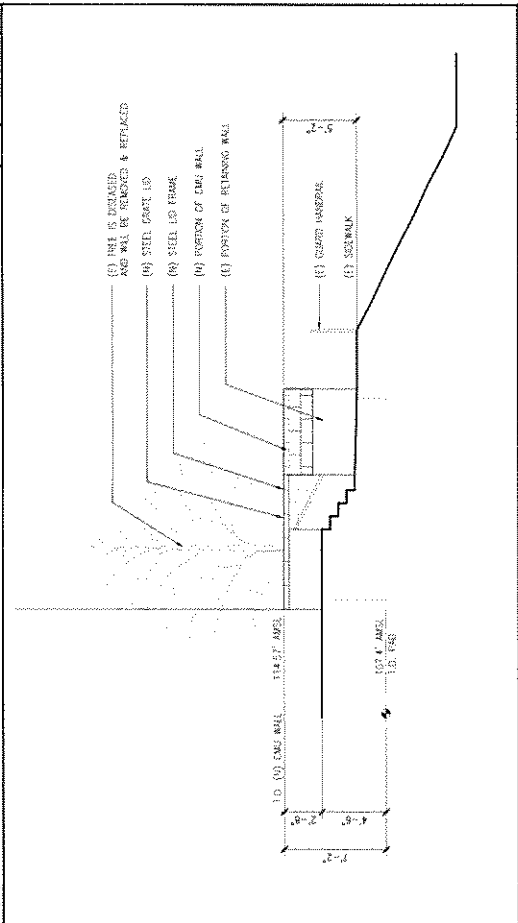
WEST ELEVATION		SOUTH ELEVATION	
 201 TRADE STREET, EAST ANIM, SAN DIEGO, CA 92111		 201 LOMAS SANTA FE DRIVE SOLANA BEACH, CA 92075	
DCI PACIFIC AIEIC WORKS ARCHITECTURE (ENGINEERING) CONSULTING 10000 DEER CREEK DRIVE, SUITE 100 SAN DIEGO, CA 92121		SD0925 LOMAS SANTA FE	
SCALE AS SHOWN (ELEVATIONS)		SCALE AS SHOWN (ELEVATIONS)	
DATE: 10/27/16		DATE: 10/27/16	
NO. 244		NO. 244	
BY: DWP/HPT		BY: DWP/HPT	
CHECKED: DWP/HPT		CHECKED: DWP/HPT	
APPROVED: DWP/HPT		APPROVED: DWP/HPT	
1. 07/26/17 ISSUED FOR CITY COMMENTS & PERMITS		1. 07/26/17 ISSUED FOR CITY COMMENTS & PERMITS	
2. 12/22/17 EQUIPMENT LEASE AREA RELOCATION		2. 12/22/17 EQUIPMENT LEASE AREA RELOCATION	
3. 11/22/16 INCORPORATE DPA RELEASES 10-27-16		3. 11/22/16 INCORPORATE DPA RELEASES 10-27-16	
4. 10/27/16 ISSUED FOR PERMITS (10/27/16)		4. 10/27/16 ISSUED FOR PERMITS (10/27/16)	



(E) NORTHWEST ELEVATION

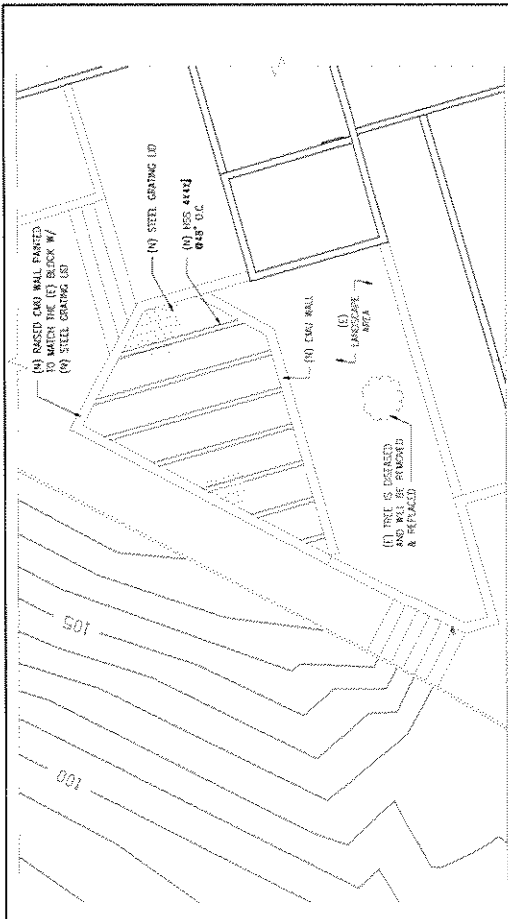


(E) NORTHEAST ELEVATION

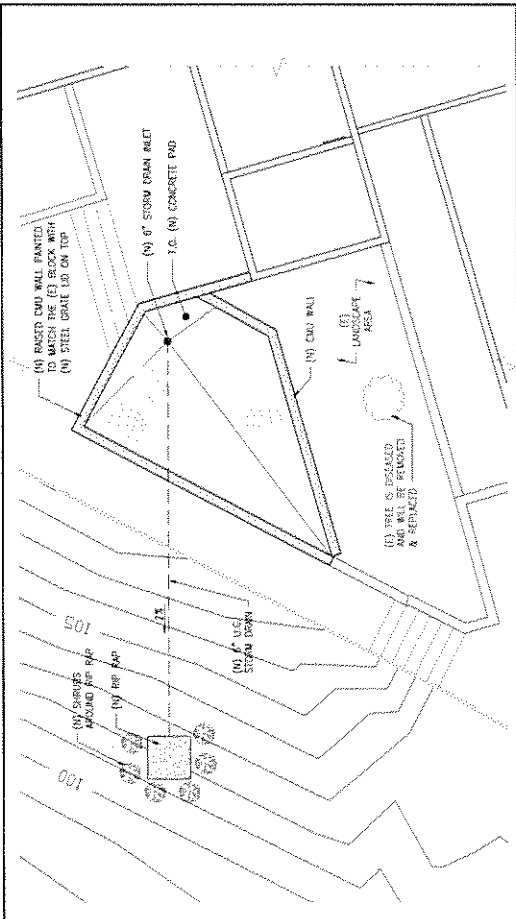


SCALE: 1/4" = 1'-0"		SCALE: 1/4" = 1'-0"	
1		2	
SD0925		A05	
LOMAS SANTA FE		EQUIPMENT CMU WALL ENCLOSURE ELEVATIONS	
201 LOMAS SANTA FE DRIVE SOLANA BEACH, CA 92075		DRAWN: []	
at&t		DCI PACIFIC	
200 TRADE STREET, EAST RICHMOND, CALIFORNIA 94801		AIEIC WORKS	
ARCHITECTURE ENGINEERING INTERIORS		ARCHITECTURE ENGINEERING INTERIORS	
SAN DIEGO, CA 92101-4272		SAN DIEGO, CA 92101	
DATE: 11/20/16		DATE: 11/20/16	
BY: []		BY: []	
CHECKED: []		CHECKED: []	
DESIGNED: []		DESIGNED: []	
PROJECT: []		PROJECT: []	
SHEET: []		SHEET: []	

SCALE: 1/4" = 1'-0"		SCALE: 1/4" = 1'-0"	
4		3	
SD0925		A05	
LOMAS SANTA FE		EQUIPMENT CMU WALL ENCLOSURE ELEVATIONS	
201 LOMAS SANTA FE DRIVE SOLANA BEACH, CA 92075		DRAWN: []	
at&t		DCI PACIFIC	
200 TRADE STREET, EAST RICHMOND, CALIFORNIA 94801		ARCHITECTURE ENGINEERING INTERIORS	
SAN DIEGO, CA 92101-4272		SAN DIEGO, CA 92101	
DATE: 11/20/16		DATE: 11/20/16	
BY: []		BY: []	
CHECKED: []		CHECKED: []	
DESIGNED: []		DESIGNED: []	
PROJECT: []		PROJECT: []	
SHEET: []		SHEET: []	

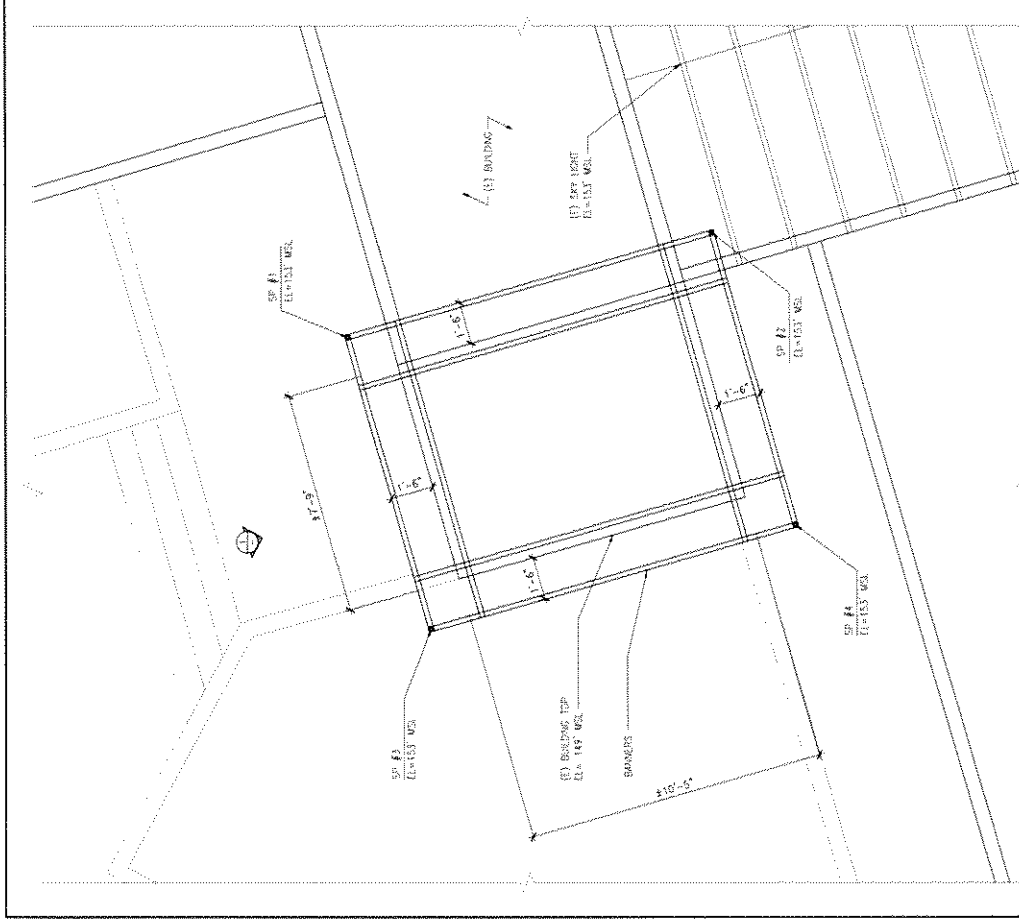
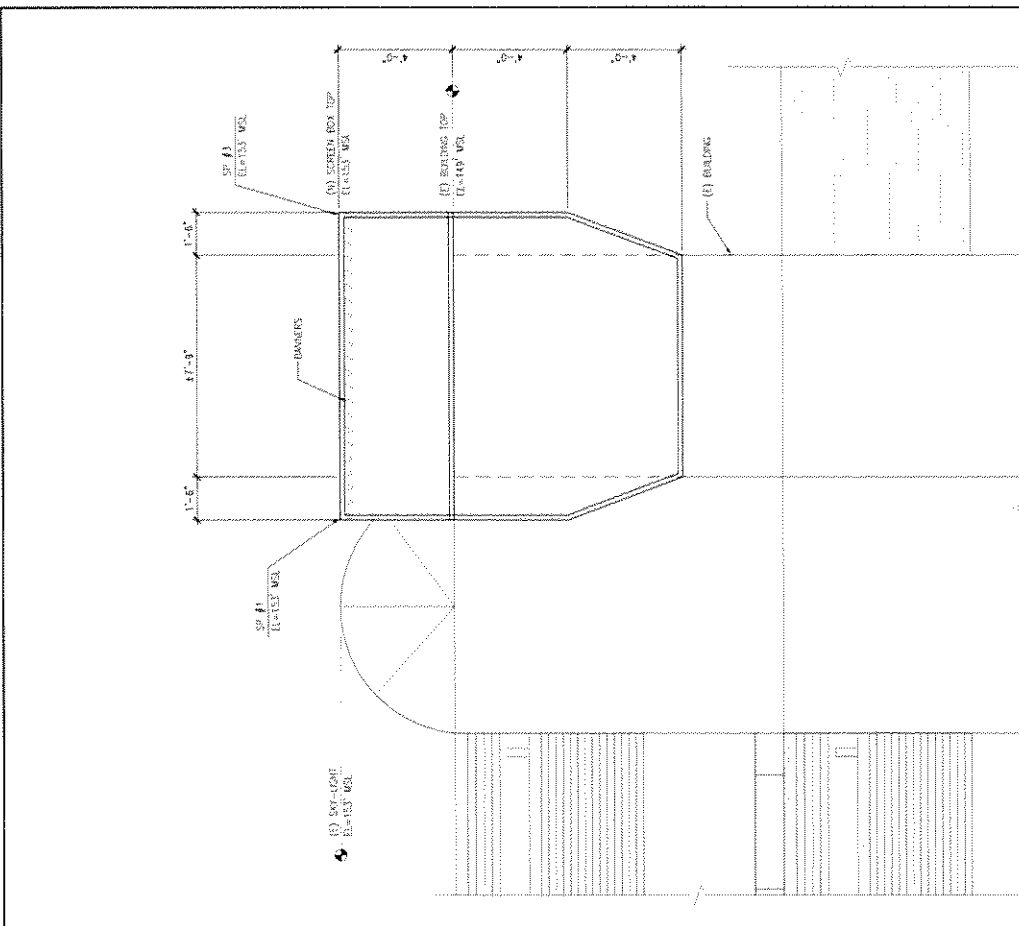


STEEL GRATE LID PLAN



STORM DRAIN PLAN

 7307 BRIDGE STREET, TEASER, RICHMOND, CA 94804 SAN DIEGO, CA 92121-2022	 DePratti inc.	SD0925 LOMAS SANTA FE 201 LOMAS SANTA FE DRIVE SOLANA BEACH, CA 92078	DCI PACIFIC AIEIC WORKS ARCHITECTURAL ENGINEERING CONSULTING 10000 WILSON AVENUE, SUITE 100 BIRMINGHAM, ALABAMA 35244	SHEET NO. 1 SHEET NAME:	
				STORM DRAIN AND STEEL GRATE LID LAYOUT PLAN	
SCALE: AS SHOWN		DATE:		DRAWN:	
CHECKED:		DATE:		SCALE:	
1. 12/26/11 25% CD FOR LAYOUT APPROVAL (DATE 03)		1. 11/07/18 REVISION: DWG. RELEASED TO 17-15		1. 04/18/2018	
2. 03/20/17 EQUIPMENT LAYOUT, WALKWAY, VEHICLE STOP		2. 03/20/17		2. 04/18/2018	
3. 07/25/17 CHECKED PER CITY COMMENTS & PER US, SON		3. 07/25/17		3. 04/18/2018	



OVERHEAD VIEW **1** **SCALE: 1/4" = 1'-0"** **DATE: 10/27/15** **SHEET NUMBER**

2 **SCALE: 1/4" = 1'-0"** **DATE: 10/27/15** **SHEET NUMBER**

SD0925
LOMAS SANTA FE
 201 LOMAS SANTA FE DRIVE
 SOLANA BEACH, CA 92075

DCI PACIFIC
 A/E/C WORKS
 ARCHITECTURAL ENGINEERING CONSULTING
 11110 HIGHWAY 101, SUITE 110
 SAN DIEGO, CA 92121

at&t
 Mobility Services Group
 2011 BRIDGE STREET, SUITE 1500, SAN
 DIEGO, CA 92101-4222

DePratti inc.

STORY POLE ELEVATION

NO.	DATE	BY	CHKD	DESCRIPTION
1	10/27/15	SD	SD	ISSUED FOR CITY COMMENTS & PERM DESIGN
2	10/27/15	SD	SD	ISSUED FOR PERM REVIEW
3	10/27/15	SD	SD	ISSUED FOR PERM REVIEW
4	10/27/15	SD	SD	ISSUED FOR PERM REVIEW
5	10/27/15	SD	SD	ISSUED FOR PERM REVIEW
6	10/27/15	SD	SD	ISSUED FOR PERM REVIEW

STORY POLE PLOT PLAN
C01

SCALE AS SHOWN RECORDED

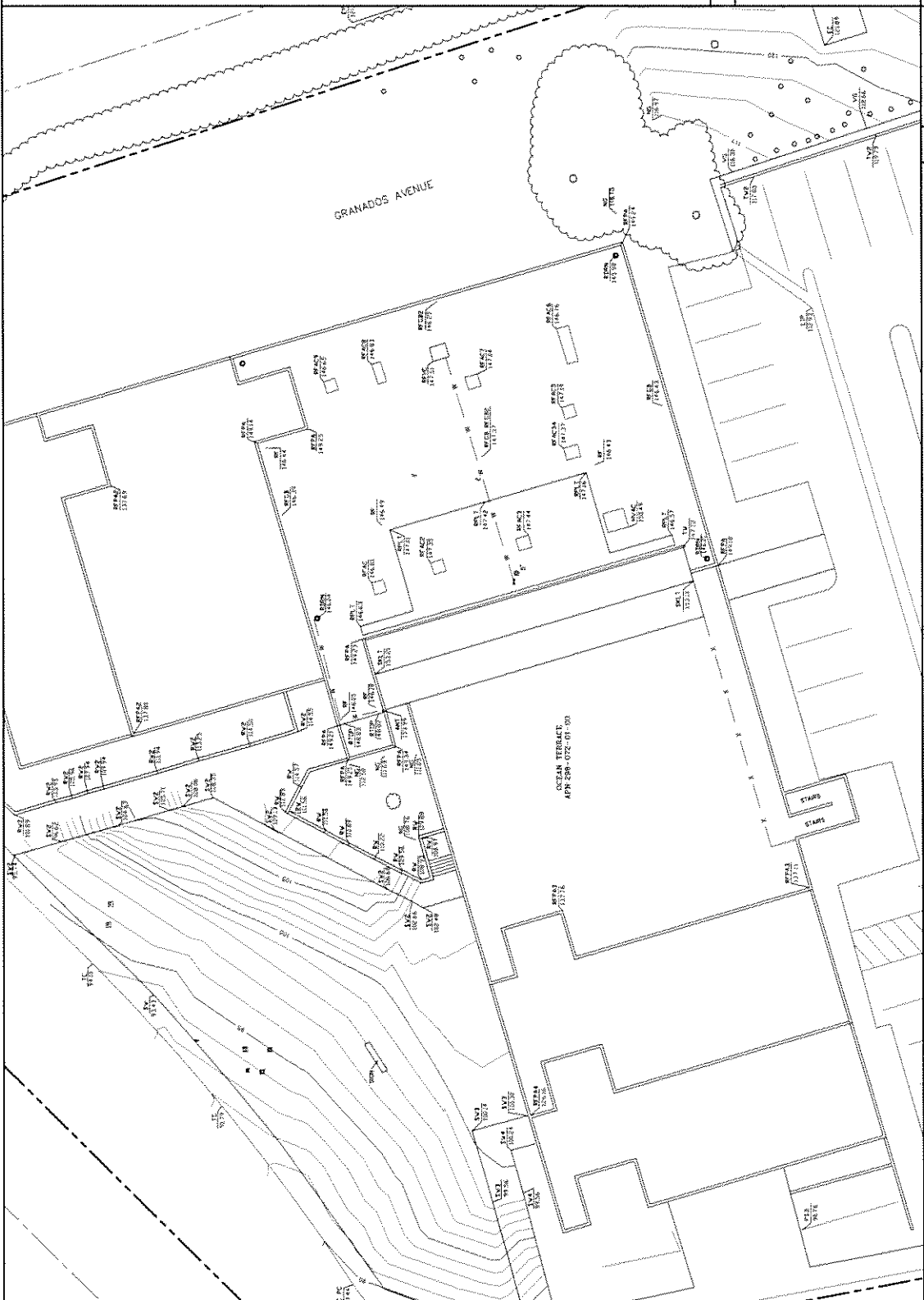


LEGEND

- These standard symbols will be found in the drawings.
- EROUND MONUMENT
 - STORM DRAIN ROOF
 - ROOF OUTLET
 - ROOF VENT
 - HANGING SIGN
 - HANGING CAP STAIRS
 - TREE DEBRIS
 - BUSH
 - WATER LINE
 - ANT ANTENNA W/RTY
 - DN DOWN
 - LN LINE
 - EC EDGE OF CONCRETE
 - ED EDGE OF DRIVE
 - LP UP OF DOWNHILL
 - LP UP OF OUTLET
 - PC GROUND SPOT ELEVATION
 - RD ROAD
 - RDN ROOF DRAIN
 - RDN ROOF STORM DRAIN
 - RDN ROOF TO DOWN
 - RDN ROOF TO UP
 - RDN ROOF CHANCE BREAK
 - RDN ROOF PARAPET
 - RDN ROOF PLATFORM
 - RDN ROOF TO DOWN
 - RDN ROOF TO UP
 - RDN SKY JACKET
 - RDN TO DOWN
 - RDN TO UP
 - RDN TOP OF CURB
 - RDN TOP OF WALL
 - RDN V-CUTTER LINE
 - RDN ROOF TO DOWN
 - RDN ROOF TO UP
 - RDN MISC. PROPERTY LINE
 - RDN MISC. TIE LINE
 - RDN RIDGE-OF-WAY LINE
 - RDN EASTMENT LINE
 - RDN FENCE LINE

LEGEND

- 1) This is not a boundary survey. This is a reconstructed topographic map. The property lines and easements shown herein are based on the topographic survey to record information using the methods and procedures shown herein. No title research was performed by Floyd Surveying.
- 2) An acknowledgment of this survey is required by the State of California, which shall state, above the signature of the Surveyor, the date of the survey, the name of the Surveyor, and the name of the client.
- 3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by permission of Floyd Surveying & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.
- 4) Field survey completed on SEPTEMBER 27, 2018.



DETAIL SITE PLAN

SCALE: 1"=10'

GENERAL NOTES

SHEET TITLE: TOPOGRAPHIC SURVEY
SHEET NUMBER: B02

NO.	DATE	BY	REVISIONS
1	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
2	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
3	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
4	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
5	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
6	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
7	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
8	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
9	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL
10	9/27/18	DFP	ISSUED FOR ZONING SUBMITTAL

at&t
ARCHITECTURE & ENGINEERING CONSULTING
SAN DIEGO, CA 92101

LOMAS SANTA FE
500925
201 LOMAS SANTA FE DRIVE
SOLANA BEACH, CA 92075

DCI PACIFIC
A/E/C WORKS
ARCHITECTURE ENGINEERING CONSULTING
32 EXECUTIVE PARK, SUITE 110, IRVINE, CA 92614
PHONE: (949) 415-1000 FAX: (949) 415-1001

FLOYD SURVEYING
1800 W. 180TH STREET
TUCUMCACA, CA 95310
(949) 290-8825
EMAIL: floyd@floydsurveying.com



WIRELESS PLANNING MEMORANDUM

TO: Corey Andrews
FROM: Michael D. Johnston
REVIEWERS: Dr. Jonathan L. Kramer, Robert C. May
DATE: May 4, 2017

RE: **17-17-15: Technical Review for New Building Mounted Wireless Facility**

Applicant: AT&T Mobility
Site Address: 201 Lomas Santa Fe Drive
Site ID: Lomas Santa Fe

The City of Solana Beach (the "**City**") requested a review of the AT&T Mobility ("**AT&T**") proposal to construct and operate a new wireless site mounted on the building at 201 Lomas Santa Fe Drive. This memorandum addresses the following questions: (1) whether Section 6409(a) applies to AT&T's proposal; (2) whether AT&T's proposal complies with the Solana Beach Municipal Code and City Council Policy No. 21; (3) whether potential alternatives exist that deserve additional consideration; and (4) whether AT&T's proposal demonstrates planned compliance with the federal radio frequency exposure guidelines.

This memorandum reviews the application and related materials for technical and regulatory issues specific to wireless infrastructure. Although many technical issues implicate legal issues, the analysis and recommendations contained in this memorandum do not constitute legal advice.

1. Project Description

AT&T proposes to construct a new wireless facility on an office building located in the Office Professional ("**OP**") zone. This project is a relocation from an existing site that is being decommissioned due an expired lease with the current property owner. AT&T's project plans dated March 20, 2017 (the "**Plans**") and submitted with this application show that the facility would be concealed behind fiber-reinforced plastic ("**FRP**") screens painted and textured to match the underlying building. AT&T would install twelve panel antennas evenly distributed in four sectors center-mounted at 53.5' above ground level ("**AGL**").

Behind the antennas, AT&T proposes to install eight remote radio units ("**RRUs**") in each sector for a total of 32 RRUs, six DC power surge protectors ("**Raycaps**") and two GPS

antennas. The Plans depict that all the antennas and associated equipment will be fully concealed behind the FRP screens, which would measure 8' by 10' 9" and would protrude from the existing building by 1' 6".

At ground level adjacent to the building entrance stairs, AT&T proposes to remove a portion of an existing 5.5' tall retaining wall, remove some of the existing landscaping and an existing diseased tree in order to install a new 8' tall concrete masonry unit ("CMU") wall. AT&T would construct new stairs, a new landing and plant new landscaping to replace the diseased tree. Within the CMU wall enclosure, AT&T proposes to install four stack-mounted radio equipment cabinets, one power cabinet, one battery cabinet, and telephone and electric utility panels all on a concrete slab foundation. The CMU wall enclosure would be painted to match the existing surrounding and fully enclosed on top with a new steel grate lid.

In accordance with discussions between the City and AT&T that occurred during a November 2016 pre-application meeting for this project, AT&T also proposes to improve the sidewalk, road and landscaping along the eastern property line at Granados Avenue.

2. Section 6409(a) Analysis

As a threshold matter, the City must determine whether federal law mandates approval for this permit application. Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012 requires that State and local governments "may not deny, and shall approve" any "eligible facilities request" for a wireless site collocation or modification so long as it does not cause a "substant[ial] change in [that site's] physical dimensions."¹ FCC regulations interpret key terms in this statute and impose certain substantive and procedural limitations on local review.² Localities must review applications submitted for approval pursuant to Section 6409(a), but the applicant bears the burden to show it qualifies for mandatory approval.

Section 6409(a)(2) defines an "eligible facilities request" as a request to collocate, remove or replace transmission equipment on an existing wireless tower or base station.³ This definition necessarily excludes permit requests for new facilities. Thus, no matter how large or small, Section 6409(a) does not mandate approval for a permit to construct an entirely new wireless facility.

Here, AT&T did not submit an eligible facilities request because rather than collocate on an existing facility, AT&T proposes to construct a new wireless facility where none currently exists. Accordingly, Section 6409(a) does not require that the City approve AT&T's application. Rather, the City should review AT&T's proposal for compliance with

¹ See Section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 126 Stat. 156. (Feb. 22, 2012) (codified as 47 U.S.C. § 1455(a)).

² See *In the Matter of Acceleration of Broadband Deployment by Improving Wireless Facilities Siting Policies, Report and Order*, 29 FCC Rcd. 12864 (Oct. 17, 2014) (codified as 47 C.F.R. §§ 1.40001, *et seq.*).

³ See 47 U.S.C. § 1455(a)(2).

{00009926:2}



the local values expressed in the Solana Beach Municipal Code (“**SBMC**”) and City Council Policy No. 21 (“**Council Policy No. 21**”) subject to certain federal limitations in Section 704 of the Telecommunications Act of 1996 (the “**Telecom Act**”).

3. Compliance with Solana Beach Municipal Code and City Council Policy No. 21

The City requires a conditional use permit for all wireless facilities, which must comply with Council Policy No. 21.⁴ Council Policy No. 21 provides general location and design guidelines for new wireless facilities as discussed below.

3.1. Proposed Location

Council Policy No. 21 establishes hierarchical preferences for site locations as follows in order of preference and in relevant part: (1) collocations in non-residential zones; (2) industrial zones; (3) commercial zones; (4) other non-residential zones except open space.⁵ Wireless facilities should be located in areas that are least visible to the public and least disruptive to the underlying property.⁶ If the proposed location is visible to a residential area, the facility must be architecturally integrated with the surrounding site.⁷ Here, AT&T proposes to construct the site in the fourth-most preferred location category. Even though Council Policy No. 21 does not expressly account for the OP zone, the catch-all in the fourth preference includes the proposed location because the OP zone is a non-residential and non-open space zone.

However, other potential locations around the proposed site rank higher under Council Policy No. 21 and the City may wish to consider the following locations as potential alternative locations that are more-preferred:

- 210 Lomas Santa Fe Dr. (Light Commercial)
- 124 Lomas Santa Fe Dr. (Special Commercial)
- 100/125 Lomas Santa Fe Dr. (Special Commercial)

In addition, to the extent that nearby wireless facilities already exist, the City may also wish to request that AT&T provide a list of sites that provide potential collocation opportunities.

To determine whether these more preferred locations are potentially available and technically feasible, the City may wish to request that AT&T provide a meaningful comparative analysis for each location that addresses (1) what general site parameters AT&T believes it would need to achieve reasonably similar service improvement as compared to the proposed location, (2) whether and under what general circumstances

⁴ See SOLANA BEACH MUN. CODE §17.60.120.G(1)

⁵ See Council Policy No. 21 § A.1.

⁶ See *id.* § A.3.

⁷ See *id.*

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AT&T could obtain access to these locations and (3) any other information AT&T believes would assist the City to compare the proposed location against the potential alternatives.

3.2. Proposed Design

Council Policy No. 21 requires that all wireless facilities must exhibit stealth design techniques that conceal the equipment and visually blend with support structure and natural or manmade environment. Applicants should place equipment within existing buildings, and new shelters or enclosures should mimic existing architecture and landscaping. Roof mounted antennas should not be placed on roof peaks.⁸

Here, the proposed design generally conforms to most design guidelines in Council Policy No. 21, but the City may wish to consider some modifications to promote compliance with the guidelines. The following list outlines some issues and potential solutions for the City to consider:

- **Antenna Equipment and Architectural Screening**

AT&T would install the transmission equipment behind FRP screens that generally integrate with the existing architecture. However, AT&T's photo simulations depict a minor inconsistency between the proposed architectural screening and the underlying building. Rather than maintain the white paint along the level of the building with the "Wedbush" sign, AT&T would paint the entire screening grey.

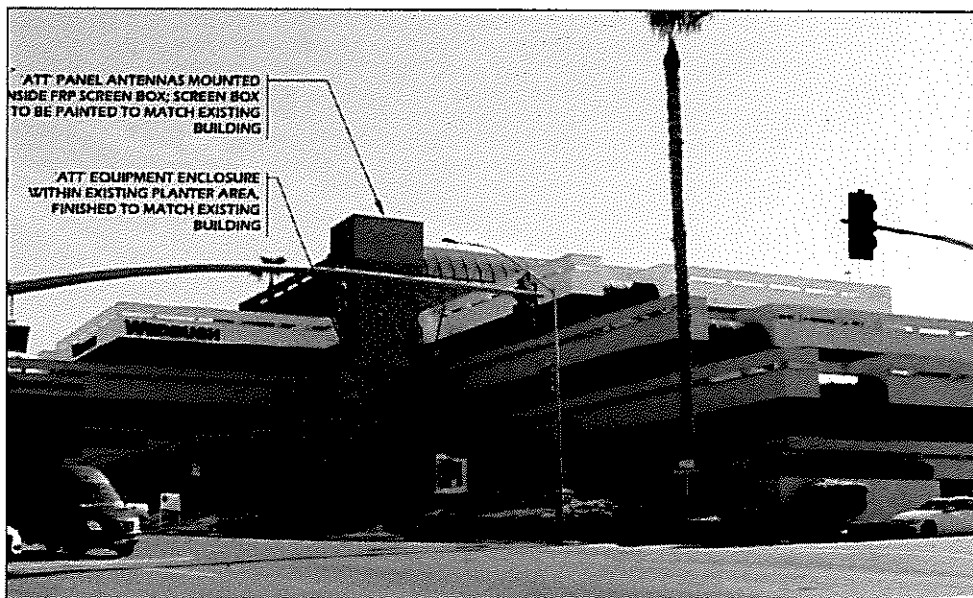


Figure 1: AT&T's Photo Simulations (Source: DCI Pacific AEC Works)

⁸ See *id.* § B.6.b.



Accordingly, the City may wish to consider the following conditions of approval in the event that the City approves AT&T's application in concept:

1. The permittee shall, and at all times maintain in good condition, architectural screening that is painted and textured to match the colors and textures of the underlying support structure.
2. The permittee acknowledges and agrees that the scale and proportionality of the architectural screening used to conceal and integrate the permittee's wireless facility with the underlying support structure constitutes concealment elements that are a material consideration upon which the City bases its decision to approve the permittee's facility.

- **Equipment Enclosure Concealment**

Council Policy No. 21 requires all enclosures to be located within existing buildings to the extent feasible.⁹ To the extent the equipment must be located outside, the enclosure must mimic the existing manmade and natural features at the subject property.¹⁰

Here, AT&T proposes to install a new equipment enclosure outside the building. Accordingly, the City may wish to request that AT&T address whether locating the equipment within the existing building would be feasible. To the extent that an interior equipment room is not available for AT&T's use, the Plans indicate that the equipment enclosure will match the existing architecture and building finishes as required by Council Policy No. 21.

- **GPS Antennas**

AT&T indicates that it would install two GPS antennas on title sheet T01 of the Plans, but does not sheet A02 only shows one GPS antenna. The City may wish to request that AT&T resolve this discrepancy in the Plans and consider the following condition of approval to ensure that such equipment is fully concealed from public view:

3. The permittee shall install, and at times maintain in good condition, all equipment, including without limitation antennas, remote radio units, power surge suppressors, GPS antennas, equipment cabinets, power cabinets, battery cabinets and utility panels, fully concealed from public view within FRP screening or the CMU wall enclosure, as applicable.

⁹ See *id.* § B.2.

¹⁰ See *id.*

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4. Planned Compliance with RF Exposure Regulations

Under the Telecom Act, the FCC completely occupies the field with respect to RF emissions regulation. The FCC established comprehensive rules for human exposure to RF emissions (the “**FCC Guidelines**”).¹¹ State and local governments cannot regulate wireless facilities based on environmental effects from RF emissions to the extent that the emissions comply with the FCC Guidelines.¹²

Although localities cannot establish their own standards for RF exposure, local officials may require wireless applicants to demonstrate compliance with the FCC Guidelines.¹³ Such demonstrations usually involve a predictive calculation because the site has not yet been built.

4.1. FCC Guidelines, Categorical Exclusions and Exposure Mitigation Measures

FCC Guidelines regulate *exposure* rather than *emissions*.¹⁴ Although the FCC establishes a maximum permissible exposure (“**MPE**”) limit, it does not mandate any specific limitations on power levels applicable to all antennas and requires the antenna operator to adopt exposure-mitigation measures only to the extent that certain persons might become exposed to the emissions. Thus, a relatively low-powered site in proximity to the general population might require more comprehensive mitigation measures than a relatively high-powered site in a remote location accessible only to trained personnel.

The MPE limit also differentiates between “general population” and “occupational” people. Most people fall into the general population class, which includes anyone who either does not know about potential exposure or knows about the exposure but cannot exert control over the transmitters.¹⁵ The narrower occupational class includes persons exposed through their employment and able to exert control over their exposure.¹⁶ The MPE limit for the general population is five times lower than the MPE limit for the occupational class.

Lastly, the FCC “categorically excludes” certain antennas from routine environmental review when either (1) the antennas create exposures in areas virtually inaccessible to

¹¹ See 47 U.S.C. § 332(c)(7)(B)(iv); see also 47 C.F.R. § 1.1307 *et seq.*; FCC Office of Engineering and Technology, *Evaluating Compliance with FCC Guidelines for Human Exposure to Radiofrequency Electromagnetic Fields*, OET Bulletin 65, ed. 97-01 (1997).

¹² See 47 U.S.C. § 332(c)(7)(B)(iv).

¹³ See *In re Procedures for Reviewing Requests for Relief from State and Local Regulations Pursuant to Section 332(c)(7)(B)(iv) of the Communications Act of 1934*, *Report and Order*, 15 FCC Rcd. 22821, 22828–22829 (Nov. 13, 2000) (declining to adopt rules that limit local authority to require compliance demonstrations).

¹⁴ See *generally* Human Exposure to Radio Frequency Fields: Guidelines for Cellular and PCS Sites, *Consumer Guide*, FCC (Oct. 22, 2014), available at <https://www.fcc.gov/guides/human-exposure-rf-fields-guidelines-cellular-and-pcs-sites> (discussing in general terms how wireless sites transmit and how the FCC regulates the emissions).

¹⁵ See 47 C.F.R. § 1.1310, Note 2.

¹⁶ See *id.*

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humans or (2) the antennas operate at extreme low power. As a general rule, a wireless site qualified for a categorical exclusion when mounted on a structure built solely or primarily to support FCC-licensed or authorized equipment (*i.e.*, a tower) and such that the lowest point on the lowest transmitter is more than 10 meters (32.8 feet) above ground.¹⁷

Categorical exclusions establish a presumption that the emissions from the antennas will not significantly impact humans or the human environment. Such antennas are exempt from routine compliance evaluations but not exempt from actual compliance. Under some circumstances, such as a heavily collocated tower or when in close proximity to general population members, even a categorically excluded site will require additional analysis.

4.2. Planned Compliance Evaluation and Recommendations

The FCC Guidelines do not categorically exclude AT&T's proposal because AT&T proposes to mount the antennas on an office building that was constructed for commercial use rather than to support wireless antennas. Accordingly, an independent RF compliance evaluation would be appropriate.

Here, AT&T submitted a *Radio Frequency Safety Survey Report Prediction* prepared by Waterford Consultants, LLC dated March 30, 2017 (the "**Waterford Report**"). Based on a computer-simulated analysis, the Waterford Report finds that the RF exposure from the AT&T antennas will exceed the maximum limit for the general population in some areas on the rooftop, but that AT&T can demonstrate planned compliance through appropriate mitigation measures.

The Waterford Report contains the basic RF emissions data needed to independently evaluate planned compliance. Based on the power output levels and operating frequencies for sectors A, C and D, AT&T's transmitters would create a controlled access zone that extends approximately 34' horizontally from the face of the antennas, at approximately 53' AGL, with few stray emissions in any other direction. Based on the power output levels and operating frequencies for sector B, AT&T's transmitters would create a controlled access zone that extends approximately 50.3'.

A controlled access zone does not mean that the facility will not comply with the FCC Guidelines. In this case, the controlled access zones would extend into generally accessible areas in all sectors under fairly limited circumstances. For instance, maintenance workers and painting crews that access the rooftop to service mechanical equipment and/or paint the building exterior could potentially be unknowingly overexposed to RF emissions because the antennas are fully concealed from view, and in Sector A, the controlled zone extends across an accessible rooftop area.

¹⁷ See *id.* § 1.1307(b)(1).



Accordingly, AT&T must take affirmative steps to post notice near, and in some cases restrict access to, the adjacent areas on the rooftop or building where the exposure exceeds the FCC's limits. Consistent with the Waterford Report, the City should require AT&T to erect a barrier and place signage on a portion of the upper level rooftop, as depicted below in Figure 3. However, in contrast to the recommendation in the Waterford Report, the City should require a larger restricted access area to encompass the entire controlled access zone. Figure 2 depicts the controlled access zone in the Waterford Report. Figure 3 depicts the boundaries of the controlled access zone as calculated by this firm based on a worst-case scenario.

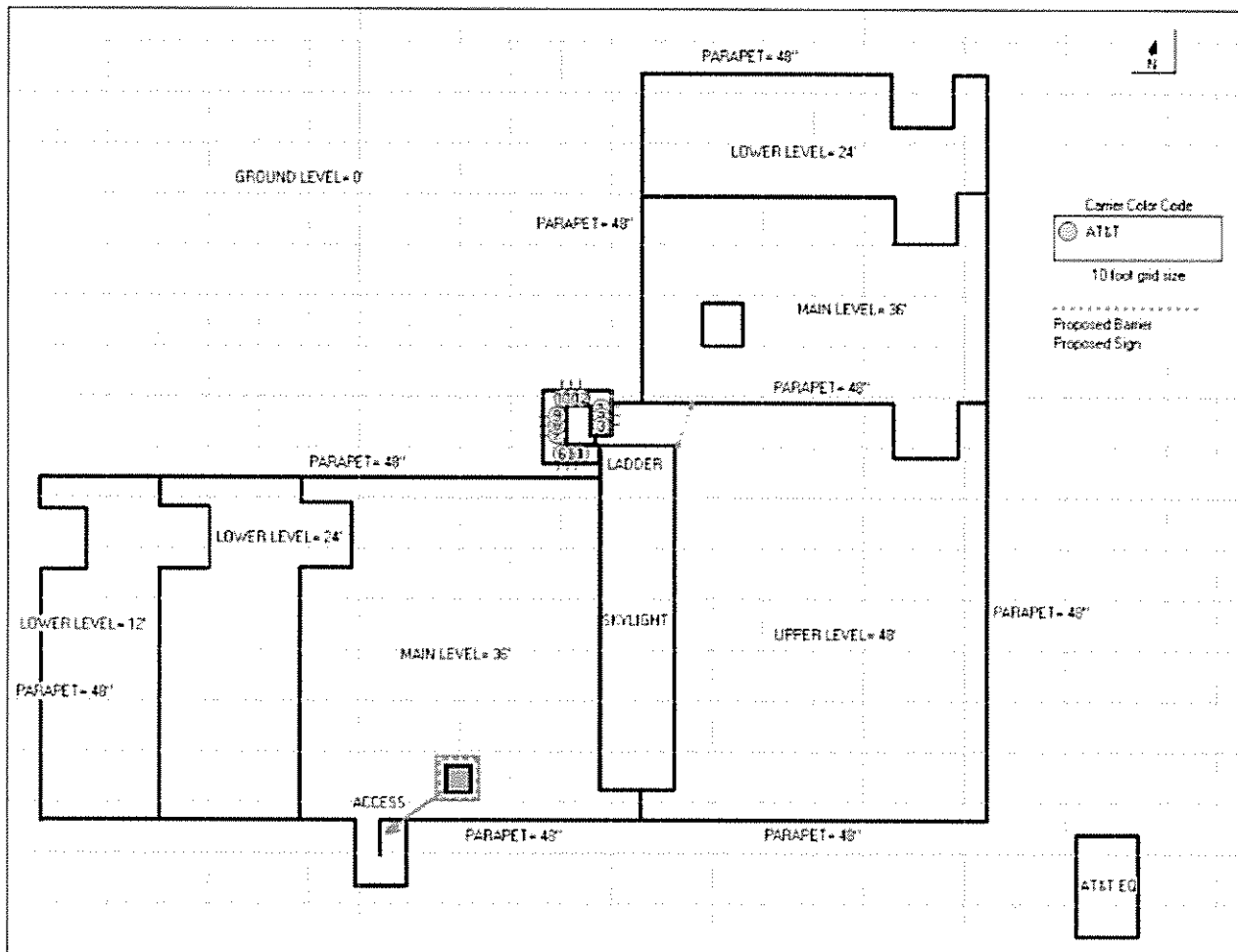


Figure 2: Proposed restricted access zone depicted in dotted orange line (Source: Waterford Report).

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Figure 3: Restricted access zone, depicted in solid red line (Source: Google maps, annotated by M. Johnston).

In the event that the City approves AT&T's application in its current form and to promote compliance with the FCC Guidelines, the City may wish to consider the following conditions of approval related to routine access restrictions and signage protocols as potential mitigation measures:

1. The permittee shall keep all access points to the rooftop locked at all times except when active maintenance is performed on the rooftop.

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Telecom Law Firm PC

2. The permittee shall install, and at all times maintain in good condition, an "RF Information" sign at all rooftop access point(s). Permittee shall install the signs required under this condition so that a person may clearly see and understand the sign before he or she accesses the rooftop.
3. The permittee shall install, and at all times maintain in good condition, a polyurethane chain link barrier approximately 34 feet from the face of the antennas in sector A that extends from the north parapet wall to the sky light. The permittee shall also install, and at all times maintain in good condition, an "RF Caution" sign on the chain link barrier in front of sector A. The permittee shall install the sign required under this condition so that a person may clearly see and understand the sign as he or she approaches the control access zone for sector A.
4. The permittee shall install and at all times maintain in good condition, an "RF Caution" sign adjacent to the access ladder between sector A and sector B. The permittee shall install the sign required under this condition so that a person may clearly see and understand the sign as he or she approaches the access ladder.
5. The permittee shall ensure that all signage complies with FCC OET Bulletin 65 or ANSI C95.2 for color, symbol, and content conventions. All such signage shall at all times provide a working local or toll-free telephone number to its network operations center, and such telephone number shall be able to reach a live person who can exert transmitter power-down control over this site as required by the FCC.

5. Conclusion

AT&T's application materials do not contain all the information needed to determine whether the proposed location for AT&T's new wireless facility most closely complies with the City's preferences under Council Policy No. 21. Accordingly, the City should consider requesting that AT&T submit additional information that evaluates locations in the three more preferred locations as described in Section 3.1 of this memorandum.

In the event that no more preferred location that is potentially available and technically feasible exists, the City may wish to consider approving AT&T's proposed facility subject to the recommended conditions of approval in Section 3.2 of this memorandum.

In the event that the City approves AT&T's application in the same antenna configuration as proposed, the facility can demonstrate planned compliance with the FCC Guidelines related to RF exposure subject to the recommended conditions of approval in Section 4.2 of this memorandum.

MJ/jlk/rm

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Telecom Law Firm PC

WIRELESS PLANNING MEMORANDUM

TO: Corey Andrews
FROM: Robert C. May III
DATE: August 30, 2017

RE: 17-17-15: Technical Review of Conditional Use Permit and Structure Development Permit Application

Applicant: AT&T Mobility
Site Address: 201 Lomas Santa Fe Drive, Solana Beach, California 92075
Site ID: SD0925

The City of Solana Beach (the “**City**”) requested that Telecom Law Firm, PC review the AT&T Mobility (“**AT&T**”) application to relocate an existing wireless site to a new location at 201 Lomas Santa Fe Drive. This memorandum reviews the application and related materials for technical and regulatory issues specific to wireless infrastructure. Although many technical issues may implicate legal and/or regulatory issues, the analysis and recommendations contained in this memorandum do not constitute legal advice.

1. PROJECT BACKGROUND AND DESCRIPTION

This firm issued a memorandum dated May 4, 2017 (the “**May Memorandum**”) to the City that evaluated AT&T’s current proposal to relocate an existing wireless facility to a commercial office building located at 201 Lomas Santa Fe Drive (the “**Proposed Location**”).¹ The May Memorandum concluded that AT&T should investigate whether three potential alternatives in more-preferred locations would be technically feasible or potentially available.

On or around July 30, 2017, AT&T provided an alternative sites analysis dated May 2017 (the “**May 2017 Alternatives Analysis**”). The City subsequently requested an independent evaluation from this firm.

2. TECHNICAL FEASIBILITY OF POTENTIAL ALTERNATIVE SITES

The May 2017 Alternatives Analysis evaluates four possible alternatives: (1) no relocated site at all; (2) a new site located at 210 Lomas Santa Fe Drive; (3) a new site located at 124 Lomas Santa Fe Drive; and (4) a new site located at 100 Lomas Santa Fe Drive. In light of the propagation map that AT&T provided to show predicted service levels at the

¹ See Memorandum from Michael D. Johnston, Telecom Law Firm, PC, to Corey Andrews, Principal Planner, Solana Beach, Cal. (May 4, 2017).

Proposed Location as shown in **Figure 1**, the following discussion evaluates AT&T's supplemental alternative sites analysis and offers additional recommendations.

As a threshold matter, the City should note that the signal propagation maps provided by AT&T contains subjective characterizations rather than objective service levels. This practice limits the City's ability to meaningfully compare various alternatives because the City cannot determine whether AT&T's opinion about whether particular services are "good" or "bad" meet generally accepted benchmarks. These propagation maps are generally less reliable for the same reason.

For the present purposes only, the evaluation and analysis in this memorandum will assume that the various characterizations roughly translate to generally accepted benchmarks ("good" = -75 dBm; "fair" = -85 dBm; and "bad" = -95 dBm). However, to the extent that the City and AT&T disagree about the technical feasibility for any particular alternative, the City may wish to consider requiring AT&T to perform an empirical drive test that would definitely show actual differences in service levels from one or more alternative sites as compared to the Proposed Location.

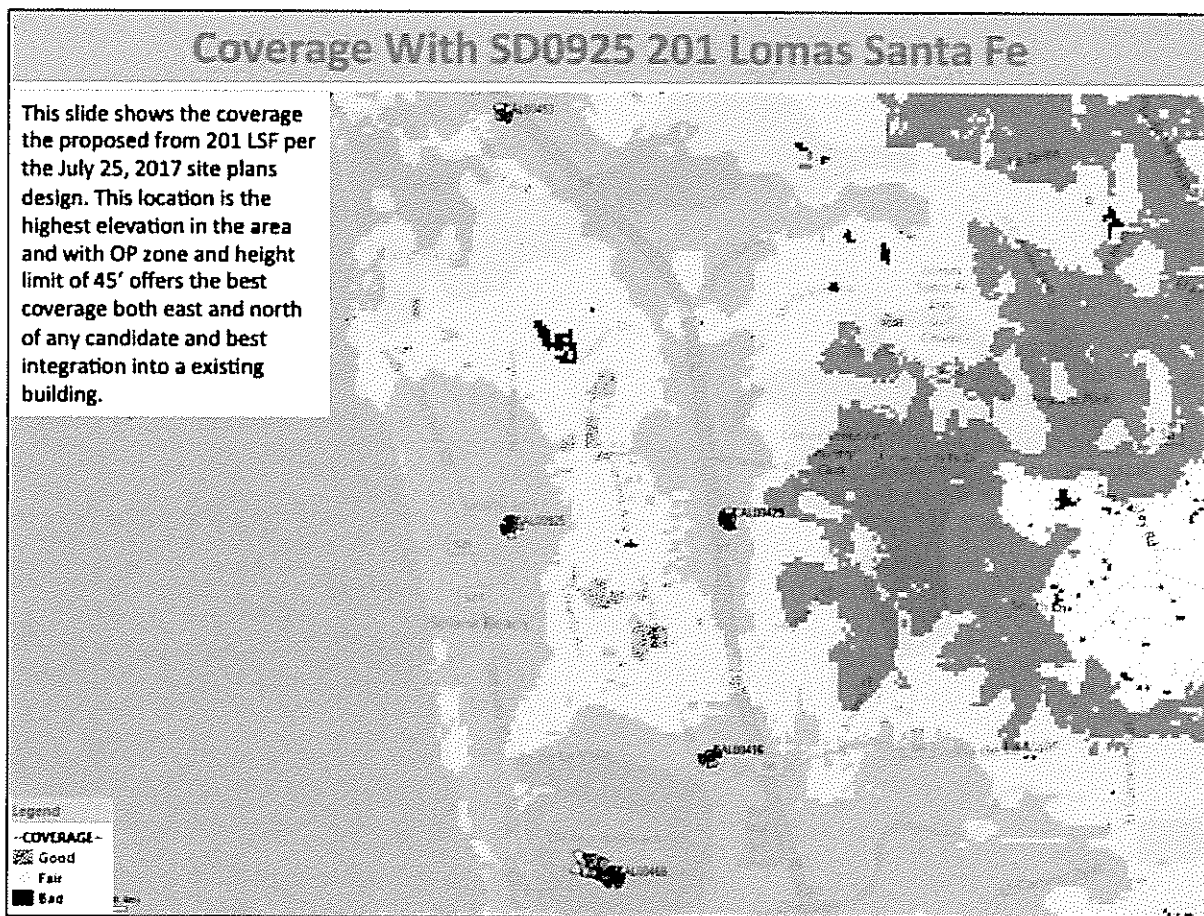


Figure 1: (Source: AT&T.)



2.1. AT&T Alternative 1: No Relocated Site

AT&T provided a propagation map in **Figure 2** to show the predicted service levels if the City denied any relocation site. According to this propagation map, AT&T believes it would be limited to “bad” coverage in the areas along Highway 101 between San Elijo Lagoon to the north, Dahlia Drive to the south, the Pacific Ocean to the west and the ridgeline along Nardo Avenue below Lomas Santa Fe and Mar Vista above Lomas Santa Fe.

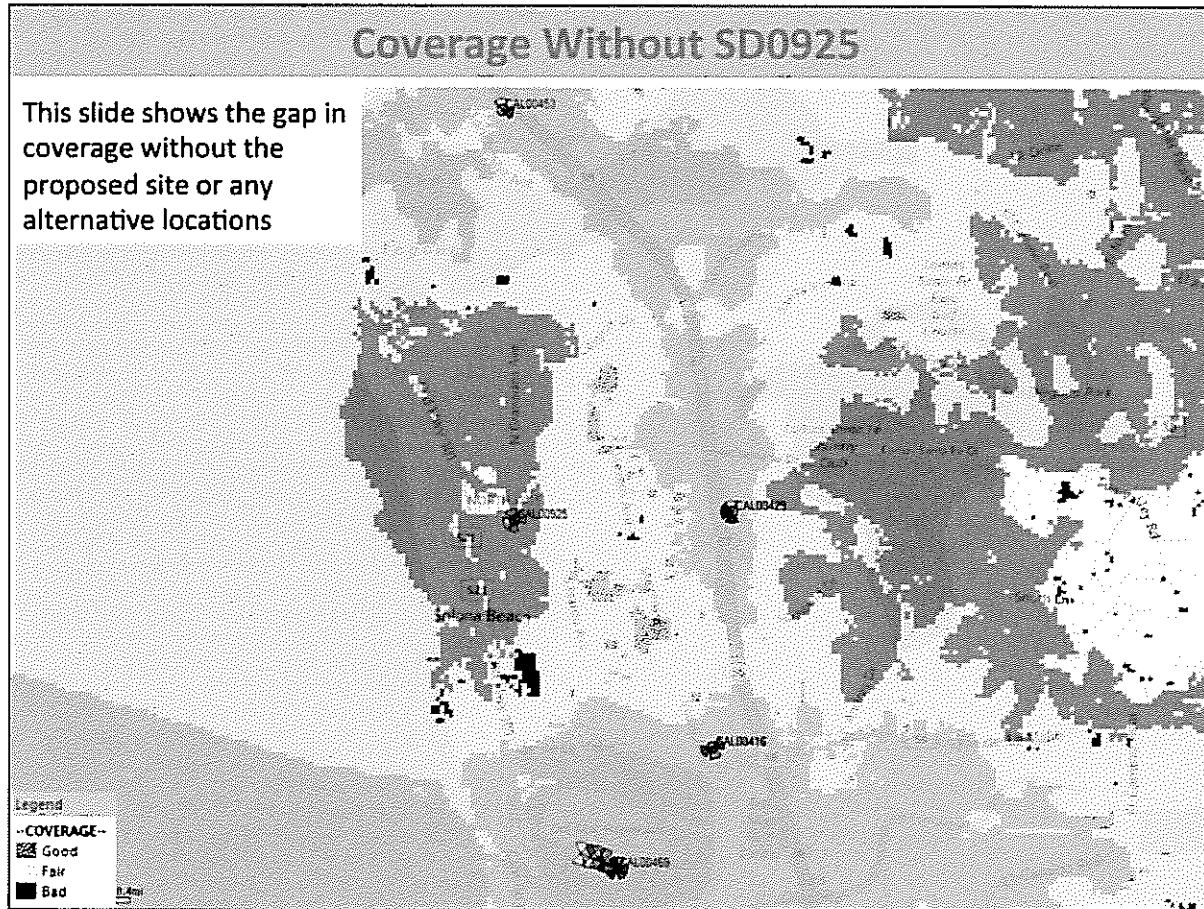


Figure 2: (Source: AT&T.)

Whether the City accepts the propagation maps as valid or not, there seems to be little doubt that AT&T would experience a gap in its coverage if it decommissioned one site and did not replace it with another. Accordingly, the City should not consider this to be a technically feasible option.

2.2. AT&T Alternative 2: 210 Lomas Santa Fe Drive

AT&T notes that this location is approximately 10 feet lower in elevation and subject to 35-foot zone height limit, which would result in an antenna centerline approximately 20



feet lower than the Proposed Location. AT&T also comments that the existing commercial structure at this location is a single-story building with fewer concealment opportunities.

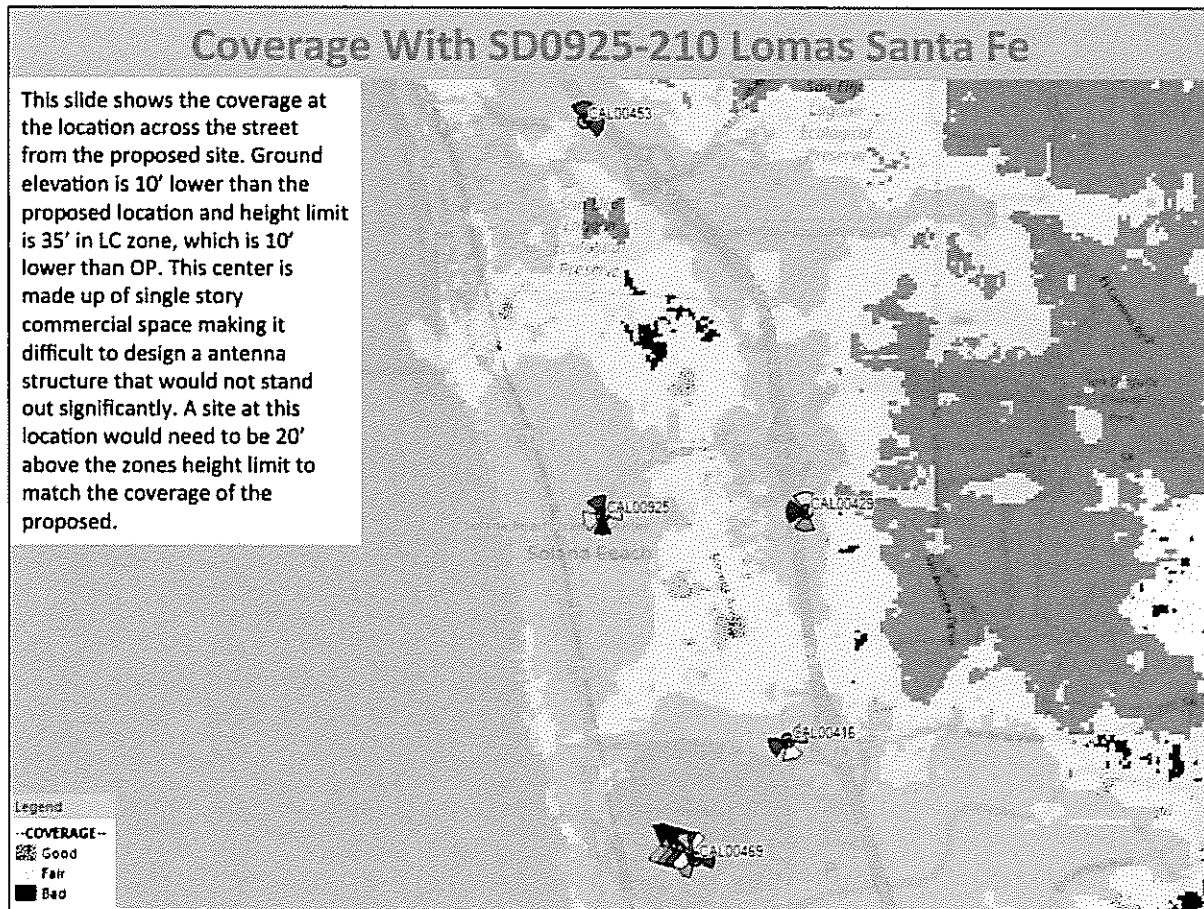


Figure 3: (Source: AT&T.)

This alternative appears to be technically feasible as a single-site replacement. A comparison between the coverage achievable from this location and the coverage achievable from the Proposed Location shows little meaningful difference. Both sites would provide comparable "good" and "fair" coverage to roughly the same areas. Although a site at this alternative location would potentially be less optimal insofar as the "bad" coverage areas to the north would be slightly larger, those areas are generally open space or within the San Elijo Lagoon where users would typically be outdoors with fewer physical obstructions to attenuate the signal.

Moreover, the propagation map in Figure 3 appears to show that the comparable coverage could be achieved without the additional 20-foot extension mentioned in AT&T's Alternatives Analysis. To be sure, the single-story, flat-roofed commercial building would present some concealment challenges. Possible designs might include, for example, a contiguous raised parapet around the entire rooftop or a freestanding architectural feature. However, even if the City ultimately prefers the design at the Proposed Location



over what could be built at 210 Lomas Santa Fe Drive, this alternative would still be potentially viable.

Accordingly, the City should consider a site at 210 Lomas Santa Fe as a possible alternative and should request that AT&T provide additional analysis into possible designs for this location.

2.3. AT&T Alternative 3: 124 Lomas Santa Fe Drive

AT&T notes that this location is approximately 30 feet lower in elevation and subject to 25-foot zone height limit, which would result in an antenna centerline approximately 50 feet lower than the Proposed Location. AT&T concludes that a site at this location would create a need for a second site to cover the area along Lomas Santa Fe between the freeway and Nardo Avenue.

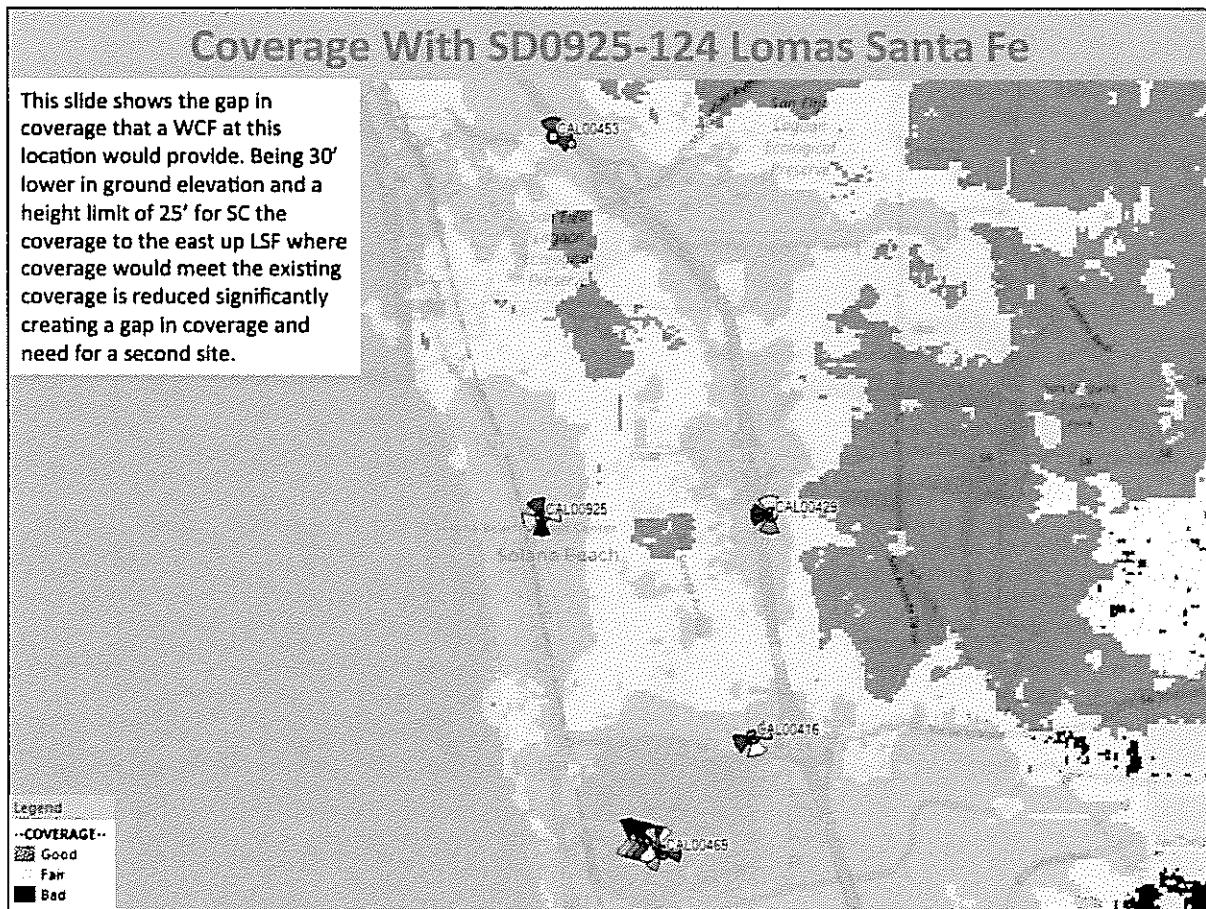


Figure 4: (Source: AT&T.)

Unlike the alternative at 210 Lomas Santa Fe Drive, this alternative appears to create the need for an additional site to provide supplemental coverage to the areas between Nardo Avenue and the freeway. Even if the propagation maps were disqualified as not reliable,



the 50-foot difference between antenna centerlines possible at this alternative and at the Proposed Location would have a significant impact on signal propagation.

Nevertheless, the City may wish to consider a multi-site solution with another site in a preferred zone. Some possible locations for the second site might be either (1) the Light Industrial parcels along Stevens Avenue West; (2) the Commercial parcels along San Rodolfo Drive; or (3) Solana Beach Presbyterian Church at 120 Stevens Avenue.

Accordingly, the City should consider a site at 124 Lomas Santa Fe as a possible alternative in a multi-site solution. If the City would consider a multi-site deployment, it should request that AT&T provide additional analysis into possible designs for the three locations listed above and any other possible alternatives.

2.4. AT&T Alternative 4: 100 Lomas Santa Fe Drive

AT&T notes that this location is approximately 40 feet lower in elevation and subject to 25-foot zone height limit, which would result in an antenna centerline approximately 60 feet lower than the Proposed Location. AT&T concludes that a site at this location would either need to be 60 feet above the zone height limit to achieve the same coverage as the Proposed Location, or create a need for a second site to cover the area along Lomas Santa Fe between the freeway and Nardo Avenue.

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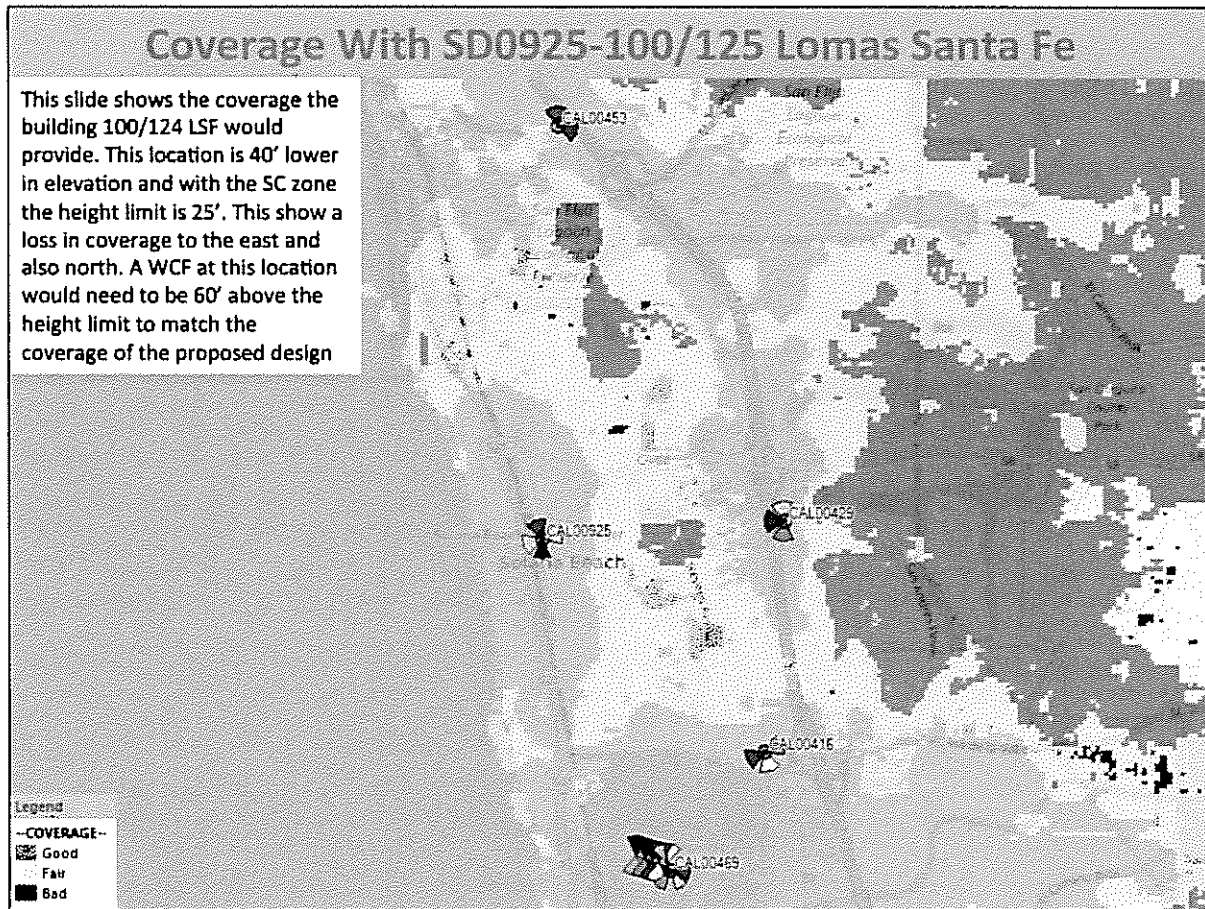


Figure 5: (Source: AT&T.)

Like the alternative at 124 Lomas Santa Fe Drive, this alternative does appear to create the need for an additional site to provide supplemental coverage to the areas between Nardo Avenue and the freeway. In addition, the propagation maps appear to show additional coverage degradation in the residential areas above Lomas Santa Fe Drive that was not present from an alternative at 124 Lomas Santa Fe Drive.

Although the City may wish to consider possible alternatives at those same locations around Stevens Avenue West or San Rodolfo Drive described in Section 2.3 of this memorandum, the more logical location to reach the northern areas would be the Solana Beach Presbyterian Church (120 Stevens Avenue). This alternative would provide AT&T with higher elevations and additional opportunities for concealment because of the variations in the architecture of the structures on the property.

Accordingly, the City should consider a site at 100 Lomas Santa Fe as a possible alternative in a multi-site solution. If the City would consider a multi-site deployment, it should request that AT&T provide additional analysis into possible designs for the Solana Beach Presbyterian Church and any other possible alternatives.



3. DESIGN ANALYSIS AND RECOMMENDATIONS

Based on the analysis above, it appears that the City may have at least two options for single-site solutions (the Proposed Location and 210 Lomas Santa Fe Drive) and potentially many options for a multi-site solution. Information available at this time suggests that all options may have some less-than-desirable trade-offs between location and possible concealment designs. Accordingly, this section evaluates the pros and cons among various alternatives to assist the City strike an appropriate balance that it finds most consistent with its local values expressed in the General Plan, the Solana Beach Municipal Code (“**SBMC**”) and Council Policy No. 21.

Facilities must be compliant with the applicable zone development rules, and the applicable height limit for structures on this parcel is 45 feet.² Rooftop appurtenances in the OP zone must be screened from view from adjacent properties, public streets and on-site parking areas.³ More specifically, wireless facilities must be screened from view with “stealth” techniques, such as false architectural elements, and rooftop sites should not be placed on rooftop peaks.⁴ Ancillary wireless equipment must be located indoors to the extent feasible, or screened with walls, plants or other materials when such equipment must be placed outdoors.⁵ The use must not produce any negative external effects, such as noise, odors, particulate matter, glare or electrical emissions that interfere with other lawfully operated equipment or instruments.⁶

3.1. City Single Site Alternative 1: 210 Lomas Santa Fe Drive

Based on the information provided by AT&T, an alternative site located at 210 Lomas Santa Fe Drive appears to be technically feasible as single-site solution. Although the existing structure may not be as well-suited for concealment as the Proposed Location, the City could require AT&T to vet possible designs for both roof-mounted and freestanding facilities before this alternative is ruled out on aesthetic grounds.

Rooftop facilities might include a parapet wall extension with antennas distributed around the perimeter or a mechanical penthouse to house the antennas in a centralized location. The parapet wall extension would likely result in a cleaner design that maintains a consistent roofline, but would need to be approximately eight feet tall to conceal the antennas and would also add significant bulk to the building. A mechanical penthouse would obstruct a smaller area and add less overall bulk, but may seem out of place on this low, flat rooftop.

² See Council Policy No. 21 § B.4; SOLANA BEACH, CAL. MUN. CODE § 17.24.030(D).

³ See SOLANA BEACH, CAL. MUN. CODE § 17.24.030(E)(2).

⁴ See Council Policy No. 21 §§ B.1 and B.6.b.

⁵ See *id.* § B.2.

⁶ See SOLANA BEACH, CAL. MUN. CODE § 17.24.030(F); see also Council Policy No. 21 § C.1 (requiring compliance with generally applicable noise standards).



The most likely freestanding design that would blend with the existing environment would be a monument such as a clock tower or commercial sign. Although these approaches would leave the existing structure as-is and completely conceal all the proposed equipment, both types of structures may draw attention to themselves because they would be the tallest structures in the vicinity.

Recommendation: The City may wish to require that AT&T provide the City with conceptual-level drawings or renderings to give the City a sense about potential designs that can be compared to proposed design at the Proposed Location.

3.2. City Single Site Alternative 2: the Proposed Location

The City may also wish to consider the Proposed Location, either as currently proposed or with alternative concealment.

Location Considerations

The City could potentially find that the Proposed Location is equally preferable to the identified alternative locations. Whereas Council Policy No. 21 does not expressly rank its preference for facilities in OP zones, the OP zone could be fairly construed as a commercial zone given that permitted uses here include commercial uses and many similar passive operations are deemed either “permitted uses” or “conditionally permitted uses” under the SBMC.⁷

Moreover, while AT&T’s proposal does not qualify as either a “minor utility project” or a “major utility project” under the SBMC,⁸ major utility projects such as power plants and natural gas storage facilities would be considered a conditionally permitted use in this zone.⁹ It is unlikely that an unmanned commercial wireless facility would have a greater adverse impact on community aesthetics or traffic circulation than a power plant or natural gas storage facility, and the City may find that a wireless facility in an OP zone would be comparably preferable to a wireless facility in a commercial zone.

Interactions between Overall Height and Concealment

Due to the underlying structure’s design and layout, there is a tradeoff between overall height and concealment. The most concealed design violates the zone height limit but the designs at lower overall heights would be closer and more visible to residential properties.

The overall height of AT&T’s proposed facility would be approximately 64 feet above the lowest finished grade, which is the same overall height as the existing skylight on the

⁷ See generally SOLANA BEACH, CAL. MUN. CODE § 17.12.020-A.

⁸ See *id.* § 17.12.030, Appendix A (defining these terms).

⁹ Compare *id.* § 17.12.020-A(27) (defining major public utility installations as a conditionally permitted use in the OP zone).



rooftop.¹⁰ To reduce the overall height approximately 19 feet for compliance with the zone height limit would lower the antennas below the roofline. AT&T would then be required to split the sectors and mount the antennas in sectors A and B on the east-facing and south-facing facades.

AT&T's current single elevator-penthouse extension design appears more preferable to the lower height alternative because such an alternative would move the antennas in sectors A and B closer to residential uses and facade-mounted antennas would be less concealed. Whereas the antennas in the proposed design would be approximately 166 feet from the nearest residential use (122 South Rios Avenue), facade-mounted antennas in sector A would be approximately 116 feet from residences at 140 South Granados Avenue and facade-mounted antennas in sector B would be approximately 90 feet from residences at 122 South Rios Avenue.

Facade-mounted antennas would also be more visible than the proposed penthouse design as they would likely require pop-out screen boxes to screen them from view. These screen boxes hide the antennas from view but create odd protrusions from the wall, which are generally less "stealth" than a mechanical penthouse that might otherwise appear as an ordinary architectural feature.¹¹ Moreover, pop-out boxes on the facade would potentially protrude more than 18 inches from the wall to allow sufficient space for the antennas, mounting equipment, RRUs, surge suppressors and the screening and framing material.¹² The comparison in **Figure 6** illustrates the difference in design.

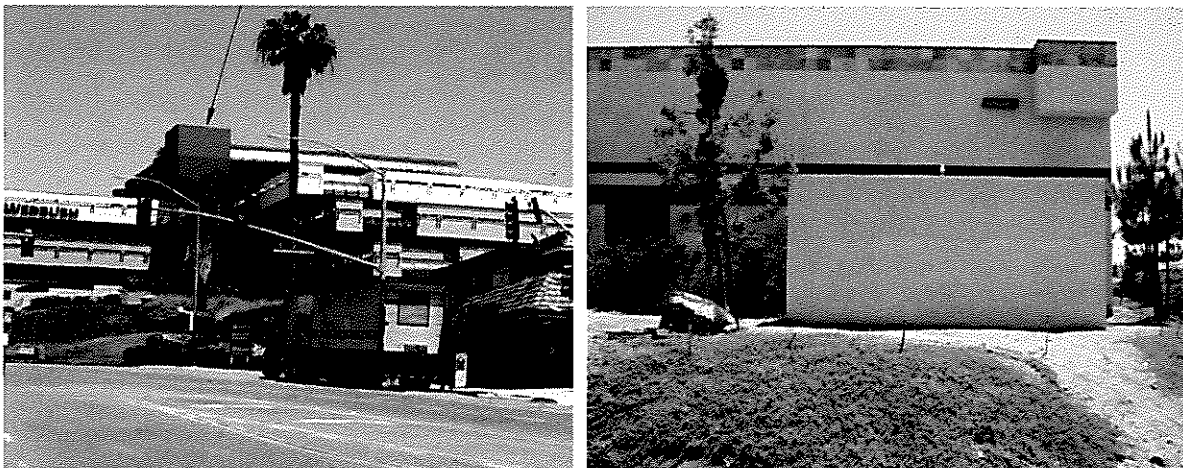


Figure 6: Comparison between proposed mechanical penthouse design and "pop-out box" concealment for facade-mounted antennas. (Source: AT&T and Jonathan L. Kramer.)

In this case, strict compliance with the City's zone height limit would likely result in a design that is more visible and more intrusive than if the City permitted AT&T's proposed

¹⁰ This estimate is based on the Topographic Survey included with AT&T's plans, which calls out the lowest finished grade as approximately 89 feet above MSL and the proposed antenna enclosure as approximately 153 feet above MSL (*i.e.*, $153 - 89 = 64$).

¹¹ See Council Policy No. 21 § B.1 (requiring stealth designs such as false architectural elements).

¹² See *id.* § B.6.a (prohibiting protrusions that exceed 18 inches from the wall).



design. Overall height excluded, AT&T's current design would generally comply with the SBMC and Council Policy No. 21 because the equipment would be fully screened, architecturally integrated and would not produce any noise, emissions or other nuisance-type external effects.

3.3. City Multi-Site Alternative 1: 124 Lomas Santa Fe Drive

The potential alternative at 124 Lomas Santa Fe Drive may require that the City permit an additional site in order for AT&T to meet its technical service objectives. Whether the City prefers this alternative would depend on the extent to which the combination of a wireless facility located at 124 Lomas Santa Fe Drive and another facility located to the east would comply with the SBMC and Council Policy No. 21.

Recommendation: To the extent that the City would consider a multi-site solution with one site at 124 Lomas Santa Fe Drive, it should require AT&T to evaluate and submit design proposals at this location. In addition, the City should request that AT&T evaluate the following potential alternative sites for technical feasibility and potential availability:

- Light Industrial (LI) Parcels Along Stevens Avenue West (including without limitation):
 - Solana Beach Storage (545 Stevens Avenue)
 - Public Storage (477 Stevens Avenue)
 - Price Self Storage (533 Stevens Avenue West)
 - Smart Self Storage of Solana Beach (537 Stevens Avenue West)
- Commercial (C) Parcels Along San Rodolfo Drive and Solana Hills Drive (including without limitation)
 - Solana Beach Town Centre (663-689 Lomas Santa Fe Drive)
 - First Citizens Bank (706 Lomas Santa Fe Drive)
 - Citibank (740 Lomas Santa Fe Drive)
- The Solana Beach Presbyterian Church (120 Stevens Avenue)

A multi-site solution involving these locations would use more-preferred locations, but would undermine the City's general policy to reduce cumulative impacts from multiple sites through careful site selection. Moreover, we cannot reach any conclusion at this time as to whether the potential concealment design would be more or less preferable relative to single-site locations.

3.4. City Multi-Site Alternative 2: 100 Lomas Santa Fe Drive

As discussed in Section 2.4 of this memorandum, the potential alternative at 100 Lomas Santa Fe Drive may also require that the City permit an additional site in order for AT&T to meet its technical service objectives. Whether the City prefers this alternative would depend on the extent to which the combination of a wireless facility located at 100 Lomas



Santa Fe Drive and another facility located at 120 Stevens Avenue would comply with the SBMC and Council Policy No. 21.

Recommendation: To the extent that the City would consider a multi-site solution with one site at 100 Lomas Santa Fe Drive, it should require AT&T to evaluate and submit design proposals at this location. In addition, the City should request that AT&T evaluate the Solana Beach Presbyterian Church at 120 Stevens Avenue for technical feasibility and potential availability.

This potential alternative comes with the same tradeoffs as a multi-site solution with 124 Lomas Santa Fe. These locations would use more-preferred locations, but would undermine the City's general policy to reduce cumulative impacts from multiple sites through careful site selection. Although the Solana Beach Presbyterian Church seems promising from a concealment standpoint, we cannot reach any conclusion at this time as to whether the potential concealment design would be more or less preferable relative to single-site locations.

5. CONCLUSION

Based on the May 2017 Alternatives Analysis, there appears to be at least one more potentially viable single-site solution (210 Lomas Santa Fe Drive) and also various other multi-site solutions along Lomas Santa Fe Drive, Stevens Avenue and the commercial areas near Rodolfo Drive. Although the record does not currently contain sufficient information to meaningfully compare these various alternatives, it appears that fidelity to one preference compromises another. The City will need to weigh the tradeoffs between strict compliance with Council Policy No. 21 and potentially better concealment opportunities at lesser-preferred locations or taller structures.

The City will need additional analysis and information from AT&T to meaningfully compare the various tradeoffs among viable alternatives. Accordingly, the City should require AT&T to produce the additional information identified in this memorandum. AT&T's responses should be directly comparable to the materials provided in support of the Proposed Location. While it would not be appropriate at this time to require full zoning drawings for each alternative, any sketches or simulations should be sufficiently detailed to allow the City to comprehend the size, scale and visual impact of any alternatives.

RM



WIRELESS PLANNING MEMORANDUM

TO: Corey Andrews
FROM: Robert C. May
REVIEWER: Jonathan L. Kramer
DATE: October 18, 2017

RE: 17-17-15

Applicant: AT&T Mobility
Site Address: 201 Lomas Santa Fe Drive, Solana Beach, California 92075
Site ID: SD0925

The City of Solana Beach (the "**City**") requested a review for AT&T Mobility ("**AT&T**") to install a new building-mounted wireless site located at 201 Lomas Santa Fe Drive. This memorandum reviews the application and related materials for technical and regulatory issues specific to wireless infrastructure. Although many technical issues implicate legal issues, the analysis and recommendations contained in this memorandum do not constitute legal advice.

1. Project Background and Description

On May 4, 2017, this firm issued a memorandum to the City (the "**May Memo**") that recommended additional alternative sites analysis because it appeared that other, more-preferred alternatives would be technically feasible and potentially available. On or around July 30, 2017, AT&T responded with additional analysis (the "**May Alternatives Analysis**") that evaluated the currently proposed site location at 201 Lomas Santa Fe Drive, a scenario in which AT&T did not replace the decommissioned site ("**Alternative No. 1**") and three others located at 210 Lomas Santa Fe Drive ("**Alternative No. 2**"), 124 Lomas Santa Fe Drive ("**Alternative No. 3**") and 100 Lomas Santa Fe Drive ("**Alternative No. 4**").

On August 30, 2017, this firm issued a memorandum to the City (the "**August Memo**") that evaluated the May Alternatives Analysis and concluded that (1) Alternative No. 1 would not be technically feasible because it would result in a gap in AT&T's service; (2) Alternative No. 2 appeared technically feasible as a single-site alternative but recommended additional information about the site design due to potential concealment concerns; (3) Alternative Nos. 3 and 4 would most likely require a second site elsewhere

in the City to achieve reasonably comparable service coverage. The August Memo also included several suggested locations for a potential multi-site solution to be implemented if the City preferred Alternative Nos. 3 or 4 to the currently proposed site.

On September 21, 2017, AT&T responded to the August Memo (the "**September Alternatives Analysis**"). In the September Alternatives Analysis, AT&T (1) provided details to the potential design and concealment elements for Alternative No. 2; (2) ruled-out multi-site solutions proposed in the August Memo based on design concerns; and (3) ruled-out other alternative site locations based on their proximity to an existing AT&T site. While the September Alternatives Analysis responds to some of the design and viewshed concerns related to Alternative No. 2, it fails to provide adequate information to allow this firm or the City to fully evaluate AT&T's claim that a multi-site solution would not be feasible using the alternative sites proposed in the August Memo.

2. Alternative Sites Analysis

2.1. Alternative No. 2 (210 Lomas Santa Fe Drive)

Alternative No. 2 would be technically feasible as a stand-alone site or multi-site solution. However, the underlying building presents practical challenges for effective concealment.

AT&T evaluated a parapet wall extension at this location and points out that this configuration would result in a more dramatic change to the building envelope as compared to the single-enclosure in its current proposal. Specifically, AT&T would have to install a parapet wall extension approximately eight feet tall around the entire perimeter of the rooftop to conceal a potential site completely. That addition would significantly displace the viewshed to the west of the property because the parapet extension would block the existing view of the beach shoreline from the east. The September Alternatives Analysis also included photo simulations to illustrate the visual impact that would result from a split-sector design, which is reproduced in Figure 1.



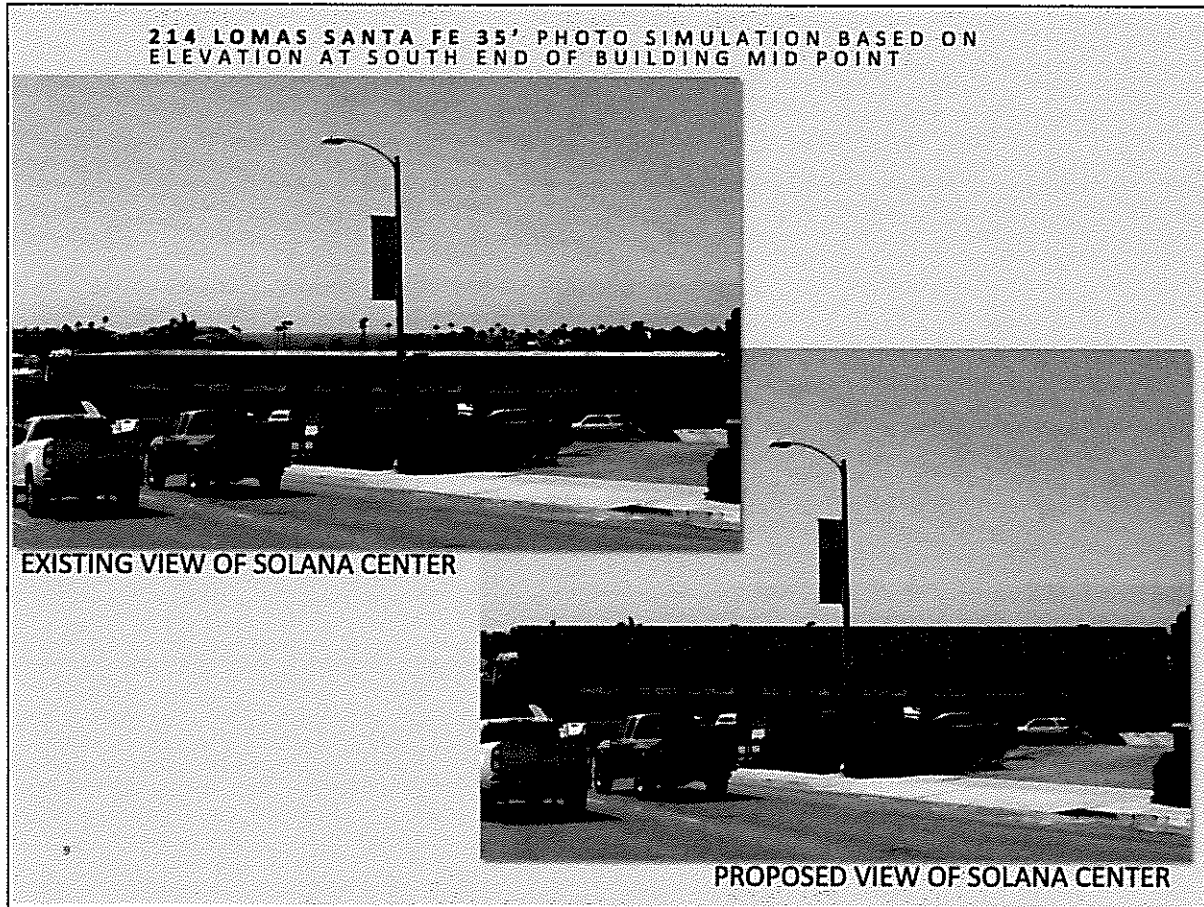


Figure 1: Photo simulation to show possible parapet extension to screen antennas. (Source: AT&T.)

We tend to agree with AT&T on this point. Although the parapet wall depicted in the simulation could be designed and finished to blend with the underlying building, the extension at this location would displace more viewshed than the design proposed at 201 Lomas Santa Fe. Given the City's preference for building-mounted facilities over freestanding towers, additional efforts to investigate other designs may not be fruitful. Moreover, a stand-alone site at this location would create a similar viewshed displacement issue because it would place a tall visual obstruction on the property where no obstruction currently exists. Accordingly, the proposed location would appear to have less of a negative visual impact than a technically feasible design at this location.

2.2. Alternative No. 3 (124 Lomas Santa Fe Drive)

AT&T did not consider Alternative No. 3 because it would require a second site to complete its coverage objectives, and because the building at 210 Lomas Santa Fe would block the signal propagation to the east. AT&T relies on the coverage maps submitted to the City as evidence of this alternative's inability to achieve the desired coverage objectives. This is not an adequate response to rule-out this location as a potential candidate for a multi-site solution because the coverage maps show AT&T could achieve



the desired coverage objective to the west at this location. Although this location could present viewshed issues similar to those discussed for Alternative No. 2, AT&T did not provide enough information to evaluate what type of design, and potential visual impact, would occur here.

As discussed in Sections 2.4 and 2.5 to this memorandum, there appear to be several potential locations for a second site that could achieve AT&T's coverage objectives when combined with a site at this location. The September Alternative Analysis includes a conclusory statement that this location has "low building height and limited architectural features" for a feasible design. However, AT&T did not provide a factual analysis that addresses the possibility of a feasible multi-site design that involves this location. Accordingly, the City should find that AT&T has not provided a technical reason why a site at Alternative No. 3 would be infeasible even when combined with a second site to the east.

2.3. Alternative No. 4 (100 Lomas Santa Fe Drive)

AT&T did not consider Alternative No. 4 because it would require a second site to complete its coverage objectives. This is not an adequate response to rule-out this location as a potential candidate for a multi-site solution because AT&T admittedly did not consider how it could achieve the coverage objectives coupling this location with a second-site location. Like Alternative No. 3, AT&T's coverage map for this location appears to show a site would achieve the coverage objective to the west but AT&T eliminated this option because the location has "low building height and limited architectural features." Again, AT&T did not provide factual evidence to show a site at this location would create viewshed displacement as AT&T showed for Alternative No. 2.

As discussed in Sections 2.4 and 2.5 to this memorandum, there appear to be several potential locations for a second site that could achieve AT&T's coverage objective when combined with a site at this location. Accordingly, the City should find that AT&T has not provided a technical reason why a site at Alternative No. 4 would be infeasible even when combined with a second site to the east.

2.4. Alternative No. 5 (Solana Beach Presbyterian Church)

The Solana Beach Presbyterian Church appears to be technically feasible as a supplement to either Alternative Nos. 3 or 4. AT&T "[a] simulation of the best location to cover the apex of Lomas Santa Fe to the west is provided in the coverage map package." The coverage map mentioned in the quoted text above appears in Figure 2.



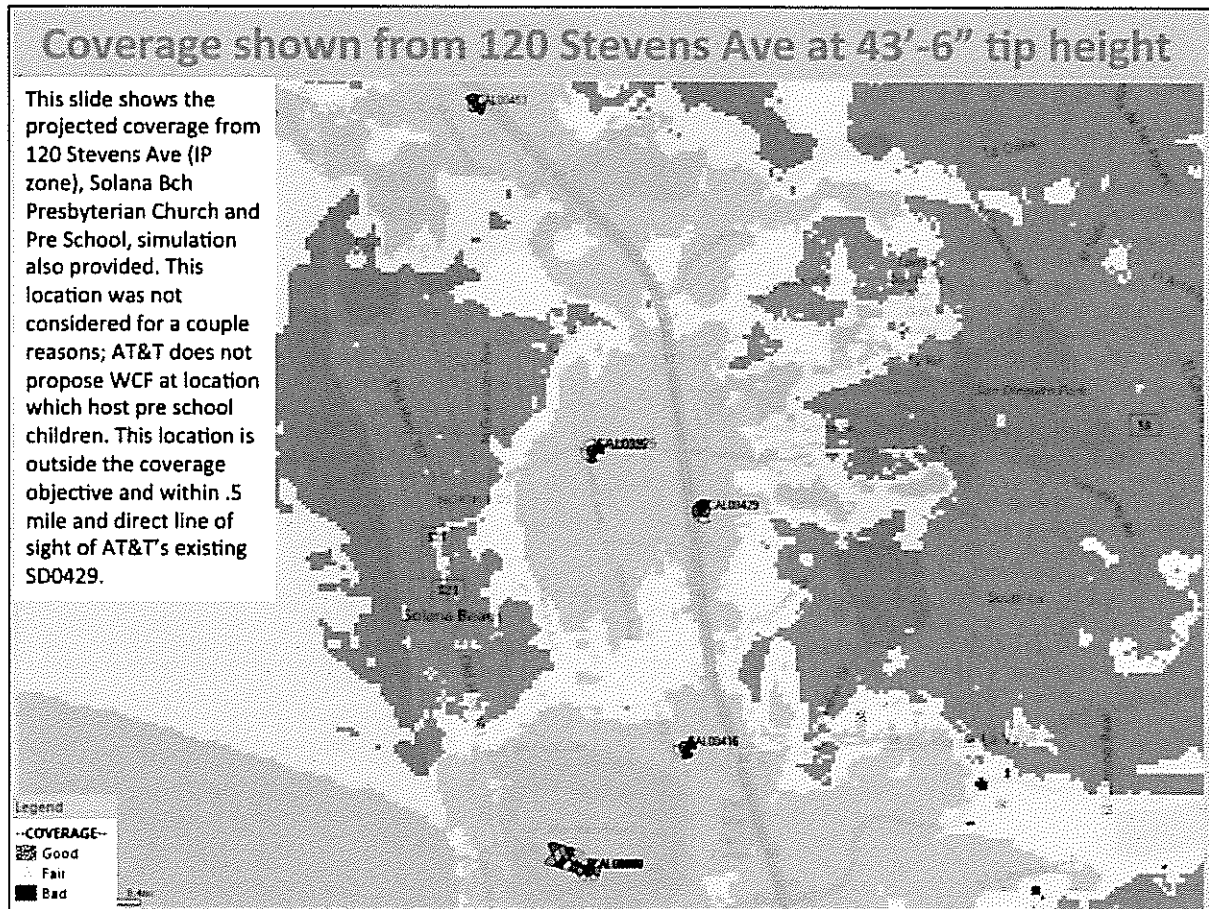


Figure 2: Coverage map to show predicted service from Solana Beach Presbyterian Church. (Source: AT&T.)

Upon review, a proposed site at the Solana Beach Presbyterian Church would not be technically feasible as a stand-alone site but may be a potentially feasible supplement to Alternative Nos. 3 or 4. A site at this location would not be technically feasible as a stand-alone site because it would not be able to achieve the coverage objective to the west. Although the site on its own cannot reach areas to the west, which are shaded due to the rise in elevation, it could be a technically feasible multi-site solution with Alternatives Nos. 3 or 4. Predicted service levels for a site at this location drop off fairly sharply west of South Nardo Avenue. However, a side-by-side comparison shows that the combined coverage would reach all areas in AT&T's search ring. Accordingly, the Solana Beach Presbyterian Church appears to be a technically feasible alternative under a multi-site solution.



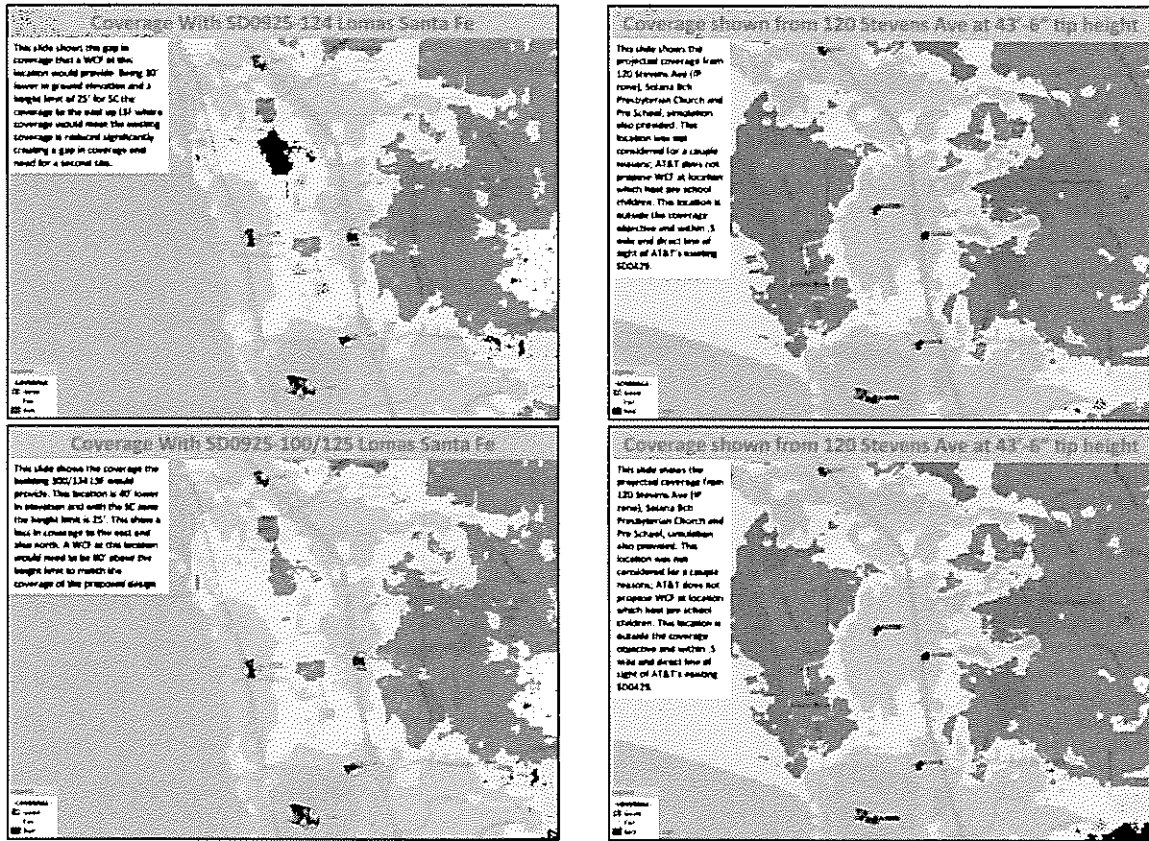


Figure 3: Side-by-side coverage maps to show predicted service with Alternative Nos. 3 and 4 and Solana Beach Presbyterian Church. (Source: AT&T.)

Although the Solana Beach Presbyterian Church may be technically feasible, it also presents some possible challenges. As AT&T points out, it initially ignored this location due to the general opposition it receives to proposed installations on churches with pre-school or daycare facilities.

There is no indication in the record as to whether the church would grant AT&T a lease. To fully vet this potential alternative, the City should require AT&T to investigate whether the church would be a willing landlord. If so, the City should consider this a potential location in a multi-site solution. If not, the City should consider this location ruled-out.

2.5. Alternative No. 6 (Multi-Site Deployment)

As mentioned above, AT&T states that it did not consider any multi-site deployment due to "low building height and limited architectural features at [Alternative Nos. 3 and 4]" However, the low overall height at these locations was the precise reason why we recommended that AT&T evaluate whether a second or third site in the more preferred zones along Stevens Avenue or Lomas Santa Fe might compensate for any deficit in coverage. Moreover, while the City may determine that limited architectural features at



Alternatives No. 3 and 4 render them less desirable than other alternatives, the applicant cannot base its own analysis on subjective aesthetics.¹

AT&T also analyzed all seven locations along Stevens Avenue and Lomas Santa Fe and determined all seven would be technically infeasible as potential stand-alone sites. According to the September Alternatives Analysis, the potential sites in the light industrial zone along Stevens Avenue and the commercial zone along Lomas Santa Fe Drive would be outside the “coverage objective” and “too close” to another AT&T site located at 200 Marine View Avenue (Site No. SD0429) “less than 2000 feet” away.

Sites situated outside the “coverage objective” would not necessarily rule them out as potential supplemental sites to Alternative Nos. 3 or 4; however, their proximity to Site No. SD0429 might cause interference at the cell edge. To determine whether any sites within these more preferred zones would still be technically feasible as a supplemental site, the distances between Site No. SD0429 and each alternative have been measured. In addition, two other potential supplemental sites have been identified and included. The results appear in Table 1.

Alternative Site	Zone	Dist. to SD0429
Alternatives from August Memo		
545 Stevens Avenue	LI	~2,220 feet
537 Stevens Avenue	LI	~2,095 feet
533 Stevens Avenue	LI	~1,860 feet
477 Stevens Avenue	LI	~1,240 feet
740 Lomas Santa Fe	C	~1,670 feet
706 Lomas Santa Fe	C	~1,720 feet
663 Lomas Santa Fe	C	~1,800 feet
Additional Alternatives Identified		
685 San Rodolfo Dr.	C	~2,150 feet
380 Stevens Avenue	c	~2,015 feet

Table 1: Approximate distance from proposed alternative sites to AT&T existing site SD0429.

Based on the 2,000-foot separation requirement in AT&T's September Alternatives Analysis, the following locations appear to be technically feasible as supplemental sites to Alternatives Nos. 3 or 4: (1) 545 Stevens Avenue; (2) 537 Stevens Avenue; (3) 685 San Rodolfo Drive; and (4) 380 Stevens Avenue. Each is more than 2,000 feet from the existing Site No. SD0429. While none may be technically feasible as a stand-alone site, each appears technically feasible as a supplemental site in a multi-site solution. As such, the City should require AT&T to investigate each location listed Table 1 that is over 2,000 feet from Site No. SD0429 to determine if the location would be technically feasible as a multi-site solution and if the respective landowners for the technically feasible solutions would be willing landlords.

¹ See, e.g., *American Tower Corp. v. City of San Diego*, 763 F.3d 1035, 1057 (9th Cir. 2014).



3. Conclusion and Recommendations

The following summarizes the conclusions to be drawn from the September Alternatives Analysis, and recommended next steps the City may wish to take:

1. **Alternative No. 2 (210 Lomas Santa Fe Drive):** Alternative No. 2 remains potentially viable. This location would be technically feasible either as a stand-alone facility or in a multi-site solution. However, the record contains no information about whether the owner would lease space to AT&T, and the building design presents less desirable concealment options than are available at 201 Lomas Santa Fe Drive. The City should require AT&T to investigate other concealment options to decrease the potential viewshed displacement and the landowner's willingness to lease the necessary space for the site.
2. **Alternative No. 3 (124 Lomas Santa Fe Drive):** Alternative No. 3 remains potentially feasible. AT&T declined to evaluate this location in a multi-site solution and therefore has not identified a technical feasibility or potential availability reason why this alternative should be ruled-out. Additional evaluation should be performed by AT&T as requested by the City. Specifically, the City should require additional information about whether a multi-site solution is feasible and if the landowner would be interested in a lease.
3. **Alternative No. 4 (100 Lomas Santa Fe Drive):** Alternative No. 4 remains potentially feasible. AT&T declined to evaluate this location in a multi-site solution and therefore has not identified a technical feasibility or potential availability reason why this alternative should be ruled-out. Additional evaluation should be performed by AT&T as requested by the City. Specifically, the City should require additional information about whether a multi-site solution is feasible and if the landowner would be interested in a lease.
4. **Alternative No. 5 (Solana Beach Presbyterian Church):** Alternative No. 5 would not be technically feasible as a stand-alone site, but appears to be technically feasible in a multi-site solution with opportunities for concealment. However, the record contains no information about whether the owner would lease space to AT&T. The City should require additional information about whether the church would be interested in a lease.
5. **Alternative No. 6 (Multi-Site Solutions):** A multi-site solution remains potentially feasible. Although AT&T provided a valid technical reason to rule-out five potential locations identified in the August Memo, four potential sites appear technically feasible. The remaining sites are: 380 Stevens Avenue; 545 Stevens Avenue; 537 Stevens Avenue; and 685 San Rodolfo Drive. AT&T should perform additional evaluation as requested by the City. Specifically, the City should require additional information for each location about whether a multi-site solution is feasible and if the landowner would be interested in a lease.



For the alternatives discussed above, AT&T should provide any sketches, coverage maps or simulations with enough detail to allow the City to evaluate the technical feasibility, size, scale and visual impact of each location.

RM





STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Community Development Department
SUBJECT: **Public Hearing: Development Review Permit (DRP) and Structure Development Permit (SDP) Modification for 225 Pacific Avenue (Case # 17-12-21 Applicants: Mark and Felicia Barr) Resolution 2017-138**

BACKGROUND:

The Applicants, Mark and Felicia Barr, are seeking the Council's approval of a Development Review Permit (DRP) and Structure Development Permit (SDP) modification to demolish an existing single-story home, attached garage and detached accessory structure and to construct a new 1,935 square foot two-story, single-family residence with an attached 393 square foot garage located at 225 Pacific Avenue. As designed, the first floor would consist of 756 square feet of living area and the second floor would consist of 1,179 square feet of living area. The project included a 10-foot cantilevered design component which originally would have been supported by caissons located at the 40-foot required rear yard setback. The caissons have since been removed and the revised cantilevered foundation would be located 46 feet east of the top of bluff. The maximum height of the proposed residence would be 24.99 feet above the existing grade. Grading proposed for the project would include 65 cubic yards of soil to be removed and re-compacted onsite for the slab and 25 cubic yards of excavated soil to be exported for the revised foundation design. The new residence would be considered a bluff top redevelopment project as defined by the City's Local Coastal Program (LCP) Land Use Plan (LUP).

The issue before the Council is whether the Council can make the required findings to adopt Resolution 2017-138 (Attachment 1) to approve the Applicants' request to modify the original project approvals as provided under the SBMC 17.68.040(K).

COUNCIL ACTION:

DISCUSSION:

The original project design for the residence was approved with the adoption of Resolution 2015-093 (Attachment 2) at the August 25, 2015 City Council Public Hearing.

The approval under Resolution 2015-094 was set to expire on August 25, 2017. The Applicants were unable to obtain building permits and start construction by that date because of delays in receiving final California Coastal Commission (CCC) approval. In accordance with Solana Beach Municipal Code (SBMC) Section 17.72.110, the Applicants applied for a DRP/SDP extension on June 8, 2017. SBMC Section 17.72.110(B)(1) indicates that:

One or more (but not more than a total of four) extensions may be granted not exceeding a cumulative total of 24 months after the date the original approval of the project expires. The duration of an extension shall be in an increment of 30 days. The minimum duration of an extension shall be six months. The maximum duration of an extension shall not be more than 12 months. The duration of an extension shall be determined at the discretion of the issuing authority.

While reviewing the request for a time extension, Staff noted that one of the required findings that the City Council would need to be able to make in order to approve a time extension is that,

There have not been any significant changes in the general plan, applicable specific plan, if any, zoning, or character of the area within which the project is located that would cause the approved project to become inconsistent, incompatible, or nonconforming therewith.

Since the original project approval on August 25, 2015, the SBMC requirements of the Water Efficient Landscape Ordinance were updated with the adoption of Ordinance 467 which became effective on December 1, 2015. With the updated Ordinance, the project requires the approval of a Landscape Documentation Package which was not previously required. Therefore, the application for a time extension was converted to an application for a DRP/SDP modification. The Applicants submitted preliminary landscape plans and the City's third-party landscape architect found them in compliance with the Water Efficient Landscape Regulations. If the Council is able to make the required findings to approve the project, the Applicants would be required to submit detailed construction landscape drawings that will be reviewed by the City's third-party landscape architect for conformance with the conceptual plan prior to building permit issuance. In addition, the City's third-party landscape architect will perform inspections during the construction phase of the project.

In addition, the design of the proposed residence has been modified since the original approval. On June 8, 2016, CCC approved a Coastal Development Permit (CDP) for the

proposed project subject to conditions of project approval which required the Applicants to modify the project design. The Notice of Intent to Issue a Permit from the CCC has been provided (Attachment 3) and the conditions of approval which necessitate project revisions include the following:

1. Any reference to the caisson foundation on all plans shall be eliminated; a deepened footing and structural beam foundation (maximum 5 ft. in depth) may be substituted.
2. The foundation of the proposed home shall be located no less than 46 feet landward of the existing upper bluff edge.
3. The proposed development, including the deepened footing and grade beam foundation, shall be specifically designed and constructed such that it could be removed in the event of endangerment of the residential structure.
4. All grading and excavation shall be prohibited within 46 feet of the existing bluff edge and all references to the 36 inch deep excavated area beneath the cantilever portion of the residence on the plans shall be eliminated.
5. All runoff from impervious surfaces on the top of the bluff shall be collected and directed away from the bluff edge towards the street.

The Applicants revised their project plans in conformance with the conditions of approval from the CCC and are asking for the City Council to approve a DRP/SDP modification for the revised project design. The original project plans and the revised project plans have been provided in Attachments 4 and 5. The proposed revisions include the following:

1. Removal of the caisson foundation to be replaced with a cantilevered foundation. The new foundation would be landward of the 46 foot top of bluff setback established by the CCC and the proposed residence would cantilever ten feet seaward of the 46 foot bluff top setback.
2. The grading quantities were increased by 4 cubic yards of export. Originally, 21 cubic yards of material was proposed to be cut and exported off-site in order to construct the proposed caisson foundation. With the revised foundation design the project will require an 25 cubic yards of cut to be exported off-site for the footing excavation, to allow room for waterproofing and to account for the potential of existing site material that is not usable for compacted fill. Both projects would require an additional 65 cubic yards to be removed and re-compacted onsite for the slab.
3. The western wall of the proposed first floor of the residence would be moved to the east six feet in order to maintain a 36 foot setback from the top of bluff which results in a reduction of 198 square feet on the first floor.

4. The Applicants have proposed to add square footage in areas that are within the three dimensional envelope of the previously-installed story poles in order to make up for the 198 square foot reduction from moving the westernmost wall 6 feet to the east (no view claims were filed for the original project). The original project received There are three areas on the first floor plan that would total an addition of approximately 140 square feet and one area on the second floor plan which would total approximately 30 square feet.

5. The proposed modifications would result in the following square footage breakdown:

Table 1	
PROJECT AND PARCEL INFORMATION	
Property Address: 225 Pacific Avenue	Maximum Allowable Floor Area Per SROZ: 1,950.5 ft ²
Zone: Medium Residential (MR)	
Overlay Zone: SROZ	
Legal Lot Size: 4,175 ft ²	Approved Floor Area: 1,949.25 ft ²
Actual Lot Size: 3,901 ft ²	Below Max. Floor Area by: 0.75 ft ²
(Lot After Bluff Erosion)	
Maximum Building Height: 25 ft.	Proposed Floor Area: 1,935 ft ²
Proposed Building Height: 24.99 ft.	Below Max. Floor Area by: 15.5 ft ²
PROPOSED PROJECT INFORMATION	
Approved Square Footage Breakdown:	Proposed Square Footage Breakdown:
First Floor Living Area: 816.25 ft ²	First Floor Living Area: 756 ft ²
Second Floor Living Area: 1,133 ft ²	Second Floor Living Area: 1,179 ft ²
Attached Garage: 400 ft ²	Attached Garage: 393 ft ²
Subtotal: 2,349.25 ft ²	Subtotal: 2,328 ft ²
Required Parking Exemption: - 400 ft ²	Required Parking Exemption: - 393 ft ²
Total: 1,949.25 ft ²	Total: 1,935 ft ²
Grading Quantities: 65 cubic yards of cut for removal and recompaction and 21 cubic yards to be cut and exported for the caisson foundation.	Grading Quantities: 65 cubic yards of cut for removal and recompaction and 25 cubic yards to be cut and exported for the revised foundation design.

It should be noted that during the review of this DRP/SDP modification, the Applicants received CCC final approval on November 16, 2017. The building permit plans have been reviewed and are ready to be issued if the City Council is able to make the required findings and approve the DRP/SDP modification.

Should the Council approve the DRP/SDP modification, the applicable conditions of the original project approval from Resolution 2015-093 (Attachment 2) have been incorporated in to the Resolution 2017. Should the request for a modification of the project be denied, the Applicants would be required to process a new application for a revised project before any work could be done onsite.

A draft Resolution 2017-138 (Attachment 1) has been prepared by Staff for Council consideration. The draft Resolution is based upon the information provided in this report. The Council may direct Staff to modify Resolution 2017-138 to reflect the findings and conditions it deems appropriate as a part of the public hearing process. In the alternative, if Council determines the request is to be denied, Staff will prepare a Resolution of Denial for an action to be taken at a subsequent Council meeting.

Public Hearing Notice:

Notices of a public hearing for this project were mailed to property owners and occupants within 300 feet of the project site more than 10 days prior to the Council date. As of the date of preparation of this Staff Report, no phone calls, letters, or emails have been received by Staff in regard to the extension request.

CEQA COMPLIANCE STATEMENT:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines. Class 3 consists of construction and location of limited numbers of new, small facilities or structures. Examples of this exemption include one single-family residence or second dwelling unit in a residential zone. In urbanized areas, up to three-single-family residences may be constructed or converted under this exemption.

FISCAL IMPACT: N/A

WORK PLAN: N/A

OPTIONS:

- Approve Staff recommendation adopting the attached Resolution 2017-138.
- Approve Staff recommendation subject to additional specific conditions necessary for the City Council to make all required findings for the approval of a SDP and DRP.
- Deny the project if all required findings for the DRP cannot be made.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:

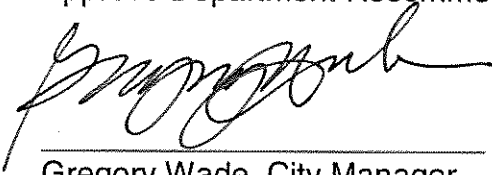
1. Conduct the Public Hearing: Open the public hearing, Report Council

disclosures, Receive public testimony, Close the public hearing.

2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the Council can make the required findings, adopt Resolution 2017-138, approving the request for a DRP/SDP modification for the proposed single-family residence and attached garage at 225 Pacific Avenue.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager

Attachments:

1. Resolution 2017-138
2. Resolution 2015-093
3. CCC Notice of Intent to Approve
4. 8-25-15 Approved Project Plans
5. Revised Project Plans

RESOLUTION 2017- 138

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A DEVELOPMENT REVIEW PERMIT AND STRUCTURE DEVELOPMENT PERMIT MODIFICATION FOR A NEW TWO-STORY BLUFF TOP SINGLE FAMILY RESIDENCE AT 225 PACIFIC AVENUE IN SOLANA BEACH

APPLICANTS: Mark and Felicia Barr
CASE NO.: 17-12-21 DRP/ SDP Modification

WHEREAS, Mark and Felicia Barr (hereinafter referred to as “Applicants”) have submitted a request for a Development Review Permit (DRP) and Structure Development Permit (SDP) modification to demolish the existing residence and construct a new two-story, single-family residence on the coastal bluff at 225 Pacific Avenue, pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

WHEREAS, the City Council adopted Resolution 2015-093 approving the project at the regularly scheduled August 25, 2015 City Council meeting; and

WHEREAS, the Applicants have requested a DRP/SDP modification to comply with the California Coastal Commission’s required project revisions; and

WHEREAS, on December 13, 2017, the City Council held a duly noticed Public Hearing to consider the DRP/SDP modification; and

WHEREAS, the Public Hearing was conducted pursuant to the provisions of SBMC 17.72.030 of the Solana Beach Zoning Ordinance; and

WHEREAS, at the Public Hearing, the City Council received and considered evidence concerning the request for a DRP/SDP modification; and

WHEREAS, the City Council of the City of Solana Beach found the project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearing, and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. That the request for a Development Review Permit (DRP) and Structure Development Permit (SDP) modification to demolish an existing single-story home, attached garage and detached accessory structure and to construct a new 1,935 square foot two-story, single-family residence with an attached 393 square

foot garage located at 225 Pacific Avenue is conditionally approved based on the following Findings and on all terms and conditions of Resolution 2015-093, which are in effect:

3. FINDINGS:

- I. *The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones and specific plans.*

General Plan Consistency: The proposed project, as conditioned, is consistent with the City's General Plan designation of Medium Density Residential, which allows for single-family residential development with a maximum density of 5-7 dwelling units per acre. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

Local Coastal Program Land Use Plan Consistency: The proposed project is consistent with all applicable requirements of the City's certified Local Coastal Program Land Use Plan including key policies related to bluff edge setbacks for new development, cantilevered design components and definitions.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17) (SBMC 17.20.030 and 17.48.040), which delineates maximum allowable FAR, Permitted Uses and Structures (SBMC Section 17.20.020), which provides for uses of the property for a single-family residence. Further, the proposed project adheres to all property development regulations established for the MR Zone and cited by SBMC Section 17.020.030 as well as the specific development regulations of the Scaled Residential Overlay Zone (SROZ) cited in SBMC Section 17.48.040.

The design of the proposed project is consistent with the provisions for minimum yard dimensions (i.e., setbacks) and the maximum FAR, maximum building height, and parking requirements. Prior to building permit issuance, the project will be reviewed for compliance with the landscape regulations as established by Solana Beach Municipal Code Section 17.56.

- II. *The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040.F:*
 - a. *Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and complementary*

to existing development in the immediate vicinity of the project site and the surrounding neighborhood. The development as proposed shall also be compatible in scale, apparent bulk, and massing with such existing development in the surrounding neighborhood. Site planning on or near the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects.

The property is located within the Medium Residential (MR) Zone on the west side of Pacific Avenue along the City's coastal bluffs. The properties immediately adjacent to the north, south, and east are also located within the MR Zone. Surrounding properties are developed with one and two-story single-family residences. The project, as designed, is consistent with the permitted uses for the MR Zone as described in SBMC Sections 17.20.010 and 17.12.020, and is also consistent with the General Plan, which designates the property as Medium Density Residential. The proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

- b. Building and Structure Placement: Buildings and structures shall be sited and designed to minimize adverse impacts on the surrounding properties and designed in a manner which visually and functionally enhance their intended use and complement existing site topography. Multi-family residential buildings shall be sited to avoid crowding and to allow for a functional use of the space between buildings.*

The new residence, as viewed from Pacific Avenue, will appear as a contemporary two-story residence similar to other recent remodeled residences in the neighborhood.

The proposed project, as designed, is below the maximum allowable SROZ FAR for the property and is consistent with applicable LUP policies including those for required setbacks and cantilevered construction.

The original project design proposed that the new residence would be sited on caissons in compliance with LUP Policies 4.23 and 4.25 located 40 feet from the coastal bluff edge. However, the CCC required the removal of the caissons from the project design. As modified, the project proposes a cantilevered foundation 46 feet from the top of bluff and the

proposed western side of the residence would cantilever 10 feet over the 46 foot setback line to the west.

- c. *Landscaping:* Landscaping. The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. To the maximum extent practicable, landscaping and plantings shall be used to screen parking areas, storage areas, access roads, and other service uses of the site. Trees and other large plantings shall not obstruct significant views when installed or at maturity. Drought tolerant plant materials and water conserving irrigation systems shall be incorporated into all landscaping plans.

The original project was not subject to the water efficient landscaping regulations of SBMC 17.56. On December 1, 2015, Ordinance 467 became effective which reduced the threshold that requires review of a landscape documentation package. The revised project is now subject to the current water efficient landscaping regulations because a landscape documentation package is required for new development projects with an aggregate landscape greater than or equal to 500 square feet requiring a building permit, plan check or development review.

The Applicants submitted a conceptual landscape plan that has been reviewed by the City's third-party landscape architect who has recommended approval of the conceptual landscape plan. The Applicants will be required to submit detailed construction landscape drawings that will be reviewed by the City's third-party landscape architect for conformance with the conceptual plan prior to building permit issuance. In addition, the City's third-party landscape architect will perform inspections during the construction phase of the project. The project has been conditioned to comply with LUP Policy 4.26 which requires the removal or capping of any permanent irrigation system within 100 feet of the bluff edge in connection with issuance of discretionary permits for new development, redevelopment, shoreline protection, or bluff erosion, unless the bluff property owner demonstrates to the satisfaction of the Public Works Director, or the CCC if the project is appealed, that such irrigation has no material impact on bluff erosion (e.g., watering hanging plants over hardscape which drains to the street).

- d. *Roads, Pedestrian Walkways, Parking and Storage Areas:* Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be

screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.

The project is for a new single-family residence with an attached garage, therefore, common access roads and pedestrian walkways are not required. The proposed revised project includes an attached 393 SF garage at the northeast corner of the residence that is accessed from Pacific Avenue. SBMC Section 17.52.040 and the Off-Street Parking Design Manual (OSPDM) require each single-family residence to provide two parking spaces that are 9' X 19' clear. If the spaces are provided in a garage, up to 200 square feet per required parking space is exempt from the calculation of the FAR. The proposed attached garage provides two parking spaces that are in compliance with the regulations and, therefore, 393 square feet has been exempted from the calculation.

- e. *Grading: To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.*

Sixty-five (65) cubic yards will be removed and re-compacted onsite for the slab. Originally, an additional 21 cubic yards of material was proposed to be cut and exported off-site in order to construct the proposed caisson foundation, however, the CCC required the Applicants to eliminate the caisson foundation. With the revised foundation design the project will require an additional 25 cubic yards of cut to be exported off-site for the footing excavation, to allow room for waterproofing and to account for the potential of existing site material that is not usable for compacted fill.

- f. *Lighting: Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).*

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

- g. Usable Open Space: Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.*

The project consists of a new single-family residence, attached garage and associated site improvements, therefore, usable open space and recreational facilities are not required according to SBMC 17.20.040.

- III. All required permits and approvals including variances, conditional use permits, comprehensive sign plans, and coastal development permits have been obtained prior to or concurrently with the development review permit.*

All required permits are being processed concurrently with the Development Review Permit modification. The Applicants received final approval from the CCC on November 16, 2017.

- IV. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the Applicants obtaining the required permit or approval from the other agency.*

The Applicants received final approval from the CCC on November 16, 2017.

- B. In accordance with Section 17.63.040 (Structure Development Permit) of the Solana Beach Municipal Code, the City Council finds the following:

- I. Notices were mailed to all property owners and residents within 300 feet of the property and the deadline to file for View Assessment was June 1, 2015. No applications for View Assessment were received. Therefore, the requirements for the approval of a SDP have been met. Thus, the SDP will be issued administratively with the DRP.

As a condition of project approval, once construction has begun, the Applicants shall submit a height certification prior to the framing inspection, one for the tallest portion of the residence and one for the highest point above MSL. The Height Certification must be signed by a licensed land surveyor and will verify that the framing materials and the

proposed roofing materials will not exceed the maximum building heights approved by the SDP.

4. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicants shall provide for and adhere to the applicable conditions of the original project approval of Resolution 2015-093.

5. ENFORCEMENT: Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.16 and 1.18 in addition to any applicable revocation proceedings.
6. EXPIRATION: The DRP/SDP modification for the project will expire 24 months from the date of adoption of this resolution, unless the Applicants have obtained building permits and have commenced construction prior to that date, and diligently pursued construction to completion. No additional extensions of the application may be granted by the City Council.
7. INDEMNIFICATION AGREEMENT: The Applicants shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicants of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicants shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicants regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicants shall not be required to pay or perform any settlement unless such settlement is approved by the Applicants.

NOTICE TO APPLICANTS: Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, dedications, reservations or other exactions described in this Resolution commences on the effective date of this resolution. To protest the imposition of any fee, dedications, reservations or other exactions described in this Resolution you must comply with the provisions of Government Code Section 66020. Generally the Resolution is effective upon expiration of the tenth day following the date of adoption of this Resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, held on the 13th day of December 2017, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk

RESOLUTION 2015-093

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A DEVELOPMENT REVIEW PERMIT AND AN ADMINISTRATIVE STRUCTURE DEVELOPMENT PERMIT TO DEMOLISH ALL STRUCTURES ONSITE AND CONSTRUCTION OF A NEW RESIDENCE AND ATTACHED GARAGE AT 225 PACIFIC AVENUE, SOLANA BEACH

**APPLICANTS: Mark and Felicia Barr
CASE NO.: 17-12-21 DRP/SDP**

WHEREAS, Mark and Felicia Barr (hereinafter referred to as "Applicants") have submitted an application for a Development Review Permit (DRP) and administrative Structure Development Permit (SDP) pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

WHEREAS, the Public Hearing was conducted pursuant to the provisions of Solana Beach Municipal Code Section 17.72.030; and

WHEREAS, at the Public Hearing on August 25, 2015, the City Council received and considered evidence concerning the proposed application; and

WHEREAS, the City Council of the City of Solana Beach found the application request exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearing and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. That the request for a Development Review Permit and an administrative Structure Development Permit to demolish all existing structures onsite and redevelop the site with a new 1,949.25 square foot single family, two-story residence (816.25 first floor, 1,133 second floor) and 400 square foot attached garage with caissons and a 10-foot westerly cantilevered design component to be installed 40 feet east of the bluff edge to support the new square footage is conditionally approved based upon the following findings and subject to the following conditions:

3. FINDINGS

A. In accordance with Section 17.68.040 (Development Review Permit) of the City of Solana Beach Municipal Code, the City Council finds the following:

- I. *The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones and specific plans.*

General Plan Consistency: The proposed project, as conditioned, is consistent with the City's General Plan designation of Medium Low Density Residential, which allows for single-family residential development with a maximum density of 5-7 dwelling units per acre. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

Local Coastal Program Land Use Plan Consistency: The proposed project is consistent with all applicable requirements of the City's certified Local Coastal Program Land Use Plan including key policies related to bluff edge setbacks for new development, use of caissons, cantilevered design components and definitions.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17) (SBMC 17.20.030 and 17.48.040), which delineates maximum allowable FAR, Permitted Uses and Structures (SBMC Section 17.20.020), which provides for uses of the property for a single-family residence. Further, the proposed project adheres to all property development regulations established for the MR Zone and cited by SBMC Section 17.020.030 as well as the specific development regulations of the Scaled Residential Overlay Zone (SROZ) cited in SBMC Section 17.48.040.

The design of the proposed project is consistent with the provisions for minimum yard dimensions (i.e., setbacks) and the maximum FAR, maximum building height, and parking requirements. Prior to building permit issuance, the project will be reviewed for compliance with the landscape regulations as established by Solana Beach Municipal Code Section 17.56.

- II. *The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040.F:*

- a. *Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and where feasible, complimentary to existing and potential development in the immediate vicinity of the project site. Site planning on the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects, as well as protection of the property from adverse surrounding influences.*

The property is located within the Medium Residential (MR) Zone on the west side of Pacific Avenue along the City's coastal bluffs. The properties immediately adjacent to the north, south, and east are also located within the MR Zone. Surrounding properties are developed with one and two story single-family residences. The project, as designed, is consistent with the permitted uses for the MR Zone as described in SBMC Sections 17.20.010 and 17.12.020, and is also consistent with the General Plan, which designates the property as Medium Density Residential. The proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

- b. *Building and Structure Placement: Buildings and structures shall be sited and designed in a manner which visually and functionally enhances their intended use.*

The new residence, as viewed from Pacific Avenue, will appear as a contemporary two-story residence similar to other recent remodeled residences in the neighborhood.

The proposed project, as designed, is below the maximum allowable SROZ FAR for the property and is consistent with applicable LUP policies including those for required setbacks and caissons.

The new residence will be sited on caissons in compliance with LUP Policies 4.23 and 4.25 (described in the Staff Report) and will be located 40 feet from the coastal bluff edge. In addition, the second story includes an uncovered deck on the west side of the residence. Both the first and second stories are cantilevered 10 feet west of the 40 foot setback line and the locations of the caissons. The Certified LUP includes a definition of "cantilever" with a corresponding development

standard which limits designs incorporating a cantilevered design component to a maximum 10 feet westerly projection over the 40 foot bluff edge setback.

- c. *Landscaping: The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. Trees and other large plantings shall not obstruct significant views when installed or at maturity.*

The project is not subject to the water efficient landscaping regulations of SBMC 17.56 because the project is an existing single family residence with less than 2,500 SF of landscaped area. Some of the existing landscaping would remain. The project has been conditioned, however, to comply with LUP Policy 4.26 which requires the removal or capping of any permanent irrigation system within 100 feet of the bluff edge in connection with issuance of discretionary permits for new development, redevelopment, shoreline protection, or bluff erosion, unless the bluff property owner demonstrates to the satisfaction of the Public Works Director, or the CCC if the project is appealed, that such irrigation has no material impact on bluff erosion (e.g., watering hanging plants over hardscape which drains to the street).

- d. *Roads, Pedestrian Walkways, Parking and Storage Areas: Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.*

The project is for a new single-family residence with an attached garage, therefore, common access roads and pedestrian walkways are not required. The proposed project includes an attached 400 SF garage at the northeast corner of the residence that is accessed from Pacific Avenue. SBMC Section 17.52.040 and the Off-Street Parking Design Manual (OSPDM) require each single-family residence to provide two parking spaces that are 9' X 19' clear. If the spaces are provided in a garage, up to 200 square feet per required parking space is exempt from the calculation of the FAR. The proposed attached garage provides two parking spaces that are in compliance with the regulations and, therefore, 400 square feet has been exempted from the calculation. No

additional parking or outside storage areas are required or proposed.

- e. *Grading: To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.*

65 cubic yards will be removed and re-compacted onsite for the slab. 21 cubic yards of material will be cut and exported off-site for the caissons.

- f. *Lighting: Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).*

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

- g. *Usable Open Space: Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.*

The project consists of a new single-family residence, attached garage and associated site improvements, therefore, usable open space and recreational facilities are not required according to SBMC 17.20.040.

- III. *All required permits and approvals including variances, conditional use permits, comprehensive sign plans, and coastal development permits have been obtained prior to or concurrently with the development review permit.*

All required permits, including an administrative Structure Development Permit, are being processed concurrently with the Development Review Permit. As a condition of project approval, the Applicants will be required to obtain approval from the California Coastal Commission prior to issuance of building permits by the City.

B. In accordance with Section 17.63.040 (Structure Development Permit) of the Solana Beach Municipal Code, the City Council finds the following:

- I. Notices were mailed to all property owners and residents within 300 feet of the property and the deadline to file for View Assessment was June 1, 2015. No applications for View Assessment were received. Therefore, the requirements for the approval of a SDP have been met. The SDP will be issued administratively with the DRP should the Council determine that the findings can be made to approve the project.

As a condition of project approval, once construction has begun, the Applicants will be required to submit a height certification prior to the framing inspection, one for the tallest portion of the residence and one for the highest point above MSL. The Height Certification will be signed by a licensed land surveyor and will verify that the framing materials and the proposed roofing materials will not exceed the maximum building heights approved by the SDP.

4. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicants shall provide for and adhere to the following conditions:

A. Community Development Department Conditions:

- I. The Applicants shall pay required Public Facilities Fees, as established by SBMC Section 17.72.020 and Resolution 1997-36.
- II. Building Permit plans must be in substantial conformance with the plans presented to the City Council on August 25, 2015, and located in the project file with a submittal date of July 29, 2015.
- III. Prior to requesting a framing inspection, the Applicants will be required to submit two height certifications signed by a licensed land surveyor certifying that the structure will not exceed 24.99 feet in height or 105.7 feet above MSL from the proposed finished grade.
- IV. Any proposed onsite fences, walls and any proposed railing located on top or any combination thereof shall comply with applicable

regulations of SBMC Section 17.20.040 and 17.60.070 (Fences and Walls).

- V. The Applicants shall obtain required California Coastal Commission (CCC) approval of a Coastal Development Permit, Waiver or Exemption as determined necessary by the CCC, prior to the issuance of a building permit by the City.
 - VI. The Applicants shall remove or cap any/all permanent irrigation systems onsite unless the bluff property owner demonstrates, to the satisfaction of the Public Works Director, that such irrigation has no material impact on bluff erosion (e.g., watering hanging plants over hardscape which drains to the street).
 - VII. All new bluff property landscaping shall consist of native, non-invasive, drought-tolerant, fire-resistant, and salt-tolerant species.
 - VIII. All storm water drain systems that currently drain or previously drained towards the west over the bluff shall be capped. These systems should be redesigned to drain directly, or through a sump system and then pumped, to the street in compliance with RWQCB final order permit number R9-2013-0001 and consistent with SUSMP requirements.
 - IX. Any new exterior lighting fixtures shall be in conformance with the City-Wide Lighting Regulations of SBMC 17.60.060.
 - X. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities that render them detrimental to the surrounding area.
- B. Fire Department Conditions: Please note that this list provides detailed Fire Department requirements and is not meant to be an all-inclusive plan check list of the Fire Department comments.
- I. Provide a note on the plans stating: Approved numbers and/or addresses shall be placed on all new buildings and at appropriate additional locations as to be plainly legible and visible from the street or road fronting the property and either direction of approach. These numbers shall contrast with their background and shall be a minimum of 4" inches high with a minimum width of .5 inches. Additional numbers shall be required where deemed necessary by the Fire Marshal.
 - II. Provide a note on the plans stating: "AUTOMATIC FIRE

SPRINKLER SYSTEM - An Automatic Fire Sprinkler System shall be installed as per N.F.P.A. 13D (the most current edition shall be used) and to the satisfaction of the Solana Beach Fire Department prior to installation.

- III. All structures shall be provided with a Class "A" Roof covering to the satisfaction of the Solana Beach Fire Department.

C. Engineering Department Conditions:

- I. Obtain an Encroachment permit in accordance with Chapter 11.20 of the Solana Beach Municipal Code prior to the construction of any improvements within the public right-of way. Improvements within the public right-of-way shall include the construction of a G14-A driveway approach, the replacement of the sidewalk and curb, and the installation of the sidewalk steel channel outlet pipes as shown on the grading plan prepared by the Sea Bright Company. Obtain a Grading Permit in accordance with Chapter 15.40 of the Solana Beach Municipal Code. Conditions prior to the issuance of a grading permit shall include, but not be limited to the following:
 - a. The Grading Plan shall be prepared by a Registered Engineer and approved by the City Engineer. On-site grading design and construction shall be in accordance with Chapter 15.40 of the Solana Beach Municipal Code. The Grading Plan shall be in accordance with the Grading Plan prepared by The Sea Bright Company dated September 7, 2014 and the Drainage Study prepared by The Sea Bright Company dated March 12, 2014. All recommendations of the Drainage Study shall be incorporated into the Grading Plan.
 - b. A Soils Report shall be prepared by a registered Soil Engineer and approved by the City Engineer. All necessary measures shall be taken and implemented to assure slope stability, erosion control and soil integrity. The Grading Plan shall incorporate all recommendations contained in the Soils Report.
 - c. All retaining walls and drainage structures shall be shown. Retaining walls shown on the Grading Plan shall conform to the San Diego Regional Standards or be designed by a licensed Civil Engineer. Engineering calculations for all designed walls with a surcharge and nonstandard walls shall be submitted at Grading Plan check. Retaining walls may not exceed the allowable height within the property line setback as determined by the City of Solana Beach

Municipal Code. Contact the Community Development department for further information.

- d. The Applicants are responsible to protect the adjacent properties during construction. If any grading or other types of construction are anticipated beyond the property lines, the Applicants shall obtain a written permission from the adjoining property owners for incidental grading or construction that may occur and submit the letter to the City Engineer prior to the anticipated work.
- e. Pay Grading Plan check fee in accordance with the current Engineering Fee Schedule at initial Grading Plan submittal. Inspection fees shall be paid prior to issuance of the Grading Permit.
- f. Obtain and submit grading security in a form prescribed by the City Engineer.
- g. Obtain haul permit for import / export of soil. The Applicants shall transport all excavated material to a legal disposal site.
- h. Submit certification from the Engineer of Record and the Soils Engineer that all public or private drainage facilities and finished grades are functioning and are installed in accordance with the approved plans. This shall be accomplished by the Engineer of Record incorporating as-built conditions on the Mylar Grading Plans and obtaining signatures of the Engineer of Record and the Soils Engineer certifying the as-built conditions.
- i. An Erosion Control Plan shall be prepared. Best management practices shall be developed and implemented to manage storm water and non-storm water discharges from the site at all times during excavation and grading activities. Erosion prevention shall be emphasized as the most important measure for keeping sediment on site during excavation and grading activities. Sediment controls shall be used as a supplement to erosion prevention for keeping sediment on site.
- j. Show all proposed on-site private drainage facilities intended to discharge water run-off. Elements of this design shall include a hydrologic and hydraulic analysis verifying the adequacy of the facilities and identify any easements or structures required to properly convey the drainage. The construction of drainage structures shall comply with the

standards set forth by the San Diego Regional Standard Drawings.

- k. Post Construction Best Management Practices meeting City and RWQCB Order No. R9-2013-001 requirements shall be implemented in the drainage design.
 - l. The Applicants shall prepare a City of Solana Beach Storm Water Checklist for Standard Projects to address potential water quality impacts to ensure that pollutants and runoff from this development are reduced to the maximum extent practicable.
 - m. No increased cross lot drainage shall be allowed.
 - n. An Encroachment Maintenance Removal Agreement shall be recorded for maintenance of the sidewalk steel channel outlet pipes by the property owner in perpetuity, prior to the occupancy of this project.
- II. All construction demolition materials shall be recycled according to the City's Construction and Demolition recycling program and an approved Waste Management Plan shall be submitted.
 - III. Due to actual field conditions encountered during construction, additional Engineering Department conditions may be added as warranted.
5. ENFORCEMENT: Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.1.6 and 1.18 in addition to any applicable revocation proceedings.
6. EXPIRATION: The Development Review Permit and Structure Development Permit for the project will expire on August 25, 2017, unless the Applicants have obtained building permits and have commenced construction prior to that date, and diligently pursued construction to completion. An extension of the application may be granted by the City Council.
7. INDEMNIFICATION AGREEMENT: The Applicants shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicants of any claim, action, or proceeding. The City may elect to conduct its own

defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicants shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicants regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicants shall not be required to pay or perform any settlement unless such settlement is approved by the Applicants.

NOTICE TO APPLICANTS: Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, dedications, reservations or other exactions described in this resolution commences on the effective date of this resolution. To protest the imposition of any fee, dedications, reservations or other exactions described in this resolution you must comply with the provisions of Government Code Section 66020. Generally the resolution is effective upon expiration of the tenth day following the date of adoption of this resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.

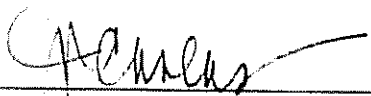
PASSED AND ADOPTED at a special meeting of the City Council of the City of Solana Beach, California, held on the 25th day of August 2015, by the following vote:

AYES: Councilmembers – Heebner, Zito, Zahn, Marshall
NOES: Councilmembers – None
ABSENT: Councilmembers – Nichols
ABSTAIN: Councilmembers – None



LESA HEEBNER, Mayor

APPROVED AS TO FORM:



JOHANNA N. CANLAS, City Attorney

ATTEST:



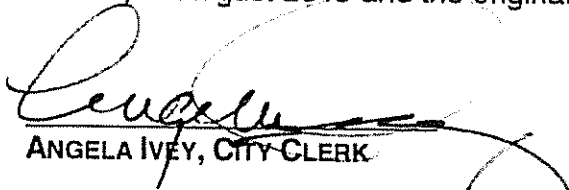
ANGELA IVEY, City Clerk



RESOLUTION CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO } §
CITY OF SOLANA BEACH }

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **Resolution 2015-093** *conditionally approving a Development Review Permit (DRP) and Structural Development Permit (SDP) at 225 Pacific Ave, Case No. 17-12-21, Applicant: Barr* as duly passed and adopted at a Special Solana Beach City Council meeting held on the 25th day of August 2015 and the original is on file in the City Clerk's Office.


ANGELA IVEY, CITY CLERK

CERTIFICATION DATE: September 1, 2015

CALIFORNIA COASTAL COMMISSION

SAN DIEGO COAST DISTRICT OFFICE
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CALIFORNIA 92108-4402
PH (619) 767-2370 FAX (619) 767-2384
WWW.COASTAL.CA.GOV



Page 1

June 21, 2016

Permit Application No.: 6-15-1717

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

THE SOLE PURPOSE OF THIS NOTICE IS TO INFORM THE APPLICANT OF THE STEPS NECESSARY TO OBTAIN A VALID AND EFFECTIVE COASTAL DEVELOPMENT PERMIT ("CDP"). A Coastal Development Permit for the development described below has been approved but is not yet effective. Development on the site cannot commence until the CDP is effective. In order for the CDP to be effective, Commission staff must issue the CDP to the applicant, and the applicant must sign and return the CDP. **Commission staff cannot issue the CDP until the applicant has fulfilled each of the "prior to issuance" Special Conditions.** A list of all the Special Conditions for this permit is attached.

The Commission's approval of the CDP is valid for two years from the date of approval. To prevent expiration of the CDP, you must fulfill the "prior to issuance" Special Conditions, obtain and sign the CDP, and commence development within two years of the approval date specified below. You may apply for an extension of the permit pursuant to the Commission's regulations at Cal. Code Regs. title 14, section 13169.

On June 8, 2016, the California Coastal Commission approved Coastal Development Permit No. 6-15-1717 requested by **Mark and Felicia Barr** subject to the attached conditions, for development consisting of: **Demolition of an existing single family home and construction of a new 1,950 sq. ft., two story, single family home with an attached 400 sq. ft. garage on a 3,901 sq. ft. blufftop lot more specifically described in the application filed in the Commission offices. Commission staff will not issue the CDP until the "prior to issuance" special conditions have been satisfied.**

The development is within the coastal zone at **225 Pacific Ave, Solana Beach (San Diego County)** (APN(s): **263-312-15**)

If you have any questions regarding how to fulfill the "prior to issuance" Special Conditions for CDP No. 6-15-1717, please contact the Coastal Program Analyst identified below.

ATTACHMENT 3

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

SPECIAL CONDITIONS:

This permit is granted subject to the following special conditions:

1. **Revised Final Plans.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit for review and written approval of the Executive Director, revised final plans stamped approved by the City of Solana Beach and in substantial conformance with the submitted plans dated September 28, 2015, by James A. Chinn, Architect, except they shall be revised to reflect the following:
 - a) Any reference to the caisson foundation on all plans shall be eliminated; a deepened footing and structural grade beam foundation (maximum 5 ft. in depth) may be substituted.
 - b) The foundation of the proposed home shall be located no less than 46 feet landward of the existing upper bluff edge.
 - c) The proposed development, including the deepened footing and grade beam foundation, shall be specifically designed and constructed such that it could be removed in the event of endangerment of the residential structure.
 - d) All grading and excavation shall be prohibited within 46 ft. of the existing bluff edge and all references to the 36 inch deep excavated area beneath the cantilever portion of the residence on all plans shall be eliminated.
 - e) All runoff from impervious surfaces on the top of the bluff shall be collected and directed away from the bluff edge towards the street.

The permittee shall undertake the development in accordance with the approved plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the plans shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. **Final Landscape and Fence Plans.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit to the Executive Director for review and written approval, final landscaping and fence plans approved by the City of Solana Beach. The landscaping and fence plans shall include the following:
 - a) A view corridor a minimum of 5 feet wide shall be created in the north and south side yards of the subject site. All proposed landscaping in this yard area shall be maintained at a height of three feet or lower (including raised planters) to preserve views from the street toward the ocean. All landscape materials within the identified side yard setbacks shall be species with a growth potential not to exceed three feet at maturity.

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

- b) By acceptance of this permit, the applicants agree, on behalf of themselves and all successors and assigns, that no new shoreline armoring, including reconstruction of existing shoreline armoring, shall ever be constructed to protect the blufftop residence in the event that the development is threatened with damage or destruction from waves, erosion, storm conditions, bluff retreat, landslides or other natural hazards. By acceptance of this Permit, the applicants hereby waive, on behalf of themselves and all successors and assigns, any rights to shoreline armoring that may exist under Public Resources Code Section 30235 or under the certified Solana Beach LUP;
 - c) By acceptance of this permit, the applicants agree, on behalf of themselves and all successors and assigns, that the blufftop residence will remain only as long as it is reasonably safe from failure and erosion without having to propose any shoreline armoring to protect the blufftop residence in the future;
 - d) By acceptance of this Permit, the applicants further agree, on behalf of themselves and all successors and assigns, that the landowners shall remove the blufftop residence if any government agency has ordered that the structure is not to be occupied due to any of the hazards identified above. Such removal shall require a coastal development permit. In the event that portions of the development fall to the beach before they are removed, the permittees shall remove all recoverable debris associated with the development from the beach and ocean and lawfully dispose of the material in an approved disposal site;
 - e) In the event the edge of the bluff recedes to within 10 feet of the foundation of the blufftop residence, the permittees shall submit a geotechnical investigation prepared by a licensed geologist or civil engineer with coastal experience, that addresses whether any portions of the blufftop residence are threatened by waves, erosion, storm conditions, or other natural hazards. The report shall identify all those immediate or potential future measures that could stabilize the blufftop residence without new shoreline armoring, including, but not limited to, removal or relocation of portions of the blufftop residence. The report shall be submitted to the Executive Director and the appropriate local government official within 90 days of the bluff edge reaching 10 feet of the foundation of the blufftop residence. If the Executive Director determines based on the geotechnical report that the blufftop residence or any portion of the blufftop residence is no longer safely sited, the permittees shall, within 90 days of submitting the report, apply for a coastal development permit or amendment to this CDP to undertake measures required to remove the blufftop residence or reduce the size of the blufftop residence to reduce the hazard potential.
4. **Site Stability Report.** Between December 12, 2029 and December 12, 2030 (20 years from the date that the CDP for the existing seawall was issued), the permittees shall submit a new geotechnical/engineering report assessing bluff stability and whether the blufftop residence remains in a safe location. Specifically, the permittees shall submit to the Commission a site assessment evaluating the site conditions to determine whether alterations to the blufftop residence or removal of the blufftop residence are necessary to avoid risk to life or property. The study shall be based upon a site specific analysis of site stability, bluff alteration due to natural and manmade processes, and the hazard potential at the site. The required study shall be prepared

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

retreat or rate of retreat, and the stability of the overall bluff face and the impact of the cantilevered portion of the home on the natural bluff. The report shall include recommendations on how to remove any cantilevered portion of the home that is seaward of the bluff edge.

- c) An agreement that if after inspection, it is apparent that any cantilevered portion of the home is seaward of the bluff edge, the permittee shall apply for a Coastal Development Permit amendment within 90 days of submittal of the monitoring report to remove the cantilevered portion of the home located seaward of the bluff edge.

The permittee shall undertake monitoring in accordance with the approved plan. Any proposed changes to the approved plan shall be reported to the Executive Director. No changes to the plan shall occur without a Coastal Commission approved amendment to this coastal development permit amendment unless the Executive Director determines that no amendment is legally required.

6. **Best Management Practices and Construction Responsibilities.** The permittee(s) shall comply with the following construction-related requirements:
 - a) All debris resulting from demolition and construction activities shall be removed and disposed of at an authorized disposal site.
 - b) Temporary sediment control Best Management Practices (BMPs) such as straw bales, fiber rolls, or silt fencing shall be installed prior to, and maintained throughout, the construction period to intercept and slow or detain runoff from the construction, staging, and storage/stockpile areas; allow entrained sediment and other pollutants to settle and be removed; and prevent discharge of sediment and pollutants toward the bluff edge. When no longer required, the temporary sediment control BMPs shall be removed. Fiber rolls shall be 100% biodegradable, and shall be bound with non-plastic biodegradable netting such as jute, sisal, or coir fiber; photodegradable plastic netting is not an acceptable alternative. Rope used to secure fiber rolls shall also be biodegradable, such as sisal or manila rope.
7. **Assumption of Risk, Waiver of Liability and Indemnity Agreement.** By acceptance of this permit, the applicants acknowledge and agree (i) that the site may be subject to hazards from erosion and coastal bluff collapse; (ii) to assume the risks to the applicants and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.

CALIFORNIA COASTAL COMMISSION

SAN DIEGO COAST DISTRICT OFFICE
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CALIFORNIA 92108-4402
PH (619) 767-2370 FAX (619) 767-2384
WWW.COASTAL.CA.GOV



Page 1

June 21, 2016

Permit Application No.: 6-15-1717

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

THE SOLE PURPOSE OF THIS NOTICE IS TO INFORM THE APPLICANT OF THE STEPS NECESSARY TO OBTAIN A VALID AND EFFECTIVE COASTAL DEVELOPMENT PERMIT ("CDP"). A Coastal Development Permit for the development described below has been approved but is not yet effective. Development on the site cannot commence until the CDP is effective. In order for the CDP to be effective, Commission staff must issue the CDP to the applicant, and the applicant must sign and return the CDP. **Commission staff cannot issue the CDP until the applicant has fulfilled each of the "prior to issuance" Special Conditions.** A list of all the Special Conditions for this permit is attached.

The Commission's approval of the CDP is valid for two years from the date of approval. To prevent expiration of the CDP, you must fulfill the "prior to issuance" Special Conditions, obtain and sign the CDP, and commence development within two years of the approval date specified below. You may apply for an extension of the permit pursuant to the Commission's regulations at Cal. Code Regs. title 14, section 13169.

On June 8, 2016, the California Coastal Commission approved Coastal Development Permit No. 6-15-1717 requested by **Mark and Felicia Barr** subject to the attached conditions, for development consisting of: **Demolition of an existing single family home and construction of a new 1,950 sq. ft., two story, single family home with an attached 400 sq. ft. garage on a 3,901 sq. ft. blufftop lot more specifically described in the application filed in the Commission offices.** **Commission staff will not issue the CDP until the "prior to issuance" special conditions have been satisfied.**

The development is within the coastal zone at **225 Pacific Ave, Solana Beach (San Diego County)** (APN(s): 263-312-15)

If you have any questions regarding how to fulfill the "prior to issuance" Special Conditions for CDP No. 6-15-1717, please contact the Coastal Program Analyst identified below.

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

SPECIAL CONDITIONS:

This permit is granted subject to the following special conditions:

1. **Revised Final Plans.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit for review and written approval of the Executive Director, revised final plans stamped approved by the City of Solana Beach and in substantial conformance with the submitted plans dated September 28, 2015, by James A. Chinn, Architect, except they shall be revised to reflect the following:
 - a) Any reference to the caisson foundation on all plans shall be eliminated; a deepened footing and structural grade beam foundation (maximum 5 ft. in depth) may be substituted.
 - b) The foundation of the proposed home shall be located no less than 46 feet landward of the existing upper bluff edge.
 - c) The proposed development, including the deepened footing and grade beam foundation, shall be specifically designed and constructed such that it could be removed in the event of endangerment of the residential structure.
 - d) All grading and excavation shall be prohibited within 46 ft. of the existing bluff edge and all references to the 36 inch deep excavated area beneath the cantilever portion of the residence on all plans shall be eliminated.
 - e) All runoff from impervious surfaces on the top of the bluff shall be collected and directed away from the bluff edge towards the street.

The permittee shall undertake the development in accordance with the approved plans. Any proposed changes to the approved plans shall be reported to the Executive Director. No changes to the plans shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. **Final Landscape and Fence Plans.** PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit to the Executive Director for review and written approval, final landscaping and fence plans approved by the City of Solana Beach. The landscaping and fence plans shall include the following:
 - a) A view corridor a minimum of 5 feet wide shall be created in the north and south side yards of the subject site. All proposed landscaping in this yard area shall be maintained at a height of three feet or lower (including raised planters) to preserve views from the street toward the ocean. All landscape materials within the identified side yard setbacks shall be species with a growth potential not to exceed three feet at maturity.

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

- b) By acceptance of this permit, the applicants agree, on behalf of themselves and all successors and assigns, that no new shoreline armoring, including reconstruction of existing shoreline armoring, shall ever be constructed to protect the blufftop residence in the event that the development is threatened with damage or destruction from waves, erosion, storm conditions, bluff retreat, landslides or other natural hazards. By acceptance of this Permit, the applicants hereby waive, on behalf of themselves and all successors and assigns, any rights to shoreline armoring that may exist under Public Resources Code Section 30235 or under the certified Solana Beach LUP;
 - c) By acceptance of this permit, the applicants agree, on behalf of themselves and all successors and assigns, that the blufftop residence will remain only as long as it is reasonably safe from failure and erosion without having to propose any shoreline armoring to protect the blufftop residence in the future;
 - d) By acceptance of this Permit, the applicants further agree, on behalf of themselves and all successors and assigns, that the landowners shall remove the blufftop residence if any government agency has ordered that the structure is not to be occupied due to any of the hazards identified above. Such removal shall require a coastal development permit. In the event that portions of the development fall to the beach before they are removed, the permittees shall remove all recoverable debris associated with the development from the beach and ocean and lawfully dispose of the material in an approved disposal site;
 - e) In the event the edge of the bluff recedes to within 10 feet of the foundation of the blufftop residence, the permittees shall submit a geotechnical investigation prepared by a licensed geologist or civil engineer with coastal experience, that addresses whether any portions of the blufftop residence are threatened by waves, erosion, storm conditions, or other natural hazards. The report shall identify all those immediate or potential future measures that could stabilize the blufftop residence without new shoreline armoring, including, but not limited to, removal or relocation of portions of the blufftop residence. The report shall be submitted to the Executive Director and the appropriate local government official within 90 days of the bluff edge reaching 10 feet of the foundation of the blufftop residence. If the Executive Director determines based on the geotechnical report that the blufftop residence or any portion of the blufftop residence is no longer safely sited, the permittees shall, within 90 days of submitting the report, apply for a coastal development permit or amendment to this CDP to undertake measures required to remove the blufftop residence or reduce the size of the blufftop residence to reduce the hazard potential.
4. **Site Stability Report.** Between December 12, 2029 and December 12, 2030 (20 years from the date that the CDP for the existing seawall was issued), the permittees shall submit a new geotechnical/engineering report assessing bluff stability and whether the blufftop residence remains in a safe location. Specifically, the permittees shall submit to the Commission a site assessment evaluating the site conditions to determine whether alterations to the blufftop residence or removal of the blufftop residence are necessary to avoid risk to life or property. The study shall be based upon a site specific analysis of site stability, bluff alteration due to natural and manmade processes, and the hazard potential at the site. The required study shall be prepared

NOTICE OF INTENT TO ISSUE PERMIT

(Upon satisfaction of special conditions)

retreat or rate of retreat, and the stability of the overall bluff face and the impact of the cantilevered portion of the home on the natural bluff. The report shall include recommendations on how to remove any cantilevered portion of the home that is seaward of the bluff edge.

- c) An agreement that if after inspection, it is apparent that any cantilevered portion of the home is seaward of the bluff edge, the permittee shall apply for a Coastal Development Permit amendment within 90 days of submittal of the monitoring report to remove the cantilevered portion of the home located seaward of the bluff edge.

The permittee shall undertake monitoring in accordance with the approved plan. Any proposed changes to the approved plan shall be reported to the Executive Director. No changes to the plan shall occur without a Coastal Commission approved amendment to this coastal development permit amendment unless the Executive Director determines that no amendment is legally required.

6. **Best Management Practices and Construction Responsibilities.** The permittee(s) shall comply with the following construction-related requirements:

- a) All debris resulting from demolition and construction activities shall be removed and disposed of at an authorized disposal site.
- b) Temporary sediment control Best Management Practices (BMPs) such as straw bales, fiber rolls, or silt fencing shall be installed prior to, and maintained throughout, the construction period to intercept and slow or detain runoff from the construction, staging, and storage/stockpile areas; allow entrained sediment and other pollutants to settle and be removed; and prevent discharge of sediment and pollutants toward the bluff edge. When no longer required, the temporary sediment control BMPs shall be removed. Fiber rolls shall be 100% biodegradable, and shall be bound with non-plastic biodegradable netting such as jute, sisal, or coir fiber; photodegradable plastic netting is not an acceptable alternative. Rope used to secure fiber rolls shall also be biodegradable, such as sisal or manila rope.

7. **Assumption of Risk, Waiver of Liability and Indemnity Agreement.** By acceptance of this permit, the applicants acknowledge and agree (i) that the site may be subject to hazards from erosion and coastal bluff collapse; (ii) to assume the risks to the applicants and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.

CALIFORNIA COASTAL COMMISSION

San Diego Coast District Office
7575 Metropolitan Drive, Suite 1036
San Diego, CA 92108
(619) 767-2370

TO: Mark and Felicia Barr

Permit No.: 6-15-1717

FROM: San Diego Coast District Office of the California Coastal Commission

RE: Instructions for the Completion of Enclosed Deed Restriction

NOTE: THE FOLLOWING INSTRUCTIONS MUST BE ADHERED TO AS CLOSELY AS POSSIBLE. FAILURE TO COMPLETE EACH ITEM PROPERLY MAY NECESSITATE RETURN OF THE DOCUMENT FOR RE-RECORDATION, WHICH WILL DELAY ISSUANCE OF THE PERMIT. IF YOU HAVE ANY QUESTIONS REGARDING THESE INSTRUCTIONS PLEASE DISCUSS THE QUESTIONS WITH THE COASTAL COMMISSION STAFF ANALYST ASSIGNED TO YOUR PERMIT.

This packet is designed to assist you with a **requirement you must satisfy in order to obtain your permit**. In order to satisfy this requirement, **you must do the following six things** (some of which are described in greater detail below):

- Make sure you know the exact name(s) of each of the true owner(s) of the property covered by the permit (including the correct name of the trust if the property is held in trust).
- Fill in all the blank spaces on the attached Deed Restriction form as indicated in the line-by-line instructions on pages 3 and 4 of this packet. Do not alter the form (unless explicitly instructed to do so, pursuant to the second instruction on page 3).
- Have the signature page notarized.
- Attach the two necessary exhibits.
- Take the document to the County Recorder's Office for the county in which the property is located and ask to have it "recorded."
- *After* the document has been recorded at the County Recorder's Office, obtain the following two items from a licensed title insurance company and submit them to the Coastal Commission **district office from which you received this document**: (1) a preliminary title report (or other title analysis that satisfies the criteria listed below) that identifies the deed restriction and (2) a certified copy of the recorded Deed Restriction. If you submitted the deed restriction to the County Recorder's Office yourself, you should **wait until it has had time to get into the system** before obtaining the preliminary title report; otherwise, the title report will not identify the deed restriction.

The first five steps are necessary to record the Deed Restriction correctly. More detailed instructions for the first four steps are provided on pages three and four herein. Again, if you have any questions regarding these instructions, please contact the Coastal Commission staff analyst assigned to your permit. If the Deed Restriction is recorded incorrectly, it may require further processing on your part and may **substantially delay the issuance of your permit.**

The final step is necessary in order to demonstrate that the first five steps were completed correctly. You must obtain either a preliminary title report or another title analysis regularly issued by a title insurance company that (1) discloses both the ownership status and the legal description of the property and (2) reflects the presence of the recorded Deed Restriction on the title. The preliminary title report or similar document must be prepared by a licensed title insurance company and dated after the date (or time) of recordation of the Deed Restriction. Again, if you submitted the deed restriction to the County Recorder's Office yourself, you should **wait until it has had time to get into the system** before obtaining the preliminary title report; otherwise, the deed restriction will not show up on the report and you will have to obtain a second or supplemental report. You must also have the title insurance company obtain a certified copy of the Deed Restriction as it was recorded. Submit both documents to the Coastal Commission district office from which you received this document. **Any discrepancy between the ownership status (as set forth in Recital I of the Deed Restriction and on the signature line) and/or the property description (as set forth in Exhibit A of the Deed Restriction), on the one hand, and the information contained in the preliminary title report (or other satisfactory title analysis), on the other, may result in our requiring you to re-record the Deed Restriction or to record an amendment to the Deed Restriction to correct the discrepancy before your permit can be issued.**

When the above steps have been satisfactorily completed and all other prior-to-issuance conditions have been satisfied, the District Office will issue the permit.

INSTRUCTIONS FOR COMPLETING THE DEED RESTRICTION

PAGE 1

- Lines 11-12: List the full name(s) of all the property owners in their correct capacity of ownership. The ownership information must appear on the deed restriction exactly as it appears on the title report. For example, if a hyphenated last name is used on the deed, the same hyphenated last name should be used on this Deed Restriction. Similarly, if the ownership is held under a trust name, then list all of the trustees and the proper title of the trust, for example: Don W. Smith and Gloria Smith, Trustees of the Don W. and Gloria Smith Trust, dated August 8, 1974. (NOTE: This information can be obtained from your grant deed or title report.)
- Line 21: If the property owner was not the applicant for the permit, identify the permit applicant in Recital IV (followed by the parenthetical phrase “(hereinafter referred to as the “Applicant”)”) in place of the term “Owner(s)” (just cross out the word “Owner(s)” and replace it), and then use the term “Applicant” in place of: 1) the second reference to “Owner(s)” in Recital VII (page 2, line 11) and 2) the first reference to “Owner(s)” in the “NOW, THEREFORE” clause (page 2, line 12).
- Lines 24: Insert the date of the public hearing at which the Commission approved the permit application. This information can be obtained from the “NOTICE OF INTENT TO ISSUE PERMIT.”
- Line 25: Insert the Coastal Development Permit Number (e.g., 5-04-0xx).
- Line 27: Insert the date the “NOTICE OF INTENT TO ISSUE PERMIT” was issued.

PAGE 3

- Line 22: Insert the date that the Deed Restriction is executed.
- Line 25: All legal owners must sign. If the property is held by one or more persons in his/her/their capacity as trustee(s) of a living or family trust, the trustee(s)'s name(s) must be listed at the beginning of the document and the trustee(s) must sign, but the trust status must be listed along with the trustee(s)'s name(s) at the beginning and printed or typed below the signature line at the end (i.e., John Smith, Trustee of the Smith Family Trust dated 0/0/00.) If the property is owned by a company/business organization (i.e., corporation, partnership, limited liability company (LLC), etc.), the company/business name must be listed and the Deed Restriction must indicate clearly that the person executing it is doing so on behalf of the business that owns the property, and in his/her capacity as an officer, partner, or other authorized representative of the company/business (e.g., JONES DEVELOPMENT, INC., By: John Jones, President). Additional signature lines should be added if multiple signatures are required. For example, if the owner is a corporation, several officers

may be required to sign. The name of the owner listed here must match the name listed on page 1 and on the preliminary title report (which shows how title is legally held) **exactly**. If you have any questions about this, please contact the Commission's district office from which you received this document. Mistakes in the ownership information are the most common errors and frequently lead to the need to re-record.

PAGE 4 All signatures must be notarized.

EXHIBIT(S)

Exhibit A: A formal legal description of every parcel of property on which any of the development authorized by the permit will occur. This information can be obtained from your grant deed or title policy. (NOTE: The assessor's parcel number or a street address is NOT a valid legal description.) Insert this description(s) behind the page labeled "Exhibit A (Legal Description of Property)."

Exhibit B: A complete copy of the Notice of Intent to Issue Permit ("NOI"), **signed** by the permit applicant(s) and including any exhibits that are required by any conditions of the permit to be attached to the NOI. (NOTE: There will occasionally be a need to make corrections to a NOI. In such a case, the Commission staff will issue a "Corrected" or "Second Corrected" NOI to supersede and replace the previous NOI. Only the current NOI should be attached to the Deed Restriction.) Insert the signed NOI behind the page labeled "Exhibit B (Notice of Intent to Issue Permit)."

1 RECORDING REQUESTED BY:

2 WHEN RECORDED MAIL TO:

3 California Coastal Commission
4 725 Front Street, Suite 300
5 Santa Cruz, CA 95060-4508
6 Attn: Legal Division

7
8
9 **DEED RESTRICTION**

10
11 I. WHEREAS, _____

12 _____ (hereinafter referred to as "Owner(s)") is/are the record owner(s) of
13 the real property described in Exhibit A, attached hereto and incorporated herein by reference
14 (hereinafter referred to as the "Property"); and

15 II. WHEREAS, the California Coastal Commission (hereinafter referred to as the
16 "Commission") is a public agency created and existing under the authority of section 30300 of the
17 California Public Resources Code (hereinafter referred to as the "PRC"), a section of the California
18 Coastal Act of 1976 (Division 20 of the PRC; hereinafter referred to as the "Act"); and

19 III. WHEREAS, the Property is located within the coastal zone as defined in the Act (PRC
20 § 30103); and

21 IV. WHEREAS, pursuant to section 30600(a) of the PRC, Owner(s) applied to the
22 Commission for a coastal development permit to undertake development, as defined in the Act (PRC
23 § 30106), on the Property; and

24 V. WHEREAS, on _____, 20____, the Commission conditionally approved
25 coastal development permit number _____ (hereinafter referred to as the "Permit"),
26 subject to, among other conditions, the conditions listed under the heading "Special Conditions" in the
27 Notice of Intent to Issue Permit dated _____, 20____, attached hereto as EXHIBIT B
and incorporated herein by reference (hereinafter referred to as the "Special Conditions"), for the

1 reasons stated in the "Findings and Declarations" adopted by the Commission in support of its action,
2 which findings and declarations (along with any other documents that the Permit required to be
3 submitted to the Commission and with which the Permit requires compliance) are available from the
4 Commission upon request; and

5 VI. WHEREAS, the Commission found that, but for the imposition of the Special
6 Conditions, the proposed development could not be found consistent with the provisions of the Act and
7 that a permit could therefore not have been granted; and

8 VII. WHEREAS, Owner(s) has/ve elected to comply with the Special Conditions, which
9 require, among other things, execution and recordation of this Deed Restriction, so as to enable
10 Owner(s) to undertake the development authorized by the Permit;

11 NOW, THEREFORE, in consideration of the issuance of the Permit to Owner(s) by the
12 Commission, the undersigned Owner(s), for himself/herself/themselves and for his/her/their heirs,
13 assigns, and successors-in-interest, hereby irrevocably covenant(s) with the Commission that the Special
14 Conditions (shown in Exhibit B hereto) shall at all times on and after the date on which this Deed
15 Restriction is recorded constitute for all purposes covenants, conditions and restrictions on the use and
16 enjoyment of the Property that are hereby attached to the deed to the Property as fully effective
17 components thereof.

18 1. DURATION. (a) This Deed Restriction shall remain in full force and effect and shall
19 bind Owner(s) and all his/her/their assigns or successors-in-interest during the period that either the
20 development authorized by the Permit, or any part or modification thereof, or the Permit, or any
21 modification or amendment thereof, remains in existence on or with respect to, and thereby confers
22 benefit upon, the Property.

23 (b) Furthermore, in the event of a termination or extinguishment of this Deed Restriction
24 other than pursuant to a Commission-approved amendment to the Permit, the Special Conditions shall,
25 notwithstanding any such termination or extinguishment, continue to restrict the use and enjoyment of
26 the Property as they did prior to that termination or extinguishment and to bind Owner(s) and
27 his/her/their successors-in-interest, so long as either or both of the conditions described in paragraph (a)
continue to exist on or with respect to the Property.

1 2. TAXES AND ASSESSMENTS. It is intended that this Deed Restriction is irrevocable
2 and shall constitute an enforceable restriction within the meaning of a) Article XIII, section 8, of the
3 California Constitution; and b) section 402.1 of the California Revenue and Taxation Code or successor
4 statute. Furthermore, this Deed Restriction shall be deemed to constitute a servitude upon and burden to
5 the Property within the meaning of section 3712(d) of the California Revenue and Taxation Code, or
6 successor statute, which survives a sale of tax-deeded property.

7 3. RIGHT OF ENTRY. The Commission or its agent may enter onto the Property at times
8 reasonably acceptable to Owner(s) to ascertain whether the use restrictions set forth above are being
9 observed.

10 4. REMEDIES. Any act, conveyance, contract, or authorization by Owner(s) whether
11 written or oral which uses or would cause to be used or would permit use of the Property contrary to the
12 terms of this Deed Restriction will be deemed a violation and a breach hereof. The Commission and
13 Owner(s) may pursue any and all available legal and/or equitable remedies to enforce the terms and
14 conditions of this Deed Restriction. In the event of a breach, any forbearance on the part of either party
15 to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding
16 any subsequent breach.

17 5. SEVERABILITY. If any provision of these restrictions is held to be invalid, or for any
18 reason becomes unenforceable, no other provision shall be affected or impaired.

19
20 Dated: _____, 20__

21
22 Business Name (if property is owned by a business): _____

23 Signed: _____

23 Signed: _____

24
25 _____
25 PRINT/TYPE NAME & CAPACITY OF ABOVE

24
25 _____
25 PRINT/TYPE NAME & CAPACITY OF ABOVE

26 ** NOTARY ACKNOWLEDGMENT ON THE NEXT PAGE **
27

Notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT B

(Notice of Intent to Issue Permit)

REVISIONS	

Jones A. O'Brien, Architect
 100 West Grand Blvd, Suite 100
 Los Angeles, CA 90015
 (310) 781-1000

WYAN RESIDENCE
 100 WEST GRAND BLVD
 LOS ANGELES, CALIFORNIA

Sheet No.	1	Of	1
Date			
Drawn	JAC		
Check	JAC		
Scale			

PROJECT DATA

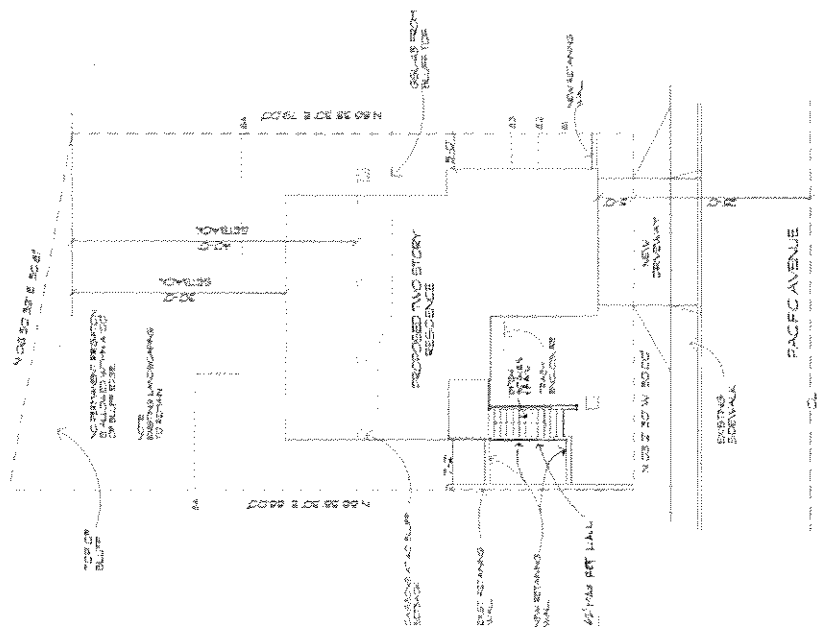
APN: 248-30-03
 LEGAL: LOT 1, PART 1B
 OWNER: MARK & CELIA BARR
 APPLICANT: MARK & CELIA BARR
 ADDRESS: 100 WEST GRAND BLVD, LOS ANGELES, CA 90015
 LOT SIZE: 4,000 SQ FT (APPROXIMATE)
 PROJECT: WYAN RESIDENCE
 PROJECT NO: 2018-001
 DATE: 10/15/18

PERMITS: YES (LIVE / 200 SF) / YES (AS BUILT) / YES (GARAGE) / YES (2ND STORY)
 EXISTING HOUSE: YES (2ND STORY)
 EXISTING GARAGE: YES (2ND STORY)
 EXISTING DRIVEWAY: YES (2ND STORY)
 EXISTING SIDEWALK: YES (2ND STORY)

NOTES:
 1. SEE ALL APPLICABLE ORDINANCES AND REGULATIONS.
 2. ALL DIMENSIONS ARE IN FEET AND INCHES.
 3. ALL FINISHES ARE TO BE DETERMINED BY THE CONTRACTOR.
 4. ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE CITY ENGINEER.
 5. ALL UTILITIES SHALL BE PROTECTED AND MARKED PRIOR TO ANY EXCAVATION.
 6. ALL FOUNDATIONS SHALL BE REINFORCED AND ANCHORED TO THE EXISTING FOUNDATION.
 7. ALL FOUNDATIONS SHALL BE PROTECTED BY A CONCRETE CURB AND FINISHED WITH A FINISH MATCHING THE EXISTING FINISH.

- CLIENT NOTES**
- 1. SITE PLAN
 - 2. FLOOR PLAN
 - 3. ELEVATIONS
 - 4. SECTION/DETAIL PLAN

ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.



SITE PLAN
 STRUCTURE TO BE PROTECTED AT AN AUTOMATIC FIRE SPRINKLER STUDY.

GRADING QUANTITIES
 GRASSING: 1,000 SQ FT
 ASPHALT: 500 SQ FT
 CONCRETE: 100 SQ FT
 EARTHWORK: 2,000 CU YD
 TOTAL: 3,500 CU YD

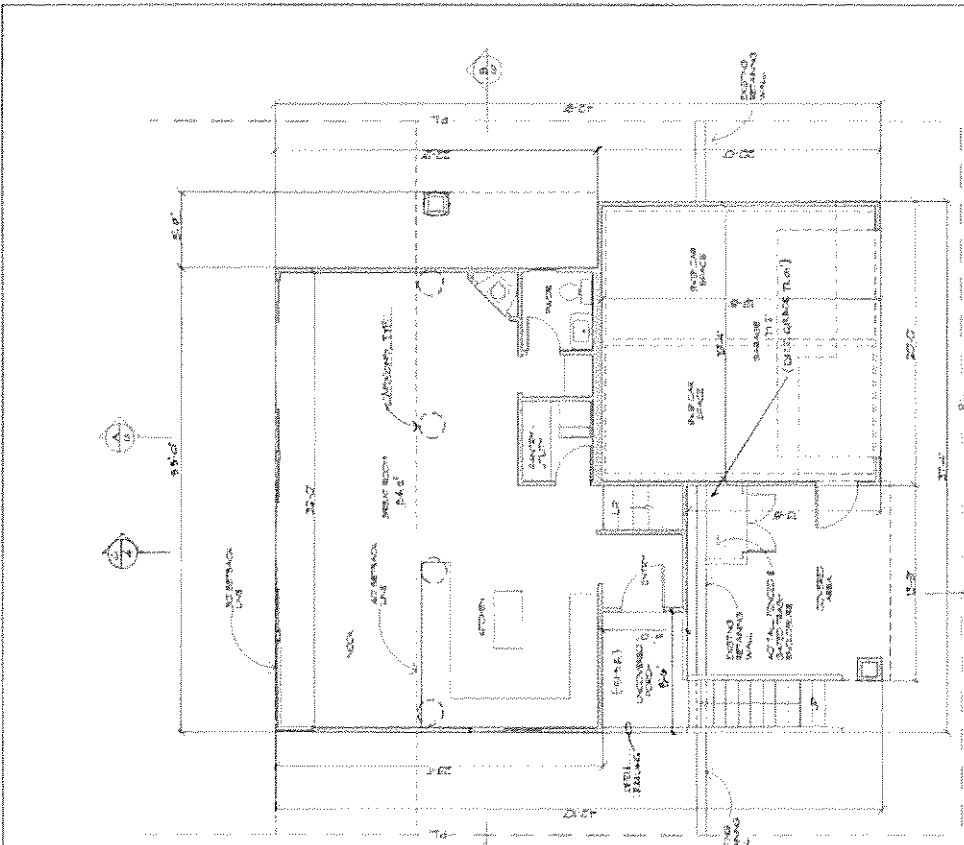
CAUTION: ALL PROPOSED TO BE INSTALLED THAT WILL REQUIRE A PUBLIC YARDS OF THE CITY SHALL BE INSTALLED BY THE CONTRACTOR. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY ENGINEER. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE. ALL FOUNDATIONS SHALL BE REINFORCED AND ANCHORED TO THE EXISTING FOUNDATION. ALL FOUNDATIONS SHALL BE PROTECTED BY A CONCRETE CURB AND FINISHED WITH A FINISH MATCHING THE EXISTING FINISH.

NO.	DATE	DESCRIPTION

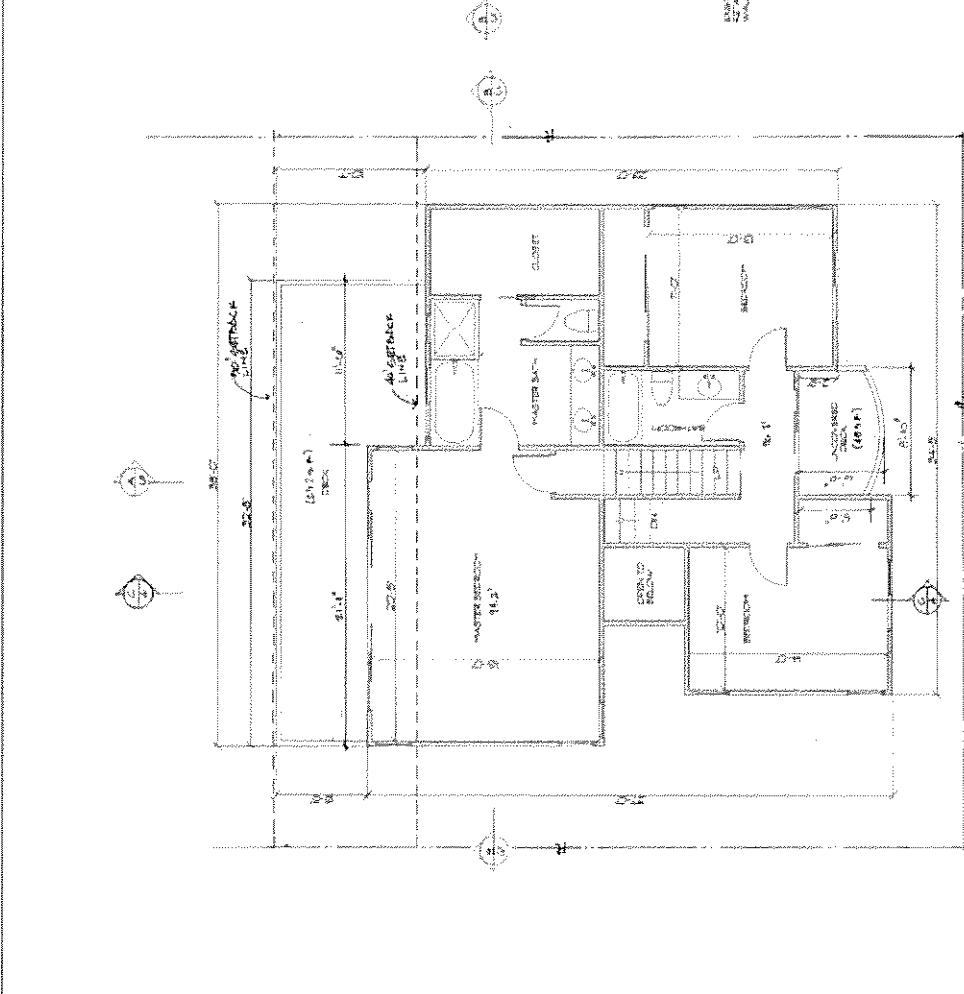
James A. Chinn, Architect
 220 WEST CLAYTON BLVD. SUITE 10
 LOS ANGELES, CA 90007
 (310) 758-0044

BAY RESIDENCE
 88 PARK AVENUE
 SOLANA BEACH, CALIFORNIA

Drawn: THS/S	Sheet: 2
Scale: AS NOTED	Of: 2
Checked: JAC	Date: 2012-05
Date: 2012-05	Project: BAY RESIDENCE



PROPOSED FIRST FLOOR PLAN 1/4/10



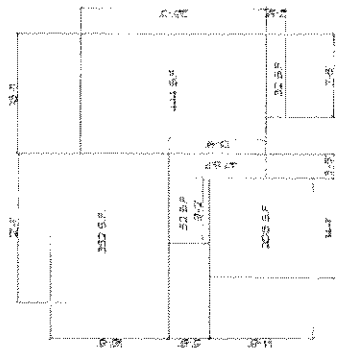
PROPOSED SECOND FLOOR PLAN 1/4/10

DATE	
BY	
CHECKED	
APPROVED	
REVISIONS	

James A. Chin, Architect
 250 JEFFERSON BLVD. SUITE 110
 SAN FRANCISCO, CA 94102
 (415) 775-3003

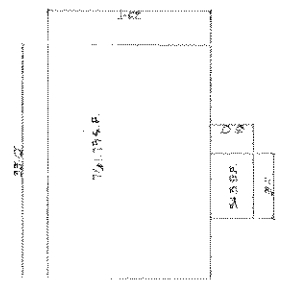
SARR RESIDENCE
 125 PACIFIC AVENUE
 SOLANA BEACH, CALIFORNIA

Drawn	JAC
Scale	AS NOTED
Client	JAC
Date	2012.10
Sheet	1 of 1



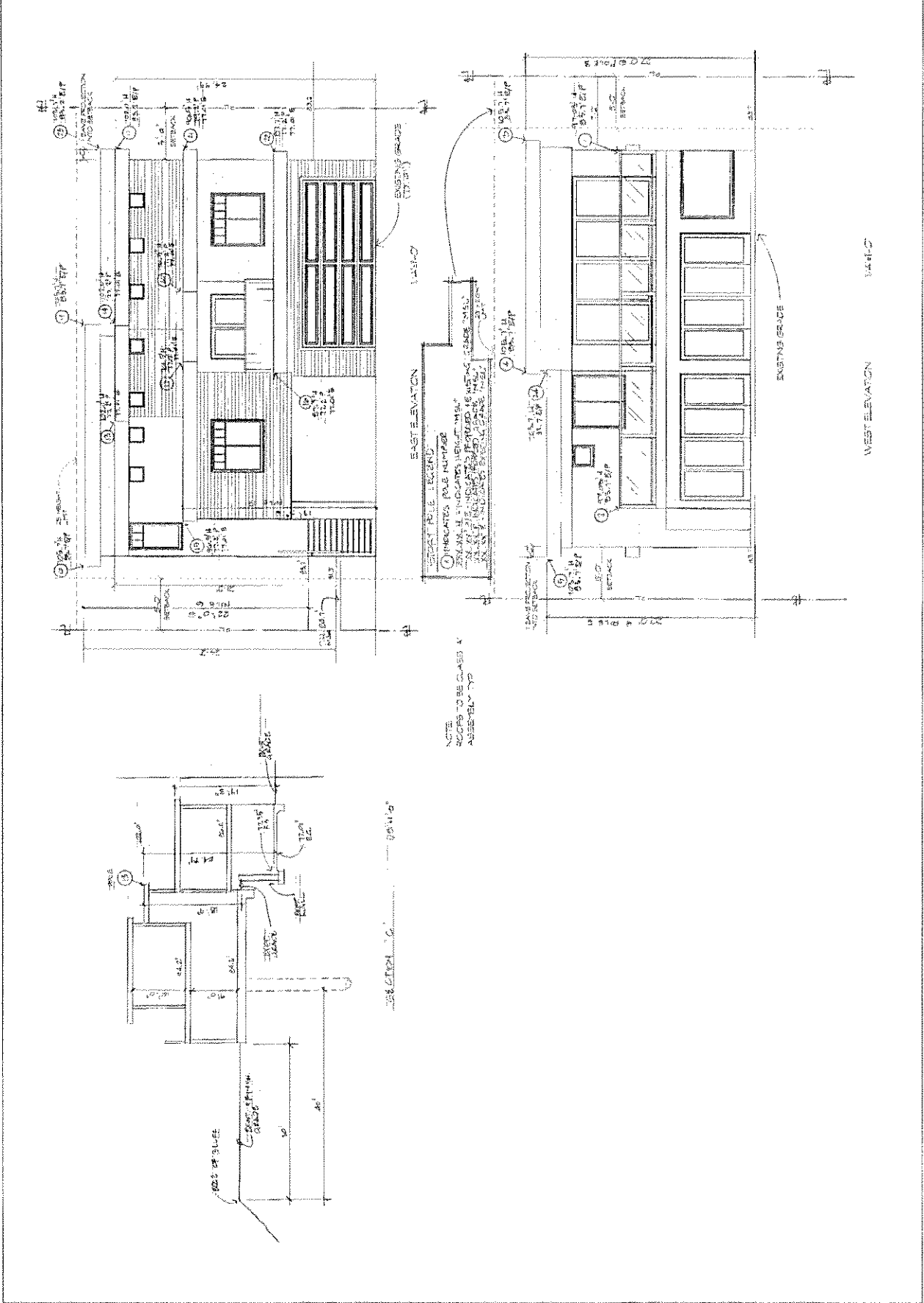
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 1/8 S.I.C.

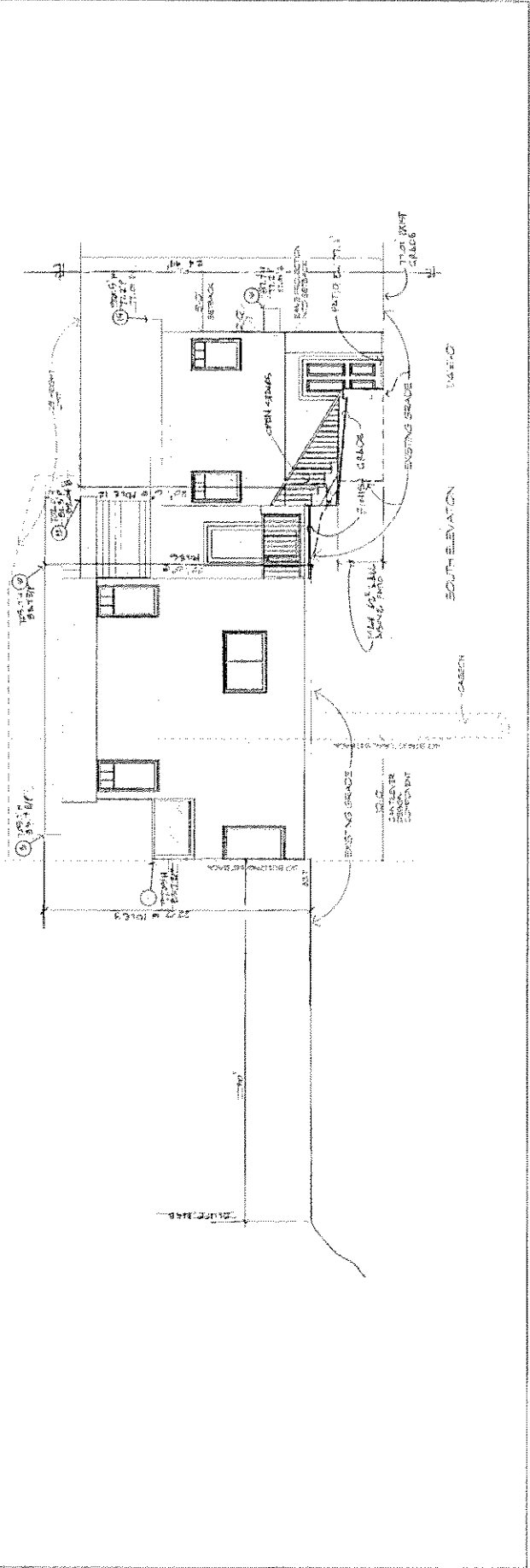
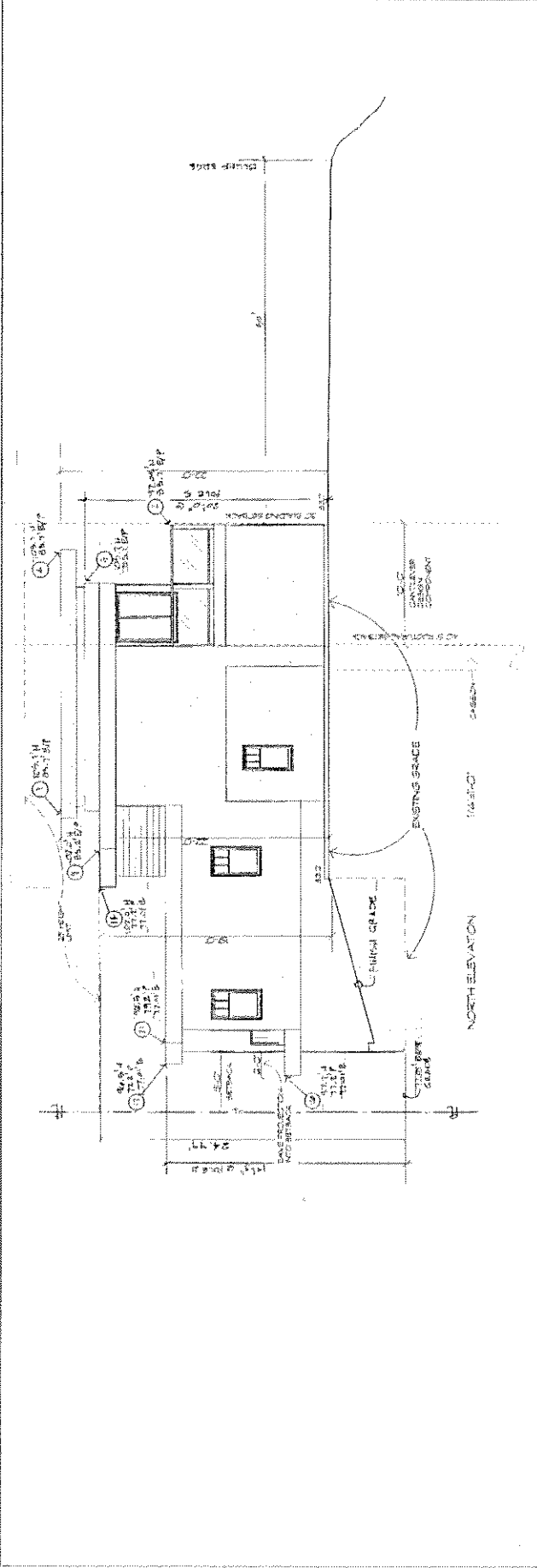
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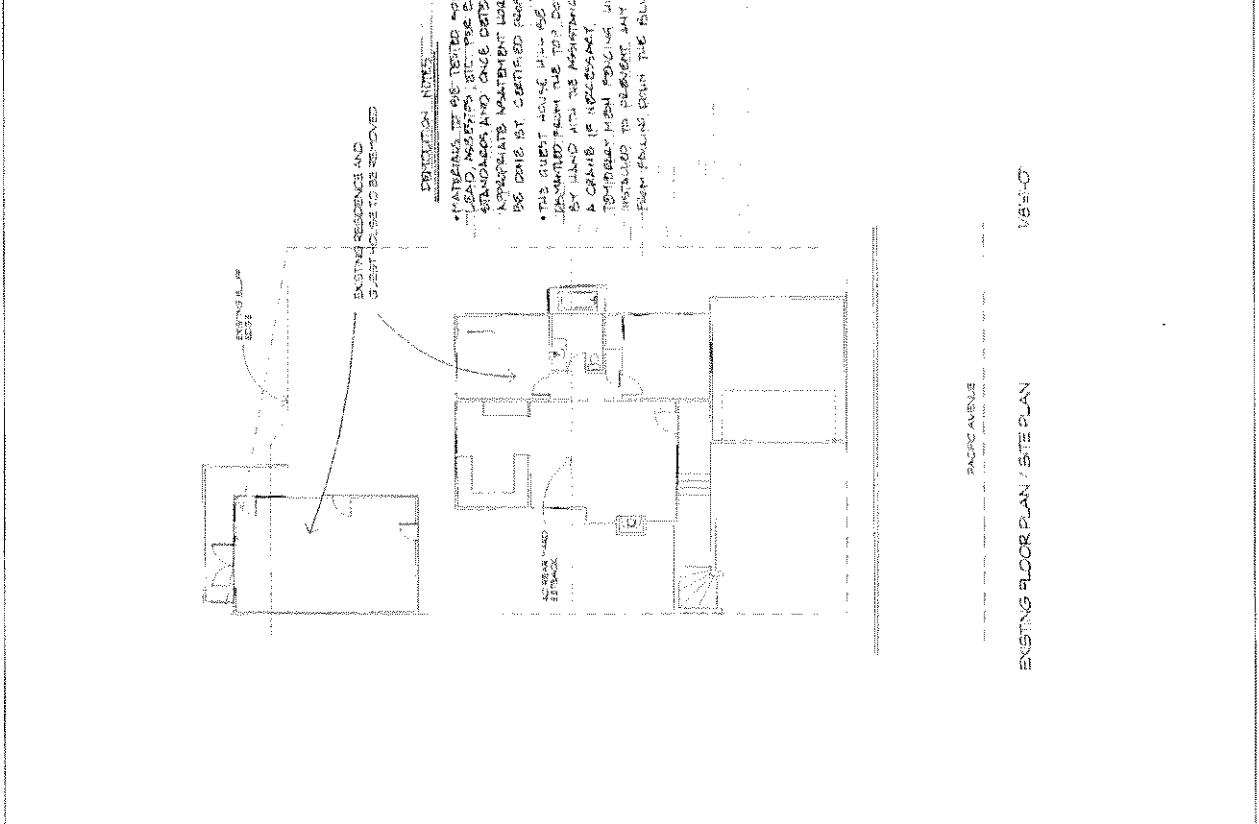
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 1/8 S.I.C.

DATE	11/11/10
BY	JAC
CHECKED	JAC
SCALE	AS SHOWN
SHEET	4



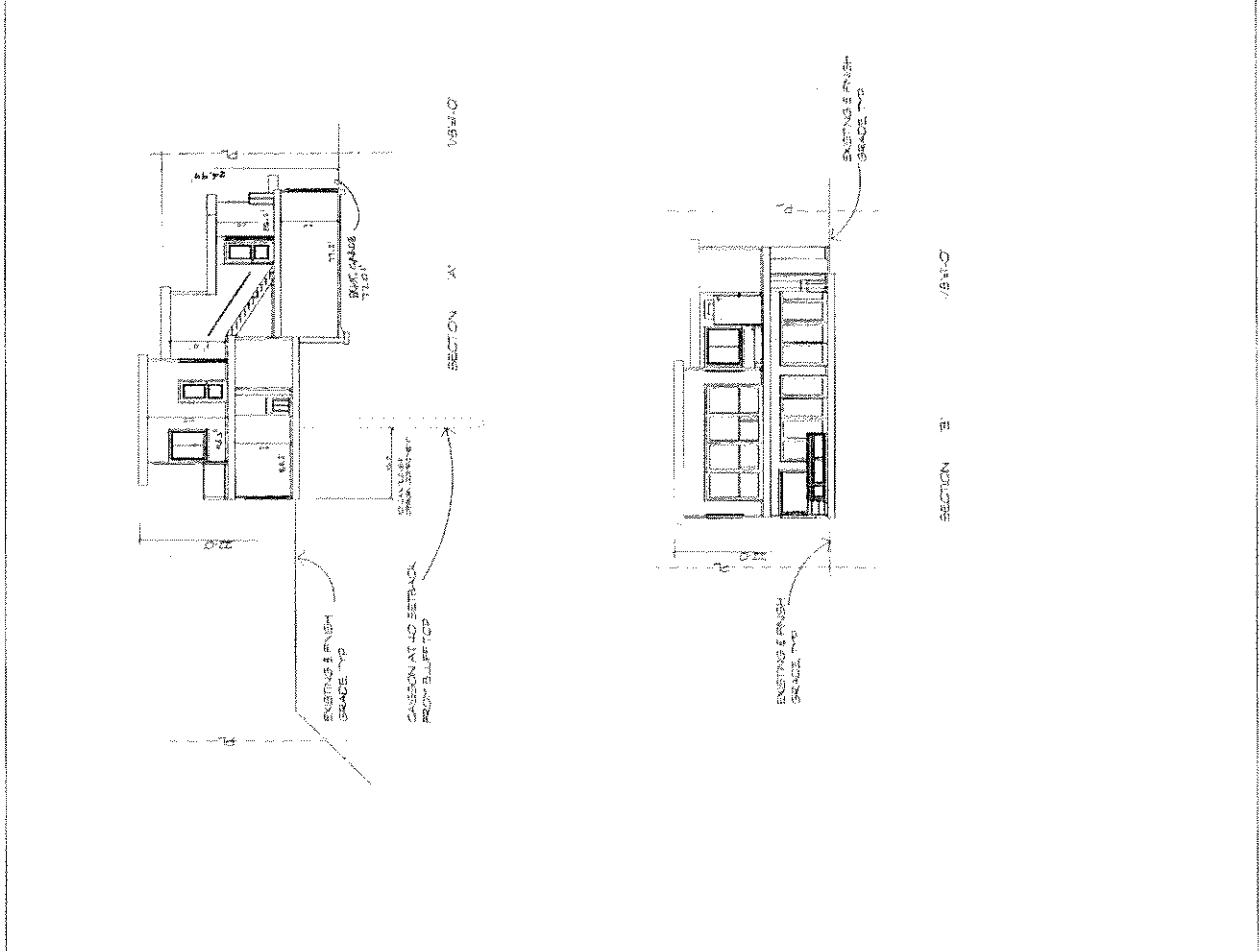


DATE	06/11/13
NO.	13013
PROJECT	BARR ADDITION
SCALE	AS SHOWN
DESIGNED BY	JAC
DRAWN BY	JAC
CHECKED BY	JAC
DATE	06/11/13



DEMOLITION NOTES

- * MATERIALS TO BE TESTED FOR LEAD, ASBESTOS, SILICA, PCB'S, & AROMATIC AMINE. ONCE DETERMINED APPROPRIATE MAINTENANCE LOGS WILL BE DONE BY CERTIFIED PROFESSIONAL.
- * THIS GUEST HOUSE WILL BE DEMOLISHED FROM THE TOP DOWN BY HAND AND THE REMAINDER OF A CRANE IF NECESSARY.
- * TO-BE-REMOVED FINISH PRODUCTS WILL BE INSTALLED TO PREVENT ANY DUSTS FROM ESCAPING FROM THE BLUE.



EXISTING FLOOR PLAN / SITE PLAN V6.01-C

SECTION A' V6.01-C

SECTION B' V6.01-C

NO. 100	100
NO. 200	200
NO. 300	300
NO. 400	400
NO. 500	500
NO. 600	600
NO. 700	700
NO. 800	800
NO. 900	900
NO. 1000	1000

James A. Chin, Architect
 220 JEFFERSON BLVD. SUITE 200
 LOS ANGELES, CALIF. 90007
 (213) 750-1000

BARR RESIDENCE
 225 PACIFIC AVENUE
 SOLANA BEACH, CALIFORNIA

Date: 1/21/11
Scale: AS NOTED
Drawn: JAC
Rev: 2011-5
Sheet: 11
Total: 11

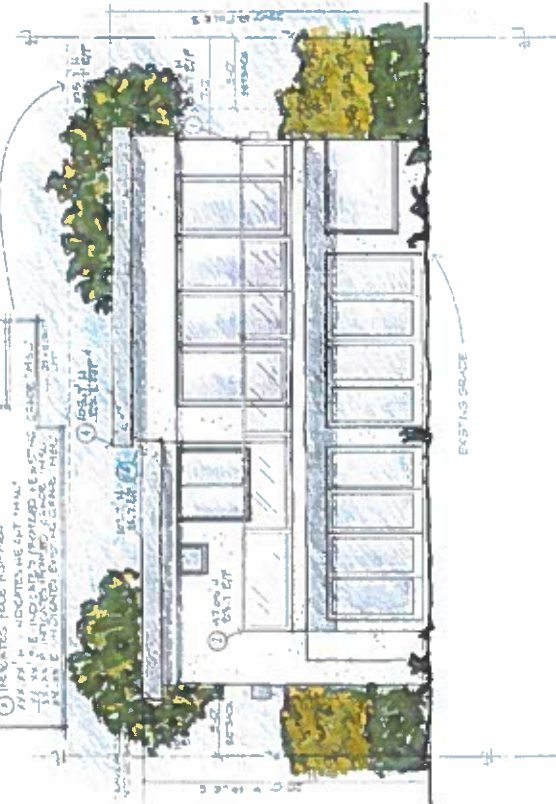
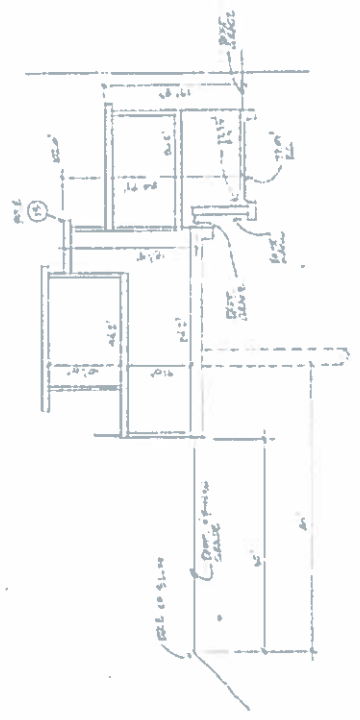


EAST ELEVATION

EXISTING GRADE

NOTE: ROOFS TO BE CLASS A ASSEMBLY.

SECTION 'C'



WEST ELEVATION

EXISTING GRADE

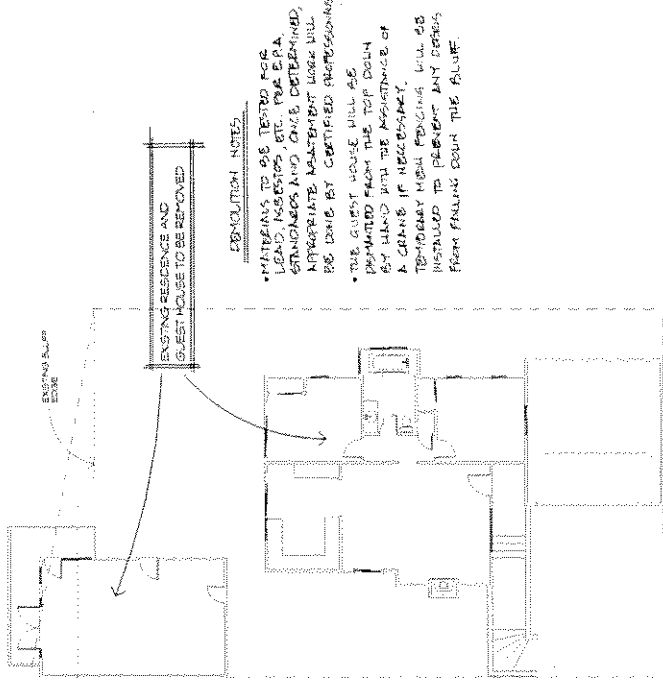
NOTE: ROOFS TO BE CLASS A ASSEMBLY.

REVISIONS

James A. Chin, Architect
 220 First Avenue
 Seattle, WA 98101
 (206) 467-8888

UP AND ARCHITECT
 1122 Park Avenue
 Seattle, WA 98101
 (206) 467-8888

Date: _____
 Scale: AS NOTED
 Drawn: JAC
 Job: 2022-15
 Sheet: DEMO
 Of: Sheets



EXHAUSTION NOTES:

- *MATERIALS TO BE TESTED FOR LEAD, ASBESTOS, ETC. PER E.P.A. STANDARDS AND, ONCE DETERMINED, APPROPRIATE MAINTENANCE WORK WILL BE DONE BY CERTIFIED PROFESSIONALS.
- *THIS GUEST HOUSE WILL BE DEMOLISHED FROM THE TOP DOWN BY HAND WITH THE ASSISTANCE OF A CRANE IF NECESSARY.
- *TEMPORARY WIND FENCING WILL BE INSTALLED TO PREVENT ANY DEBRIS FROM FALLING DURING THE ABUSE.

PACIFIC AVENUE

EXISTING FLOOR PLAN / SITE PLAN

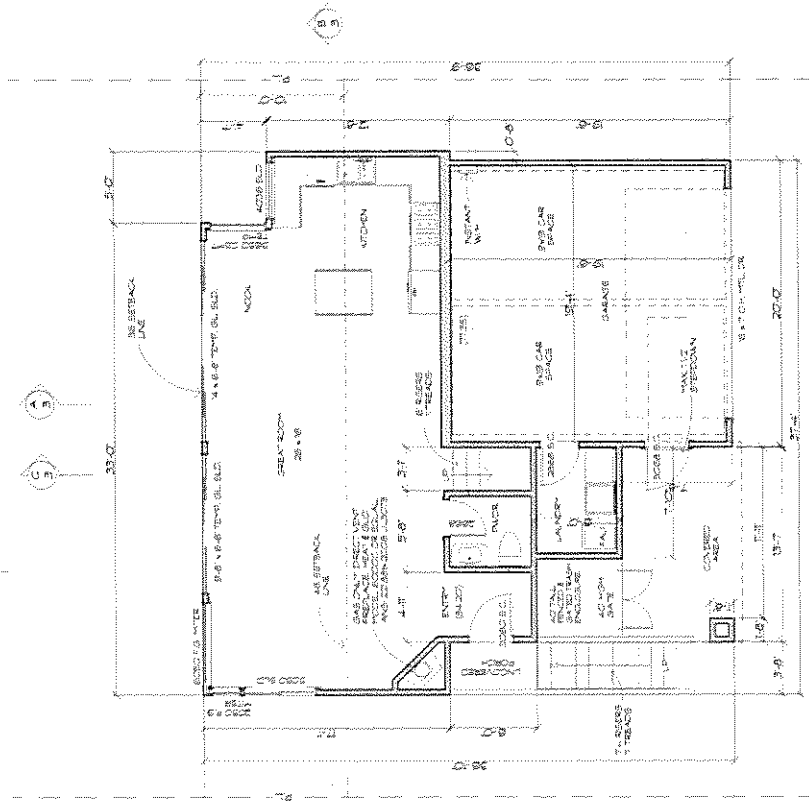
1/8"=1'-0"

REVISION	DATE	BY	DESCRIPTION

James A. Chin, Architect
 230 JEFFERSON BLVD, SUITE 14
 DEL MAR, CA 92014
 (619) 755-5983

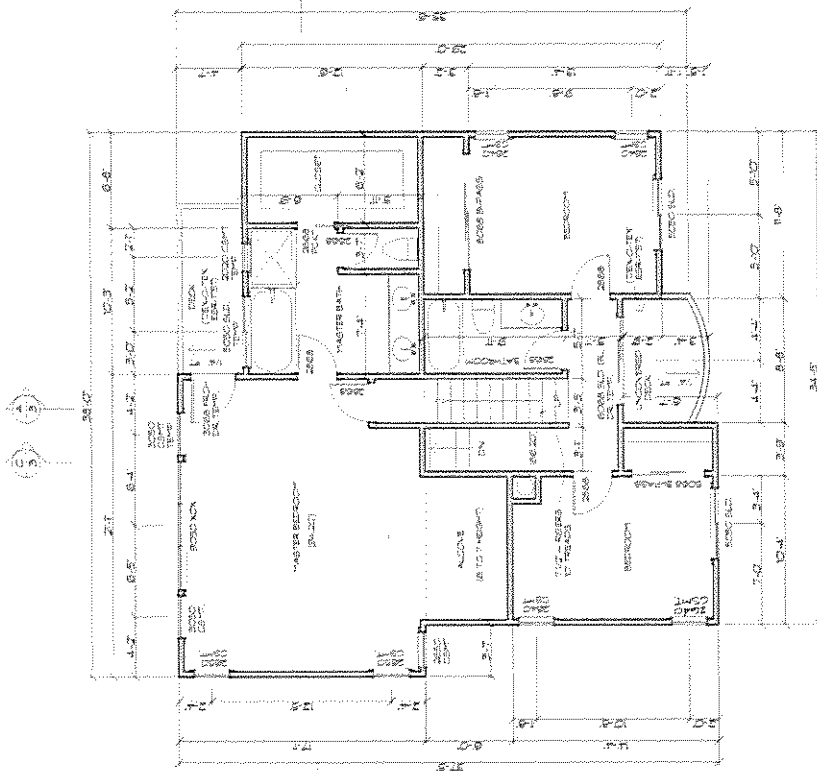
DAN MISHEN
 235 PARR AVENUE
 SOLANA BEACH, CALIFORNIA

Date	
Scale	AS NOTED
Drawn	JAC
Job	2012-05
Sheet	2
Of	Sheets



NOTE:
 1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 2. ALL EXTERIOR DIMENSIONS TO FACE UNLESS NOTED OTHERWISE.
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PROPOSED FIRST FLOOR PLAN 1/4"=1'-0"



NOTE:
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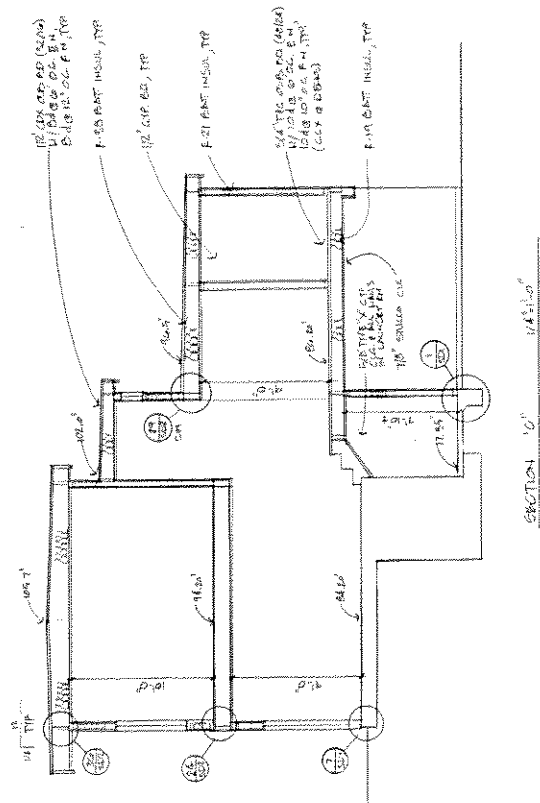
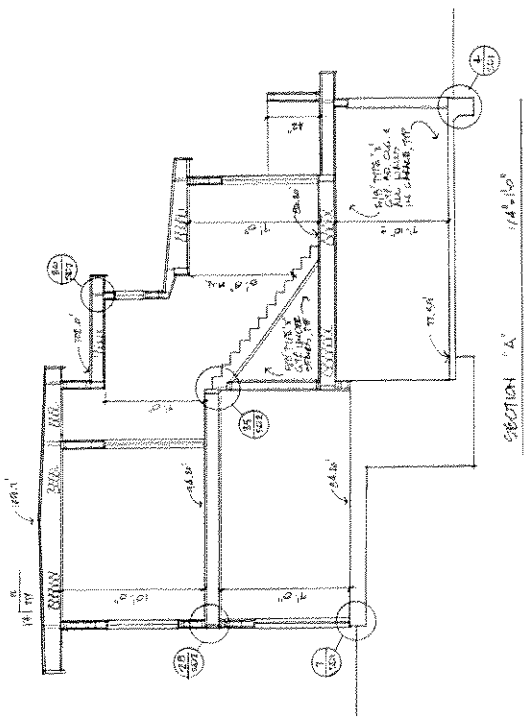
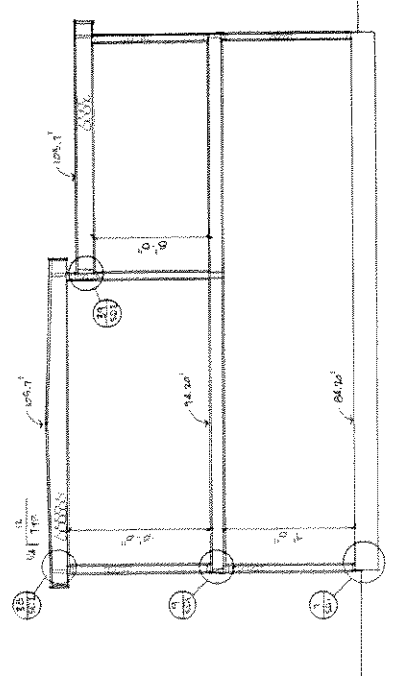
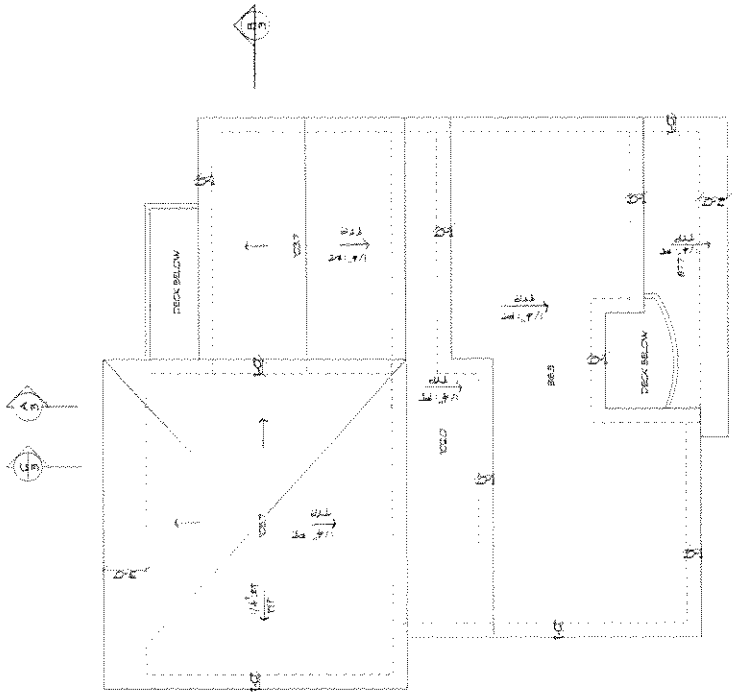
PROPOSED SECOND FLOOR PLAN 1/4"=1'-0"

REVISIONS	BY

James A. Chin, Architect
 110 FORTY-DRAWING BLVD. SUITE 114
 DEL MAR, CA 92014
 (951) 739-5263

BARR RESIDENCE
 125 PACIFIC AVENUE
 SOLANA BEACH, CALIFORNIA

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Drawn	JAC
Appr	JAC 12/15
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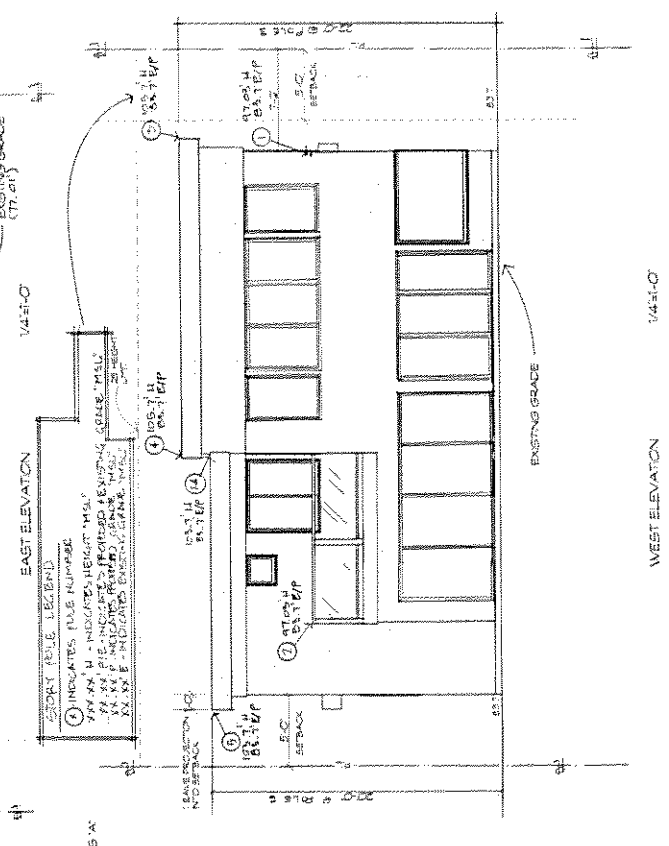
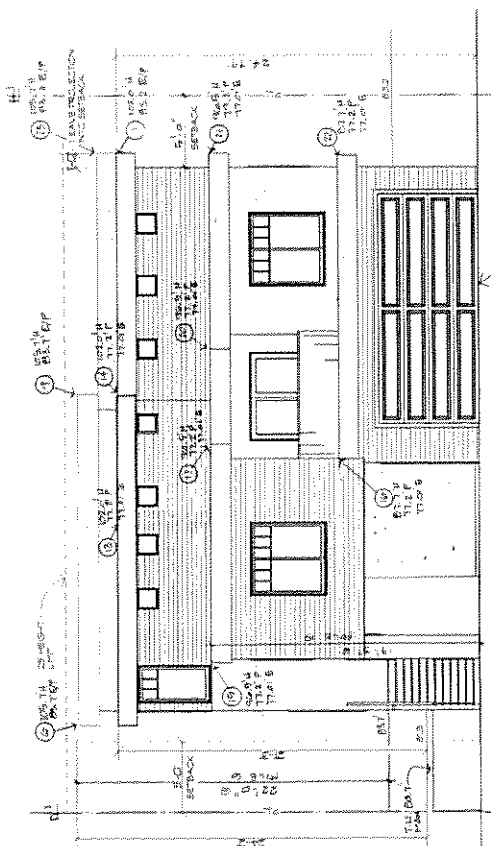
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James A. Chin, Architect
 220 JEFFERSON BLVD. SUITE 114
 OAKLAND, CALIFORNIA 94612
 (510) 763-5663

BARR RESIDENCE
 225 PACIFIC AVENUE
 SOLANA BEACH, CALIFORNIA

Date	Scale	AS NOTED
Drawn	JAC	
Appr.	JAC	
Sheet	4	of 4



NOTE:
 ROOFS TO BE CLASS 'A'
 ASSEMBLY, TYP.

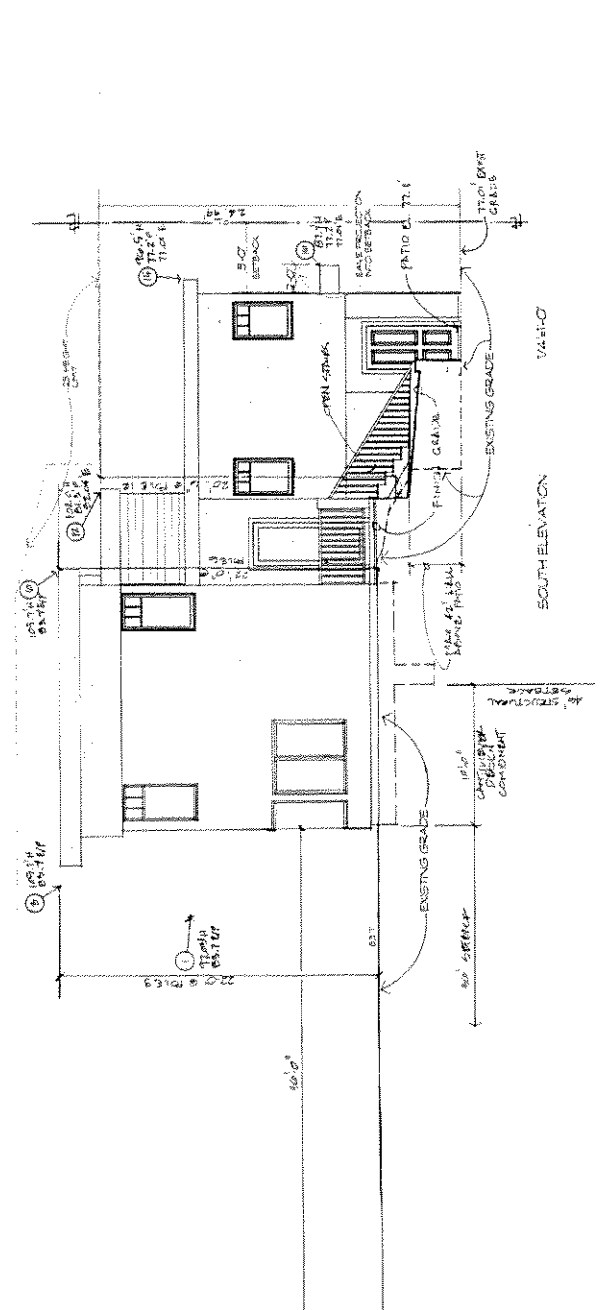
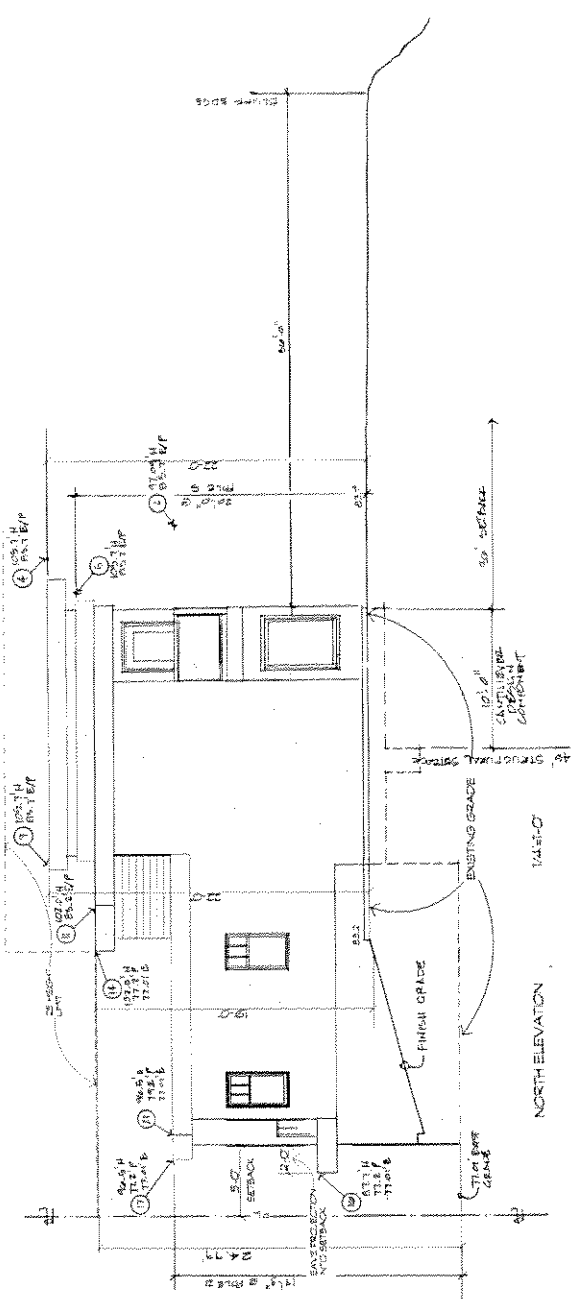
STORY TYLE LEARNED
 ① INDICATES TYLE NUMBER
 Y/Y/X/H - INDICATES HEIGHT, HSLP
 Y/Y/X/H - INDICATES HEIGHT, HSLP
 Y/Y/X/H - INDICATES HEIGHT, HSLP
 X/X/Y/E - INDICATES EXISTING GRADE, NACE

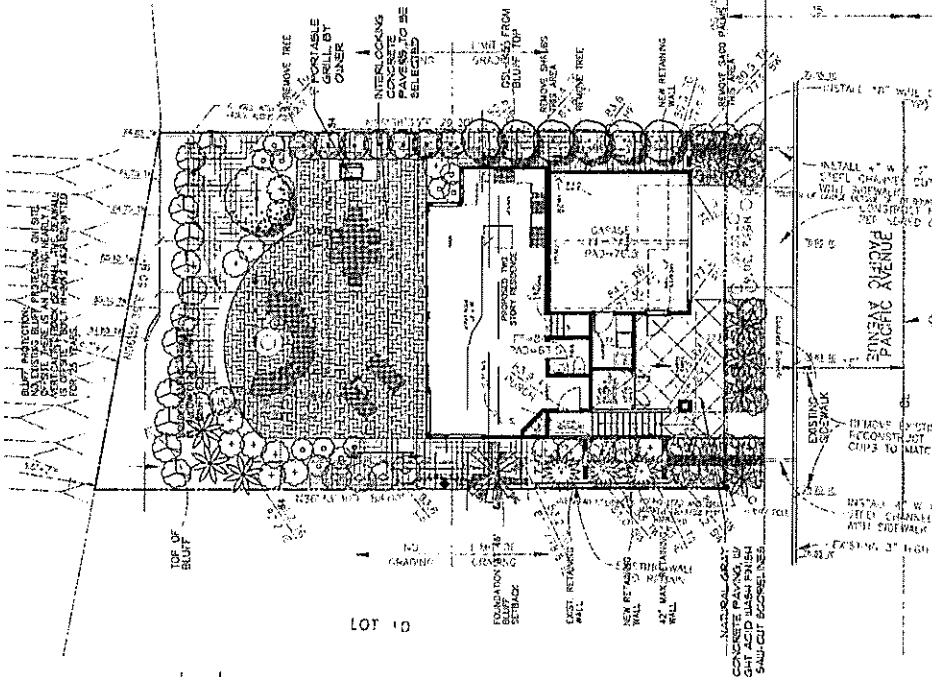
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James A. Chinn, Architect
 220 JEFFERSON BLVD SUITE 14
 DEL MAR, CA 92028
 (619) 739-0825

BARN RESIDENCE
 225 PACIFIC AVENUE
 SOLANA BEACH, CALIFORNIA

DATE	1/16/10
DATE AS NOTED	1/16/10
DRAWN BY	JAC
DATE	1/16/10
SHEET	5
OF SHEETS	5





NOTES:
ALL SURFACES SHALL HAVE POSITIVE DRAINAGE OR GRADE TO PREVENT STANDING WATER AND SHALL TERMINATE IN AN APPROVED DRAINAGE SYSTEM.
LANDSCAPE MAINTENANCE SHALL BE THE RESPONSIBILITY OF THE HOMEOWNER. THERE IS NO COMMON AREA OR HOMEOWNER'S ASSOCIATION.
NO AUTOMATIC IRRIGATION SYSTEMS ALLOWED WITHIN 100' OF OCEAN BLUFF. ALL PLANTS MUST BE WATERED BY HAND.
LAWYER HAS REVIEWED THE REQUIREMENTS FOR LANDSCAPE AND IRRIGATION PLANS OBTAINED IN THE CITY OF SOLANA BEACH LANDSCAPE MANUAL AND WATER EFFICIENT LANDSCAPE REGULATIONS. I HAVE PREPARED THIS PLAN IN ACCORDANCE WITH THE CITY OF SOLANA BEACH LANDSCAPE MANUAL AND ASSESS TO COMPLY WITH ALL REQUIREMENTS PER WRITING CONSTRUCTION DOCUMENTS. I CERTIFY THAT THE PLAN adheres to those REGULATIONS TO PROTECT FROM USE OF WATER.

Darcy Brandon
Landscape Architect
11/16/2017
1/8" = 1'-0"
DATE



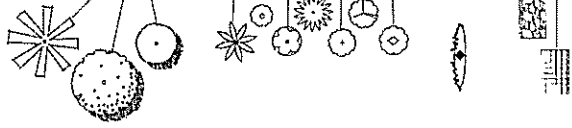
PLANT PALETTE

TREES

BOTANICAL NAME	COMMON NAME	SIZE	QTY	UCOLS	MATURE H x W
CHAMPAEROPS HAMILIS	MEDITERRANEAN FAN PALM	24" BOX	1	LW	8'-12" x 10'-5'
PLUMERIA RUBRA	FRANGIPANI	15 GALLON	1	LW	5'-20" x 15'-20"
FRAXUS ILICIFOLIA LYONII	CAROLINA CHERRY	74" BOX	6	LW	40'-50" x 25'
SHRUBS					
AGAVE ATTENUATA	FOXTAIL AGAVE	5 GALLON	8	LW	4'-5" x 6'-8"
ALOE CAMERONII	RED ALOE	5 GALLON	11	LW	1'-2" x 1'-4"
CRASSULA OVATA	JADE PLANT	5 GALLON	7	LW	1'-2" x 1'-4"
FURCRAEA MACDOUGALLII	MACDOUGALL'S FURCRAEA	15 GALLON	4	LW	2'-20" x 6'-8"
PORTULACARIA A. MINIMA	PROSTRATE ELEPHANT FOOT	1 GALLON	33	VLW	12" x 4'-6"
RIPELLIA PENINSULARIS	DESERT RIPELLIA	5 GALLON	4	VLW	4" x 4"
TECOTIA X SUNRISE	SUNRISE ESPERANZA	15 GALLON	4	LW	8" x 8"
VINES					
BOUGAINVILLEA LA JOLLA	RED BOUGAINVILLEA	15 GALLON	1	LW	4'-5" x 6'-8"

GROUND COVERS

- RIVER COBBLE, 3'-6" DIA.
- WOOD CHIP MULCH, 3" DEEP

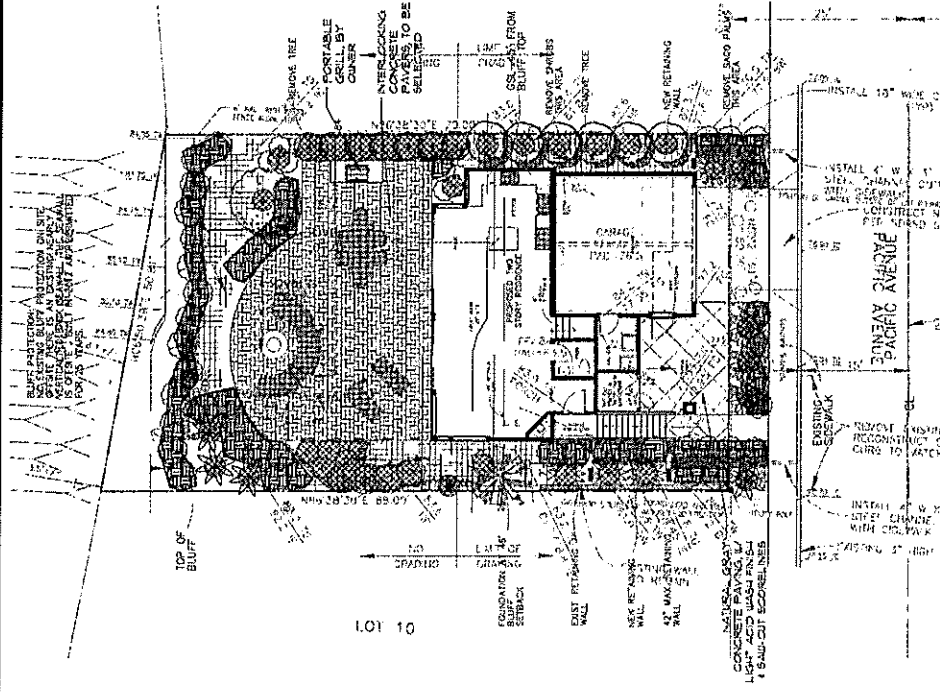


DARCY BRANDON
 LANDSCAPE ARCHITECT
 CALIF. REG. #3579
 7090 Paxon Alley
 Culver City, CA 90230
 Phone: 310-204-1123
 darcy@darcybrandon.com



BARR RESIDENCE
 225 PACIFIC AVENUE
 SOLANA BEACH, CA

CONCEPTUAL WATER CONSERVATION PLAN





10 10

IN ACCORDANCE WITH THE REQUIREMENTS FOR LANDSCAPE AND IRRIGATION PLANS CONTAINED IN THE CITY OF SOLANA BEACH LANDSCAPE MANUAL AND WATER EFFICIENT LANDSCAPE DESIGN MANUAL, THE DESIGNER HAS REVIEWED THIS CONCEPTUAL WATER CONSERVATION PLAN IN CONFORMANCE WITH THESE REGULATIONS AND RECOMMENDS THAT THE CLIENT OBTAIN ALL NECESSARY PERMITS AND APPROVALS TO COMPLETE ALL REQUIREMENTS AND EXISTING CONSTRUCTION DOCUMENTS. THE DESIGNER DOES NOT WARRANT THESE REGULATIONS TO PROVIDE PRESENT USE OF WATER.

Darcy Brandon
 Darcy Brandon, RLA
 10/26/2017
 DATE

HYDROZONE LEGEND

-  LOW WATER
322' - 502' FT.
-  VERY LOW WATER
443' - 502' FT.



SHEET
LC-2
 2 OF 2



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Community Development Department
SUBJECT: **Public Hearing: Request for a Development Review Permit (DRP) Modification for a Previously Approved Square Footage Addition to an Existing Single-Family Residence and Garage at 781 E. Solana Circle (Case # 17-17-25 Applicant: Linda Corsetti; Resolution No. 2017-166)**

BACKGROUND:

The Applicant, Linda Corsetti, is requesting Council approval of a Development Review Permit (DRP) Modification to construct a 894 square foot addition to an existing single-story, single-family residence and garage on a 7,613 square-foot lot in the Medium Residential (MR) Zone and Park Del Mar Development. The Applicant is also proposing to construct an approximately 200 square foot roof deck over the southeast corner of the residence. The maximum building height would be 15 feet and 189 feet above Mean Sea Level (MSL). The project includes 33.16 cubic yards of excavation for footings and 13.7 cubic yards of excavation and recompaction. The project requires a DRP for construction in excess of 60% of the maximum allowable floor area.

The issue before the Council is whether the Council can make the required findings to adopt Resolution 2017-166 (Attachment 1) to approve the Applicant's request to modify the original project approvals as provided under the Solana Beach Municipal Code (SBMC) 17.68.040(K).

DISCUSSION:

The 7,613 square-foot lot is a panhandle shape located on the north side of East Solana Circle. The site is currently developed with a 1,250 square-foot, single-story, single-family residence with a detached 200 square foot garage. The Applicant received approval for a 948 square foot addition to the existing residence and garage at the City Council Public Hearing on March 22, 2017 with the adoption of Resolution 2017-040. Since that approval, the Applicant decided to modify the project design in order to incorporate the following revisions:

CITY COUNCIL ACTION:

1. To shift the footprint of the house approximately four to six feet to the east and eight to nine feet to the south.
2. With the movement of the building foot print, the area of the proposed garage would be reduced from the approved 464 square feet to 352 square feet. The garage would provide for one of the required off-street parking spaces. The remaining required off-street parking space would be uncovered and located on the west side of the proposed residence within the required side yard setback.
3. A six foot fence would be constructed on the western property line in order to provide the required screening for locating required parking within the required side yard setback.
4. The previously approved 684 square foot addition to the residence would be increased to 742 square feet.
5. The revised project would increase the modified landscape area from 272 square feet to 490 square feet. The approved project and the revised project design are not subject to the Water Efficient Landscape Regulations.

Table 1 (below) provides a comparison of the original approval and the proposed modifications according to the Park Del Mar Development regulations with the Applicant's proposed design.

Table 1			
PROJECT AND PARCEL INFORMATION			
Property Address:	781 E. Solana Circle	Zoning Designation:	Park Del Mar (MR)
Zone:	Medium Residential (MR)	# of Units Allowed:	1 Dwelling Unit
Overlay Zone:	None	# of Units Requested:	1 Dwelling Unit
Lot Size:	7,613 ft ²	Approved Project:	
Max. Allowable Living SF:	2,000 ft ²	Setbacks:	Required Proposed
Max. Allowable Garage SF:	600 ft ²	Front	10' - 0" 10' - 0"
Max. Allowable Total SF:	2,400 ft ²	Side (west)	5' - 0" 6' - 0"
Approved Project:		Side (east)*	7' - 6" 7' - 6"
Total SF:	2,398 ft ²	Rear	10' - 0" 27' - 6"
Below Max. SF by:	2 ft ²	*Side-yard setback is 5'-0" however, there is an additional 30" setback from the sidewalk required by the Park Del Mar HOA	
Proposed Modification:		Proposed Modification:	
Proposed Total SF:	2,144 ft ²	Setbacks:	Required Proposed
Below Max. SF by:	256 ft ²	Front	10' - 0" 10' - 0"
Maximum Building Height:	16 ft.	Side (west)	5' - 0" 11' - 3¾"
Approved Building Height:	15 ft./189 MSL	Side (east)*	7' - 6" 9' - 5 ¾"
Proposed Building Height:	15 ft./189 MSL	Rear	10' - 0" 29' 4½"
FLOOR AREA:			

Approved Square Footage Breakdown:		Proposed Square Footage Breakdown:	
Existing Living Area:	1,250 SF	Existing Living Area:	1,250 SF
Proposed Addition:	684 SF	Proposed Addition:	742 SF
Existing Garage:	200 SF	Existing Garage:	200 SF
Proposed Garage Addition:	264 SF	Proposed Garage Addition:	152 SF
Subtotal:	2,398 SF	Subtotal:	2,344 SF
Garage Exemption:	- 400 SF	Garage Exemption:	- 200 SF
Total Proposed Floor Area:	1,998 SF	Total Proposed Floor Area:	2,144 SF

The original Staff Report and Resolution which analyzes the original project design according to the required findings for a DRP including the development review criteria is provided in attachment 2. The approved plans have been provided in Attachment 3 and the revised project plans are provided in Attachment 4.

Staff has prepared draft findings for approval of the project in the attached Resolution 2017-166 (Attachment 1) for Council's consideration based upon the information in this report. The Applicable SBMC sections are provided in italicized text and conditions from the Planning, Engineering and Fire Departments are incorporated in the Resolution of Approval. The Council may direct Staff to modify the Resolution to reflect the findings and conditions it deems appropriate as a result of the Public Hearing process. If the Council determines the project is to be denied, Staff will prepare a Resolution of Denial for an action to be taken at a subsequent Council meeting.

Public Hearing Notice:

Notice of the City Council Public Hearing for the project was published in the Union Tribune more than 10 days prior to the public hearing. The same public notice was mailed to property owners and occupants within 300 feet of the proposed project site on November 30, 2017. As of the date of preparation of this Staff Report, Staff has not received any formal correspondence from neighbors or interested parties in support of, or in opposition to, the proposed project.

In conclusion, the proposed project, as conditioned, could be found to be consistent with the Park Del Mar Development regulations, the Zoning regulations, and the General Plan.

CEQA COMPLIANCE STATEMENT:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines. Section 15303 is a Class 3 exemption for new construction or the conversion of small structures. Examples of this exemption include one single-family residence or second dwelling unit in a residential zone. In urbanized areas, up to three-single-family residences may be constructed or converted under this exemption.

FISCAL IMPACT: N/A

WORK PLAN: N/A

OPTIONS:

- Approve Staff recommendation adopting the attached Resolution 2017-166.
- Approve Staff recommendation subject to additional specific conditions necessary for the City Council to make all required findings for the approval of a DRP.
- Deny the project if all required findings for the DRP cannot be made.

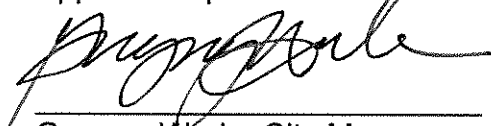
DEPARTMENT RECOMMENDATION:

The proposed project meets the minimum objective requirements under the Park Del Mar Development regulations and the underlying SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt Resolution 2017-166 conditionally approving a DRP modification to allow for the construction of a 894 square foot addition to the existing, one-story, single-family residence and garage at 781 East Solana Circle.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution 2017-166
2. Original Staff Report and Resolution
3. Original Project Plans
4. Revised Project Plans

RESOLUTION NO. 2017-166

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A DEVELOPMENT REVIEW PERMIT MODIFICATION TO REVISE THE PREVIOUSLY APPROVED PROJECT DESIGN FOR THE CONSTRUCTION OF A SQUARE FOOTAGE ADDITION TO AN EXISTING SINGLE-FAMILY RESIDENCE AND GARAGE AND ASSOCIATED IMPROVEMENTS ON A PROPERTY WITHIN THE PARK DEL MAR DEVELOPMENT, LOCATED AT 781 EAST SOLANA CIRCLE, SOLANA BEACH

APPLICANT: Linda Corsetti
CASE NO.: DRP 17-17-25

WHEREAS, Linda Corsetti (hereinafter referred to as "Applicant") has submitted an application for a Development Review Permit (DRP) Modification pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

WHEREAS, at the Public Hearing on March 22, 2017 the City Council adopted Resolution 2017-040 approving a DRP for the project site; and

WHEREAS, on the July 6, 2017, the Applicant submitted an application for a DRP modification to revise the approved project design; and

WHEREAS, the Public Hearing was conducted pursuant to the provisions of Solana Beach Municipal Code Section 17.72.030; and

WHEREAS, at the Public Hearing on December 13, 2017, the City Council received and considered evidence concerning the proposed application; and

WHEREAS, the City Council of the City of Solana Beach found the DRP Modification request exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearing and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. That the project is exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines.
3. That the request for a DRP Modification to construct a 894 square foot addition to an existing single-story, single-family residence and garage on a 7,613 square-foot lot in the Medium Residential (MR) Zone and Park Del Mar Development, is

conditionally approved based upon the following Findings and subject to the following Conditions:

4. FINDINGS

A. In accordance with Section 17.68.040 (Development Review Permit) of the City of Solana Beach Municipal Code, the City Council finds the following:

- I. *The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones, and specific plans.*

General Plan Consistency: The project, as conditioned, is consistent with the City's General Plan designation of Medium Density Residential, which allows for five to seven dwelling units per acre. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17) Permitted Uses and Structures (SBMC 17.20.020), which provides for use of the property as a single-family residence. The proposed project also adheres to the specific development regulations established for the Park Del Mar Development.

The design of the project is consistent with the provisions for minimum setbacks, the maximum floor area ratio (FAR), maximum building height, and parking requirements.

- II. *The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040(F):*

- a. *Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and where feasible, complimentary to existing and potential development in the immediate vicinity of the project site. Site planning on the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects, as well as protection of the property from adverse surrounding influences.*

The property is located within the Medium Residential (MR) Zone and Park Del Mar Development. Properties surrounding the lot located are within the same zone and also part of the Park Del Mar Development. They are developed with one-story, single-

family residences. The project site is currently developed with a one-story, single-family residence and a detached garage and the proposed project would allow for a remodel and 742 square foot addition to the residence and a 152 square foot addition to the garage. The project, as designed, is consistent with the specific development standards of the Park Del Mar Development as well as the permitted uses of the underlying MR Zone as described in SBMC Sections 17.20.010 and 17.12.020. The proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

The property is not located within any other specific plan areas. As a condition of project approval, the Applicant shall obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission prior to the issuance of a Building Permit.

- b. *Building and Structure Placement: Buildings and structures shall be sited and designed in a manner which visually and functionally enhances their intended use.*

The Park Del Mar Development regulations allow reduced setback areas as compared to the underlying MR Zone. They also limit maximum structure height to 16 feet above the existing grade. The project complies with the setbacks and height restrictions set forth in the Park Del Mar Development Regulations.

The existing property is relatively flat and the Applicant is not proposing changes to the grade except for the proposed footings for the additional square footage and the site walls. The proposed improvements consist of square footage additions to the residence and the detached garage that would attach the garage to the residence. Pedestrian and vehicular access would be maintained on the southwest side of the residence from the existing shared driveway. The Applicant is proposing to remove and replace 490 square feet of existing landscape on the east side of the residence. The Applicant also proposes to construct an approximately 200 square-foot, uncovered roof deck over the southeast side of the residence.

- c. *Landscaping: The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. Trees and*

other large plantings shall not obstruct significant views when installed or at maturity.

The project is not subject to the water efficient landscaping regulations of SBMC Chapter 17.56. According to SBMC Section 17.56.040, the regulations apply to modified irrigated landscaped areas that exceed 500 square feet. As designed, 490 square feet of the landscaped area would be removed and replaced along the east side of the residence. The plans show a hatched area on the eastern side of the proposed residence where existing trees and ground cover would be removed and replaced. A condition of project approval has been added to indicate that native or drought-tolerant and non-invasive plant materials and water conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

- d. *Roads, Pedestrian Walkways, Parking and Storage Areas: Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.*

SBMC Section 17.52.040 and the Off-Street Parking Design Manual (OSPDM) require two (2) off-street parking spaces for a single-family residence. The Applicant is proposing a 152 square foot addition to the existing 200 square foot detached garage. The proposed square footage addition would attach the existing garage to the residence and would be less than 600 square feet which is the maximum area permitted by the Park Del Mar regulations. The proposed garage would provide one off-street parking space that is 9' X 19' and clear of obstruction, therefore a maximum of 200 square feet would be exempt from the calculation of floor area. The other required parking space will be uncovered and located adjacent to the proposed residence in the required side yard setback along the western property line. The OPSDM indicates that parking can be located within a required side yard setback provided it is separated from adjacent properties by a 6 foot high solid fence or wall. The Applicant has shown on the project plans that a 6 foot wall is proposed along the western property line.

The OPSDM also indicates that when a required parking space will be located next to a fence or a wall that exceeds 6 inches in height, the width of the parking space shall be increased from a minimum of 8'-6" to 10'-6". The proposed uncovered space will be a minimum of 10'-6" X 19'.

- e. *Grading: To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.*

The proposed grading quantities include 33.16 cubic yards for the excavation for the new footings for the square foot additions and for the footings for the proposed site walls. The project also includes the excavation and recompaction of 13.7 cubic yards of soil for the new slab on grade foundation. The proposed total aggregate amount of grading is 46.86 cubic yards.

- f. *Lighting: Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).*

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

- g. *Usable Open Space: Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.*

The project consists of the construction of a square footage addition to a one-story, single-family residence and garage; therefore, usable open space and recreational facilities are neither proposed nor required according to SBMC Section 17.20.040.

- III. *All required permits and approvals issued by the City, including variances, conditional use permits, comprehensive sign plans, and coastal development permits, have been obtained prior to or concurrently with the development review permit.*

All required permits are being processed concurrently with the DRP. As a condition of project approval, the Applicant shall obtain approval from the CCC prior to issuance of Building Permits.

The project will not exceed 16 feet above the existing grade; therefore, a Structure Development Permit (SDP) is not required. However, the project is proposed at 15 feet above the existing grade; therefore, as a condition of project approval, the Applicant shall submit a height certification from a licensed land surveyor to validate that the SDP is not necessary and the project is in compliance with the Park Del Mar Development Regulations.

- IV. *If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the applicant obtaining the required permit or approval from the other agency.*

As a condition of project approval, the Applicant will be required to obtain approval from the California Coastal Commission (CCC) prior to the issuance of Building Permits.

5. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicant shall provide for and adhere to the following conditions:

A. Community Development Department Conditions:

- I. The Applicant shall pay required Public Facilities Fees, as established by SBMC Section 17.72.020 and Resolution 1987-36.
- II. Building Permit plans must be in substantial conformance with the plans presented to the City Council on December 13, 2017 and located in the project file with a submittal date of November 2, 2017.
- III. Prior to requesting a framing inspection, the Applicant will be required to submit a height certification signed by a licensed land surveyor certifying that the residence will not exceed 15 feet in height above the existing grade or 189 feet above MSL.
- IV. Any proposed onsite fences, walls, and retaining walls and any proposed railing located on top, or any combination thereof, shall comply with applicable regulations of SBMC Section 17.20.040 and 17.60.070 (Fences and Walls).
- V. The Applicant shall obtain required CCC approval of a Coastal Development Permit, Waiver or Exemption as determined necessary

by the CCC, prior to the issuance of a Grading or Building Permit.

- VI. Native or drought tolerant and non-invasive plant materials and water conserving irrigation systems shall be incorporated into any proposed landscaping and compatible with the surrounding area to the extent feasible.
 - VII. Any new exterior lighting fixtures shall be in conformance with the City-Wide Lighting Regulations of SBMC 17.60.060.
 - VIII. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities that render them detrimental to the surrounding area.
- B. Fire Department Conditions: Please note that this list provides detailed Fire Department requirements and is not meant to be an all-inclusive plan check list of the Fire Department comments.
- V. OBSTRUCTION OF ROADWAYS DURING CONSTRUCTION: All roadways shall be a minimum of 24 feet in width during construction and maintained free and clear, including the parking of vehicles, in accordance with the California Fire Code and the Fire Department.
 - VI. ADDRESS NUMBERS: STREET NUMBERS: Approved numbers and/or addresses shall be placed on all new and existing buildings and at appropriate additional locations as to be plainly visible and legible from the street or roadway fronting the property from either direction of approach. Said numbers shall contrast with their background, and shall meet the following minimum standards as to size: 4" high with a ½" inch stroke width for residential buildings, 8" high with a ½" stroke for commercial and multi-family residential buildings, 12" high with a 1" stroke for industrial buildings. Additional numbers shall be required where deemed necessary by the Fire Marshal, such as rear access doors, building corners, and entrances to commercial centers.
 - VII. AUTOMATIC FIRE SPRINKLERS SYSTEM: ADDITIONS: An automatic sprinkler system installed in accordance with 903.3 may be required to be installed throughout structures when the addition is more than 50% of the existing building or when the altered building will exceed a fire flow of 1,500 gallons per minute as calculated per section 507.3. The fire code official may require an automatic sprinkler system be installed in buildings where no water main exists to provide the required fire flow or where a special hazard exists such as: poor access roads, grade, bluffs and canyon rims, hazardous brush and response times greater than 5 minutes by a fire department.

- VIII. AUTOMATIC FIRE SPRINKLERS: REMODELS: An automatic sprinkler system installed in accordance with section 903.3 may be required if the scope of work includes significant modification to the interior of the dwelling or the roof of the building, and the cost of the installation does not exceed 15 percent of the construction costs of the remodel. This section is not intended to require fire sprinkler retrofits for maintenance or improvements of the infrastructure around the structure. Maintenance shall be defined for this section as the normal replacement of existing fixtures. Examples of maintenance work include items such as flooring, plumbing repairs or windows. Improvements required by legislation such as the Americans with Disabilities Act (ADA) do not require fire sprinkler protection under this section.
 - IX. SMOKE DETECTORS/CARBON MONOXIDE ALARMS/FIRE SPRINKLER SYSTEMS: Smoke detectors/carbon monoxide alarms/fire sprinklers shall be inspected by the Solana Beach Fire Department.
 - X. CLASS "A" ROOF: All structures shall be provided with a Class "A" Roof covering to the satisfaction of the Solana Beach Fire Department.
- C. Engineering Department Conditions:
- I. The Applicant shall prepare a City of Solana Beach Storm Water Checklist for Minor Projects to address potential water quality impacts to ensure that pollutants and runoff from this development are reduced to the maximum extent practicable.
 - II. All construction demolition materials shall be recycled according to the City's Construction and Demolition recycling program and an approved waste management plan shall be submitted.
 - III. Obtain a Minor Grading Permit. Conditions prior to the issuance of a minor grading permit shall include, but not be limited to, the following:
 - a. The Grading Plan shall be prepared by a Registered Civil Engineer and approved by the City Engineer. On-site grading design and construction shall be in accordance with Chapter 15.40 of the Solana Beach Municipal Code.
 - b. All retaining walls and drainage structures shall be shown. Retaining walls shown on the minor Grading Plan shall conform to the San Diego Regional Standards or be designed by a civil engineer. Engineering calculations for all designed walls with a

surcharge and nonstandard walls shall be submitted at minor Grading Plan check. Retaining walls may not exceed the allowable height within the property line setback as determined by the City of Solana Beach Municipal Code.

- c. The Applicant is responsible to protect the adjacent properties during construction. If any grading or other types or construction are anticipated beyond the property lines, the Applicant shall obtain a written permission from the adjoining property owners for incidental grading or construction that may occur and submit the letter to the City Engineer prior to the anticipated work.
- d. Pay minor Grading Plan check fee in accordance with the current Engineering Fee Schedule at initial grading plan submittal. Inspection fees shall be paid prior to issuance of the minor Grading Permit.
- e. Obtain and submit minor grading security in a form prescribed by the City Engineer.
- f. Obtain a haul permit for import/export of soil. The Applicant shall transport all excavated material to a legal disposal site.
- g. Submit certification from the Engineer of Record and the Soils Engineer that all public or private drainage facilities and finished grades are functioning and are installed in accordance with the approved plans. This shall be accomplished by the Engineer of Record incorporating as-built conditions on the Mylar grading plans and obtaining signatures of the Engineer of Record and the Soils Engineer certifying the as-built conditions.
- h. An Erosion Prevention and Sediment Control Plan shall be prepared. Best Management Practices shall be developed and implemented to manage storm water and non-storm water discharges from the site during excavation and grading activities. Erosion prevention shall be emphasized as the most important measure for keeping sediment on site during excavation and grading activities. Sediment controls shall be used as a supplement to erosion prevention for keeping sediment on site.
- i. Show all proposed on-site private drainage facilities intended to discharge water run-off. Elements of this design shall include a hydrologic and hydraulic analysis verifying the adequacy of the facilities and identify any construction of drainage structures shall comply with the standards set forth by the San Diego Regional Standard Drawings.

- j. Post Construction best Management Practices meeting City and RWQCB Order No. R9-2013-001 requirements shall be implemented in the drainage design.
 - k. No increased lot drainage shall be allowed.
6. ENFORCEMENT: Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.16 and 1.18 in addition to any applicable revocation proceedings.
7. EXPIRATION: The DRP and SDP for the project will expire 24 months from the date of this Resolution, unless the Applicant has obtained building permits and have commenced construction prior to that date, and diligently pursued construction to completion. An extension of the application may be granted by the City Council, subject to SBMC Section 17.72.110.
8. INDEMNIFICATION AGREEMENT: The Applicant shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicant of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicant shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicant regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicant shall not be required to pay or perform any settlement unless such settlement is approved by the Applicant.

NOTICE TO APPLICANTS: Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, dedications, reservations or other exactions described in this resolution commences on the effective date of this resolution. To protest the imposition of any fee, dedications, reservations or other exactions described in this resolution you must comply with the provisions of Government Code Section 66020. Generally the resolution is effective upon expiration of the tenth day following the date of adoption of this resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, held on the 13th day of December 2017, by the following vote:

AYES: Councilmembers –

NOES: Councilmembers –

ABSENT: Councilmembers –

ABSTAIN: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: March 22, 2017
ORIGINATING DEPT: Community Development Department
SUBJECT: **Public Hearing: Request for a Development Review Permit for a Square Footage Addition to an Existing Single-Family Residence and Garage at 781 E. Solana Circle (Case # 17-16-42 Applicants: Linda Corsetti; Resolution No. 2017-040)**

BACKGROUND:

The Applicant, Linda Corsetti, is requesting Council approval of a Development Review Permit (DRP) to construct a 948 square foot addition to an existing single-story, single-family residence and garage on a 7,613 square-foot lot in the Medium Residential (MR) Zone and Park Del Mar Development. The Applicant is also proposing to construct an approximately 200 square foot roof deck over the southeast corner of the residence. The maximum building height would be 15 feet and 189 feet above Mean Sea Level (MSL). The project includes 33.16 cubic yards of excavation for footings and 13.7 cubic yards of excavation and recompaction. The project requires a DRP for construction in excess of 60% of the maximum allowable floor area.

The issue before the Council is whether to approve, approve with conditions, or deny the Applicants' request.

DISCUSSION:

The 7,613 square-foot lot is a panhandle shape located on the north side of East Solana Circle. The site is currently developed with a 1,250 square-foot, single-story, single-family residence with a detached 200 square foot garage. The proposed addition would add 264 square feet to the existing garage and 684 square feet to the existing residence. After construction the garage would be attached to the residence. The project plans are provided in Attachment 1.

The property is zoned MR, however, it is also located in the Park Del Mar Development, which has specific development regulations (Attachment 2) set forth in a Use Permit

CITY COUNCIL ACTION:

issued in 1963 by the County of San Diego prior to the City's incorporation. The Park Del Mar Development regulations, therefore, supersede those of the MR Zone. At the request of the Park Del Mar Homeowner's Association, the Solana Beach City Council approved a Conditional Use Permit in 2001 to modify the Use Permit issued by the County to clarify the specific development regulations, which differ from the underlying zone. The primary use of each site in the development is limited to one detached, single-family dwelling with one garage or carport. Each dwelling unit is limited to a maximum of 2,000 square feet and the garage or carport to a maximum of 600 square feet. In addition, the overall square footage on the site cannot exceed 2,400 square feet. In accordance with underlying SBMC Zoning regulations, detached accessory structures are permitted and are deducted from the total allowed garage or carport square footage. The regulations also limit all structure heights to 16 feet above the lower of finished or proposed grade. Specific setback dimensions are also provided for each lot in the community. As proposed, the project complies with the regulations of the Park Del Mar Development.

Table 1 (below) provides a comparison of the Park Del Mar Development regulations with the Applicants' proposed design.

Table 1			
LOT INFORMATION			
Property Address:	781 E. Solana Cir.	Zoning Designation:	Park Del Mar (MR)
Lot Size:	7,613 SF	# of Units Allowed:	1 Dwelling Unit
Max. Allowable Living SF	2,000 SF	# of Units Requested:	1 Dwelling Unit
Max. Allowable Garage SF	600 SF	Setbacks:	Required Proposed
Max. Allowable Total SF	2,400 SF	Front	10' - 0" 10' - 0"
Proposed Total SF	2,398 SF	Side (west)	5' - 0" 6' - 0"
Below Max. SF by	2 SF	Side (east)*	7' - 6" 7' - 6"
Max. Allowable Height:	16.00 ft	Rear	10' - 0" 27' - 6"
Max. Proposed Height:	15.0 ft	*Side-yard setback is 5'-0" however, there is an additional 30" setback from the sidewalk required by the Park Del Mar HOA	
Highest Point/Ridge:	189 MSL		
PROPOSED PROJECT INFORMATION			
Square Footage / Floor Area Breakdown:		Required Permits: The project requires a DRP for construction in excess of 60% of the maximum allowable floor area.	
Existing Living Area:	1,250 SF		
Proposed Addition:	684 SF		
Existing Garage:	200 SF		
Proposed Garage Addition:	264 SF		
Subtotal:	2,398 SF		
Garage Exemption:	- 400 SF		
Total Proposed Floor Area:	1,998 SF		
Proposed Grading:			
Excavation for Building/Wall Footings: 33.16 yd ³		Excavation and Recompaction: 13.7 yd ³	
Proposed Parking: Attached 2-car garage		Existing Development:	
Proposed Fences and Walls: Yes		Single-Family Residence and Detached Garage	
Proposed Accessory Structure: No			

Staff has prepared draft findings for approval of the project in the attached Resolution 2017-040 (Attachment 3) for Council's consideration based upon the information in this report. The Applicable SBMC sections are provided in italicized text and conditions from the Planning, Engineering and Fire Departments are incorporated in the Resolution of Approval. The Council may direct Staff to modify the Resolution to reflect the findings and conditions it deems appropriate as a result of the public hearing process. If the Council determines the project is to be denied, Staff will prepare a Resolution of Denial for an action to be taken at a subsequent Council meeting.

The following is a discussion of the findings for a DRP as each applies to the proposed project, as well as, references to recommended conditions of approval contained in Resolution 2017-040.

Development Review Permit Compliance (SBMC Section 17.68.40):

A DRP is required because the total proposed floor area exceeds 60% of the maximum allowable. The total floor area proposed is 1,998 square feet and 2,400 square feet is the maximum. Therefore, the proposal is 83% of the allowable floor area.

In addition to meeting the Park Del Mar Development specific regulations and any other underlying zoning requirements, the project must also be found in compliance with development review criteria. The following is a list of the development review criteria topics:

1. Relationship with Adjacent Land Uses
2. Building and Structure Placement
3. Landscaping
4. Roads, Pedestrian Walkways, Parking, and Storage Areas
5. Grading
6. Lighting
7. Usable Open Space

The Council may approve, or conditionally approve, a DRP only if all of the findings listed below can be made. Resolution 2017-040 provides the full discussion of the required findings below:

1. The proposed development is consistent with the general plan and all applicable requirements of this title, including special regulations, overlay zones, and specific plans.
2. The proposed development complies with the development review criteria.
3. All required permits and approvals issued by the city, including variances, conditional use permits, comprehensive sign plans, and coastal development permits have been obtained prior to or concurrently with the development review permit.

4. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the applicant obtaining the required permit or approval from the other agency.

If the above findings cannot be made, the Council shall deny the DRP. The following is a discussion of the applicable development review criteria as they relate to the proposed project.

Relationship with Adjacent Land Uses:

The property is located within the Medium Residential (MR) Zone and Park Del Mar Development. Properties surrounding the lot located within the same zone and also part of the Park Del Mar Development. They are developed with one-story, single-family residences. The project site is currently developed with a one-story, single-family residence and a detached garage and the proposed project would allow for a remodel and 948 square foot addition. The project, as designed, is consistent with the specific development standards of the Park Del Mar Development as well as the permitted uses of the underlying MR Zone as described in SBMC Sections 17.20.010 and 17.12.020. The proposed development could be found to be consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

The property is not located within any other specific plan areas. As a condition of project approval, the Applicants would be required to obtain a Coastal Development Permit, Waiver or Exemption from the California Coastal Commission prior to the issuance of a Building Permit.

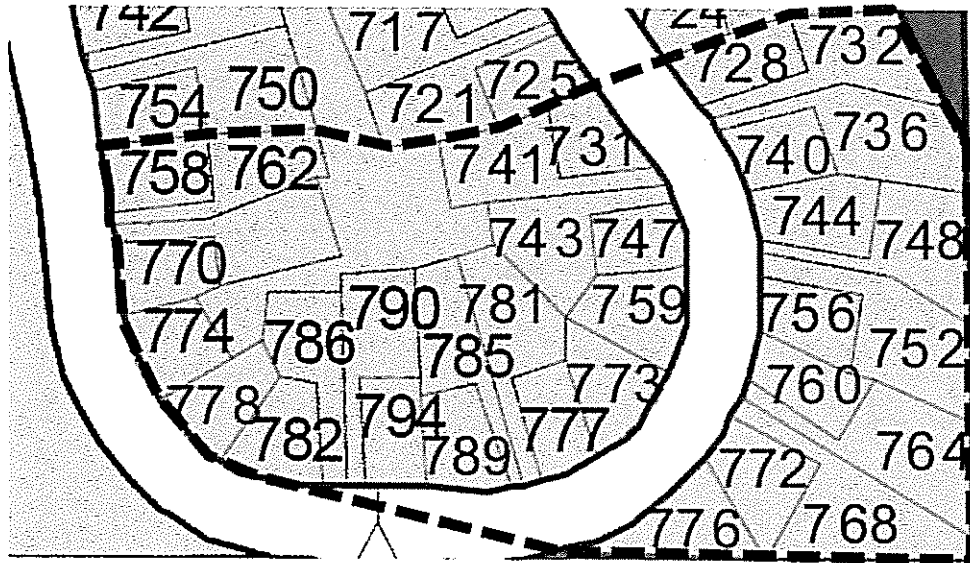
Building and Structure Placement:

The Park Del Mar Development regulations allow reduced setback areas as compared to the underlying MR Zone. They also limit maximum structure height to 16 feet above the existing grade. The project would comply with the setbacks and height restrictions set forth in the Park Del Mar Development Regulations.

The existing property is relatively flat and the Applicant is not proposing changes to the grade except for the proposed footings for the additional square footage and the site walls. The proposed improvements consist of square footage additions to the residence and the detached garage that would attach the garage to the residence. Pedestrian and vehicular access would be maintained on the southwest side of the residence from the existing shared driveway. The Applicant proposes to remove existing landscape area and provide 224 square feet of new hardscape for a rear patio area on the north side of the residence and remove four existing trees to be replaced with 48 square feet of irrigated lawn. The Applicant also proposes to construct an approximately 200 square-foot, uncovered roof deck over the southeast side of the residence.

Neighborhood Comparison:

Staff compared the proposed project to 31 other properties within the surrounding area. As shown on the following Zoning Map, they include other properties in the Park Del Mar Development along West Solana Circle and East Solana Circle.



The neighboring Park Del Mar residences consist of single-story, single-family homes ranging in size from 1,202 square feet to 1,991 square feet, according to the County Assessor records. It should be noted that the County Assessor does not include garages, covered porches, unfinished basements or accessory buildings in the total square footage. Accordingly, the building area of the proposed project has been calculated for comparison purposes by deleting the area of the garage as follows:

Project Gross Building Area:	2,398 ft ²
Delete Garage Area:	- 464 ft ²
<u>Project Area for Comparison to Assessor's Data</u>	<u>1,934 ft²</u>

Table 2 is based upon the County Assessor's data and SanGIS data. It contains neighboring lot sizes, the square footage of existing development and the maximum allowable square footage for potential development on each lot.

Table 2						
#	Property Address	Lot Size in ft ² (SanGIS)	Existing ft ² (Assessor)	Proposed / Recently Approved ft ²	Max. Allowable ft ²	Zone
1	758 W. Solana Cir.	4,607	1,262		2,400	MR/PDM
2	762 W. Solana Cir.	5,993	1,240		2,400	MR/PDM
3	766 W. Solana Cir.	7,176	1,420		2,400	MR/PDM
4	770 W. Solana Cir.	4,423	1,202		2,400	MR/PDM
5	774 W. Solana Cir.	4,736	1,267		2,400	MR/PDM

6	778 W. Solana Cir.	4869	1,240		2,400	MR/PDM
7	782 W. Solana Cir.	5,096	1,397		2,400	MR/PDM
8	786 W. Solana Cir.	6,281	1,454		2,400	MR/PDM
9	790 W. Solana Cir.	6,873	1,210		2,400	MR/PDM
10	794 E. Solana Cir.	4,534	1,627		2,400	MR/PDM
11	789 E. Solana Cir.	4,537	1,574		2,400	MR/PDM
12	785 E. Solana Cir.	6,111	1,480		2,400	MR/PDM
13	781 E. Solana Cir.	7,613	1,250	1,934	2,400	MR/PDM
14	777 E. Solana Cir.	4,412	1,795		2,400	MR/PDM
15	773 E. Solana Cir.	5,109	1,972		2,400	MR/PDM
16	759 E. Solana Cir.	5,728	1,379		2,400	MR/PDM
17	747 E. Solana Cir.	3,968	1,330		2,400	MR/PDM
18	743 E. Solana Cir.	7,026	1,810		2,400	MR/PDM
19	741 E. Solana Cir.	7,154	1,262		2,400	MR/PDM
20	731 E. Solana Cir.	3,806	1,777		2,400	MR/PDM
21	713 E. Solana Cir.	4,437	1,542		2,400	MR/PDM
22	728 E. Solana Cir.	7,983	1,456		2,400	MR/PDM
23	736 E. Solana Cir.	9,403	1,552		2,400	MR/PDM
24	744 E. Solana Cir.	5,716	1,575		2,400	MR/PDM
25	748 E. Solana Cir.	8,066	1,991		2,400	MR/PDM
26	752 E. Solana Cir.	9,541	1,655		2,400	MR/PDM
27	756 E. Solana Cir.	4,461	1,591		2,400	MR/PDM
28	760 E. Solana Cir.	4,596	1,468		2,400	MR/PDM
29	764 E. Solana Cir.	9,686	1,717		2,400	MR/PDM
30	768 E. Solana Cir.	10,367	1,726		2,400	MR/PDM
31	772 E. Solana Cir.	5,783	1,643		2,400	MR/PDM
32	776 E. Solana Cir.	6,087	1,955		2,400	MR/PDM

Fences, Walls and Retaining Walls:

Within the front yard setback area, the SBMC allows fences and walls or any combination thereof, to be no higher than 42 inches in height as measured from existing grade, except for an additional two feet of fence that is at least 80% open to light. Fences, walls and retaining walls located within the rear and interior side yards are allowed to be up to six feet in height with an additional 24 inches that is 50% open to light and air.

The Applicant is proposing to construct a 6 foot tall stucco wall next to the residence at the west property line that will step down to approximately 3.5 feet where adjacent to the usable rear yard area within the buildable area of the lot. Three additional stucco walls that are 3.5 feet in height are proposed along the northern and eastern sides of the usable rear yard area within the buildable area of the lot. As proposed, the fences and walls would comply with the fence and wall regulations. If the Applicant decides to modify any of the design of the proposed fences and walls or construct additional

fences and walls, a condition of project approval indicates that they would be required to be in compliance with SBMC 17.20.040(O) and 17.60.070(C) and (D).

Landscape:

The project is not subject to the water efficient landscaping regulations of SBMC Chapter 17.56. According to SBMC Section 17.56.040, the regulations apply to modified irrigated landscaped areas that exceed 500 square feet. The proposed project would reduce the existing landscaped area by 204 square feet under the proposed footprint of the additions. In addition, 224 existing lawn will be removed and replaced with hardscape and four trees will be removed and replaced with 48 square feet of lawn. A condition of project approval has been added to indicate that native or drought-tolerant and non-invasive plant materials and water conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

Parking:

SBMC Section 17.52.040 and the Off Street Parking Design Manual require two (2) parking spaces for a single-family residence. The Applicant is proposing a 264 square foot addition to the existing 200 square foot detached garage. The proposed square footage addition would attach the garage to the residence. The attached garage would provide two off-street parking spaces that are 9' X 19' and clear of obstruction, therefore the proposed project would be in compliance with the parking standards. In addition the proposed 464 square foot garage would be less than 600 square feet which is the maximum area permitted by the Park Del Mar regulations.

Grading:

The proposed grading quantities include 33.16 cubic yards for the excavation for the new footings for the square foot additions and for the footings for the proposed site walls. The project also includes the excavation and recompaction of 13.7 cubic yards of soil for the new slab on grade foundation. The proposed total aggregate amount of grading is 46.86 cubic yards.

Lighting:

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding area.

Usable Open Space:

The project consists of the construction of an addition to an existing single-family residence, therefore, usable open space and recreational facilities are neither proposed nor required according to SBMC Section 17.20.040.

Structure Development Permit Compliance:

In accordance with the specific development regulations set forth for the Park Del Mar Development, the residence would not exceed 16 feet in height. Therefore, the Applicants are not required to obtain a Structure Development Permit. The Park Del Mar Development performs an internal review of projects prior to the City's review in which view preservation is taken into consideration. The Applicants installed story poles and obtained authorization from the Park Del Mar Homeowners Association prior to pursuing authorization from the City.

The project plans show the maximum structure height at 15 feet above the adjacent grade. A condition of approval has been included to require the Applicant to submit a height certificate prepared by a licensed land surveyor prior to the framing inspection certifying that the maximum height of the proposed addition will not exceed 15 feet above the proposed grade or 189 feet above the Mean Sea Level (MSL), which is the maximum proposed height reflected on the project plans.

Public Hearing Notice:

Notice of the City Council Public Hearing for the project was published in the Union Tribune more than 10 days prior to the public hearing. The same public notice was mailed to property owners and occupants within 300 feet of the proposed project site on March 9, 2017. As of the date of preparation of this Staff Report, Staff has not received any formal correspondence from neighbors or interested parties in support of, or in opposition to, the proposed project.

In conclusion, the proposed project, as conditioned, could be found to be consistent with the Park Del Mar Development regulations, the Zoning regulations, and the General Plan.

CEQA COMPLIANCE STATEMENT:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 of the State CEQA Guidelines. Section 15303 is a Class 3 exemption for new construction or the conversion of small structures. Examples of this exemption include one single-family residence or second dwelling unit in a residential zone. In urbanized areas, up to three-single-family residences may be constructed or converted under this exemption.

FISCAL IMPACT: N/A

WORKPLAN: N/A

OPTIONS:

- Approve Staff recommendation adopting the attached Resolution 2017-040.

- Approve Staff recommendation subject to additional specific conditions necessary for the City Council to make all required findings for the approval of a DRP.
- Deny the project if all required findings for the DRP cannot be made.

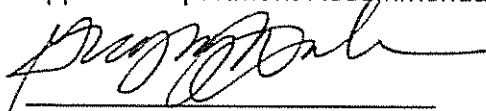
DEPARTMENT RECOMMENDATION:

The proposed project meets the minimum objective requirements under the Park Del Mar Development regulations and the underlying SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt Resolution 2017-040 conditionally approving a DRP to allow for the construction of a 948 square foot addition to the existing, one-story, single-family residence and garage at 781 East Solana Circle.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Project Plans
2. Park Del Mar Development Regulations
3. Resolution 2017-040

RESOLUTION 2017-040

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONDITIONALLY APPROVING A DEVELOPMENT REVIEW PERMIT FOR THE CONSTRUCTION OF A SQUARE FOOTAGE ADDITION TO AN EXISTING SINGLE-FAMILY RESIDENCE AND ASSOCIATED IMPROVEMENTS ON A PROPERTY WITHIN THE PARK DEL MAR DEVELOPMENT, LOCATED AT 781 EAST SOLANA CIRCLE, SOLANA BEACH

APPLICANT: Linda Corsetti
CASE NO.: DRP 17-16-42

WHEREAS, Linda Corsetti (hereinafter referred to as "Applicants") have submitted an application for a Development Review Permit (DRP) pursuant to Title 17 (Zoning), of the Solana Beach Municipal Code (SBMC); and

WHEREAS, the Public Hearing was conducted pursuant to the provisions of Solana Beach Municipal Code Section 17.72.030; and

WHEREAS, at the Public Hearing on March 22, 2017 the City Council received and considered evidence concerning the proposed application; and

WHEREAS, the City Council of the City of Solana Beach found the application request exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and

WHEREAS, this decision is based upon the evidence presented at the hearing and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. That the project is exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines.
3. That the request for a DRP to construct a 948 square foot addition to an existing single-story, single-family residence and garage on a 7,613 square-foot lot in the Medium Residential (MR) Zone and Park Del Mar Development, is conditionally approved based upon the following Findings and subject to the following Conditions:

4. FINDINGS

- A. In accordance with Section 17.68.040 (Development Review Permit) of the City of Solana Beach Municipal Code, the City Council finds the following:

- I. *The proposed project is consistent with the General Plan and all applicable requirements of SBMC Title 17 (Zoning Ordinance), including special regulations, overlay zones, and specific plans.*

General Plan Consistency: The project, as conditioned, is consistent with the City's General Plan designation of Medium Density Residential, which allows for five to seven dwelling units per acre. Further, the proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

Zoning Ordinance Consistency: The proposed project is consistent with all applicable requirements of the Zoning Ordinance (Title 17) Permitted Uses and Structures (SBMC 17.20.020), which provides for use of the property as a single-family residence. The proposed project also adheres to the specific development regulations established for the Park Del Mar Development.

The design of the project is consistent with the provisions for minimum setbacks, the maximum floor area ratio (FAR), maximum building height, and parking requirements.

- II. *The proposed development complies with the following development review criteria set forth in Solana Beach Municipal Code Section 17.68.040(F):*

- a. *Relationship with Adjacent Land Uses: The development shall be designed in a manner compatible with and where feasible, complimentary to existing and potential development in the immediate vicinity of the project site. Site planning on the perimeter of the development shall give consideration to the protection of surrounding areas from potential adverse effects, as well as protection of the property from adverse surrounding influences.*

The project is consistent with the permitted uses and development standards of the Park Del Mar Development Regulations and the underlying Medium Residential (MR) Zone as described in SBMC Sections 17.20.010 and 17.12.020. The proposed development is consistent with the objectives of the General Plan as it encourages the development and maintenance of healthy residential neighborhoods, the stability of transitional neighborhoods, and the rehabilitation of deteriorated neighborhoods.

The property is not located within any of the City's Specific Plan areas; however, it is located within the boundaries of the Coastal Zone. The Applicant is required to obtain a Coastal Development

Permit, Waiver or Exemption from the California Coastal Commission (CCC) prior to the issuance of a Building Permit.

- b. *Building and Structure Placement: Buildings and structures shall be sited and designed in a manner which visually and functionally enhances their intended use.*

The Park Del Mar Development regulations allow reduced setback areas as compared to the underlying MR Zone. They also limit maximum structure height to 16 feet above the existing grade. The project would comply with the setbacks and height restrictions set forth in the Park Del Mar Development Regulations.

The existing property is relatively flat and the Applicant is not proposing changes to the grade except for the proposed footings for the additional square footage and the site walls. The proposed improvements consist of square footage additions to the residence and the detached garage that would attach the garage to the residence. Pedestrian and vehicular access would be maintained on the southwest side of the residence from the existing shared driveway. The Applicant proposes to provide new hardscape for a rear patio area on the north side of the residence and remove four existing trees to be replaced with 48 square feet of irrigated lawn. The Applicant also proposes to construct an approximately 200 square-foot, uncovered roof deck over the southeast side of the residence.

- c. *Landscaping: The removal of significant native vegetation shall be minimized. Replacement vegetation and landscaping shall be compatible with the vegetation of the surrounding area. Trees and other large plantings shall not obstruct significant views when installed or at maturity.*

The project is not subject to the water efficient landscaping regulations of SBMC Chapter 17.56. According to SBMC Section 17.56.040, the regulations apply to modified irrigated landscaped areas that exceed 500 square feet. The proposed project would reduce the existing landscaped area by 204 square feet under the proposed footprint of the additions. In addition, 224 existing lawn will be removed and replaced with hardscape and four trees will be removed and replaced with 48 square feet of lawn. A condition of project approval has been added to indicate that native or drought-tolerant and non-invasive plant materials and water conserving irrigation systems are required to be incorporated into the landscaping to the extent feasible.

- d. *Roads, Pedestrian Walkways, Parking and Storage Areas: Any development involving more than one building or structure shall provide common access roads and pedestrian walkways. Parking and outside storage areas, where permitted, shall be screened from view, to the extent feasible, by existing topography, by the placement of buildings and structures, or by landscaping and plantings.*

SBMC Section 17.52.040 and the Off Street Parking Design Manual require two (2) parking spaces for a single-family residence. The Applicant is proposing a 264 square foot addition to the existing 200 square foot detached garage. The proposed square footage addition would attach the garage to the residence. The attached garage would provide two off-street parking spaces that are 9' X 19' and clear of obstruction, therefore the proposed project would be in compliance with the parking standards. In addition the proposed 464 square foot garage would be less than 600 square feet which is the maximum area permitted by the Park Del Mar regulations.

- e. *Grading: To the extent feasible, natural topography and scenic features of the site shall be retained and incorporated into the proposed development. Any grading or earth-moving operations in connection with the proposed development shall be planned and executed so as to blend with the existing terrain both on and adjacent to the site. Existing exposed or disturbed slopes shall be landscaped with native or naturalized non-native vegetation and existing erosion problems shall be corrected.*

The proposed grading quantities include 33.16 cubic yards for the excavation for the new footings for the square foot additions and for the footings for the proposed site walls. The project also includes the excavation and recompaction of 13.7 cubic yards of soil for the new slab on grade foundation. The proposed total aggregate amount of grading is 46.86 cubic yards.

- f. *Lighting: Light fixtures for walkways, parking areas, driveways, and other facilities shall be provided in sufficient number and at proper locations to assure safe and convenient nighttime use. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities as to be detrimental to the surrounding areas per SBMC 17.60.060 (Exterior Lighting Regulations).*

A condition of project approval includes that all new exterior lighting fixtures comply with the City-Wide Lighting Regulations of the Zoning Ordinance (SBMC 17.60.060). All light fixtures shall be shielded so that no light or glare is transmitted or reflected in such

concentrated quantities or intensities as to be detrimental to the surrounding area.

- g. Usable Open Space: Recreational facilities proposed within required usable open space shall be located and designed to maintain essential open space values.*

The project consists of the construction of a square footage addition to a one-story, single-family residence and garage; therefore, usable open space and recreational facilities are neither proposed nor required according to SBMC Section 17.20.040.

- III. All required permits and approvals issued by the City, including variances, conditional use permits, comprehensive sign plans, and coastal development permits, have been obtained prior to or concurrently with the development review permit.*

All required permits are being processed concurrently with the DRP. As a condition of project approval, the Applicants will be required to obtain approval from the CCC prior to issuance of Building Permits.

The project will not exceed 16 feet above the existing grade; therefore, a Structure Development Permit (SDP) is not required. However, the project is proposed at 15 feet above the existing grade; therefore, as a condition of project approval, the Applicants will be required to submit a height certification from a licensed land surveyor to validate that the SDP is not necessary and the project is in compliance with the Park Del Mar Development Regulations.

- IV. If the development project also requires a permit or approval to be issued by a state or federal agency, the city council may conditionally approve the development review permit upon the applicant obtaining the required permit or approval from the other agency.*

As a condition of project approval, the Applicants will be required to obtain approval from the California Coastal Commission (CCC) prior to the issuance of Building Permits.

5. CONDITIONS

Prior to use or development of the property in reliance on this permit, the Applicants shall provide for and adhere to the following conditions:

A. Community Development Department Conditions:

- I. The Applicants shall pay required Public Facilities Fees, as established by SBMC Section 17.72.020 and Resolution 1987-36.

- II. Building Permit plans must be in substantial conformance with the plans presented to the City Council on March 22, 2017 and located in the project file with a submittal date of March 13, 2017.
 - III. Prior to requesting a framing inspection, the Applicants will be required to submit a height certification signed by a licensed land surveyor certifying that the residence will not exceed 15 feet in height above the existing grade or 189 feet above MSL.
 - IV. Any proposed onsite fences, walls, and retaining walls and any proposed railing located on top, or any combination thereof, shall comply with applicable regulations of SBMC Section 17.20.040 and 17.60.070 (Fences and Walls).
 - V. The Applicants shall obtain required CCC approval of a Coastal Development Permit, Waiver or Exemption as determined necessary by the CCC, prior to the issuance of a Grading or Building Permit.
 - VI. Native or drought tolerant and non-invasive plant materials and water conserving irrigation systems shall be incorporated into any proposed landscaping and compatible with the surrounding area to the extent feasible.
 - VII. Any new exterior lighting fixtures shall be in conformance with the City-Wide Lighting Regulations of SBMC 17.60.060.
 - VIII. All light fixtures shall be appropriately shielded so that no light or glare is transmitted or reflected in such concentrated quantities or intensities that render them detrimental to the surrounding area.
- B. Fire Department Conditions: Please note that this list provides detailed Fire Department requirements and is not meant to be an all-inclusive plan check list of the Fire Department comments.
- V. OBSTRUCTION OF ROADWAYS DURING CONSTRUCTION: All roadways shall be a minimum of 24 feet in width during construction and maintained free and clear, including the parking of vehicles, in accordance with the California Fire Code and the Fire Department.
 - VI. ADDRESS NUMBERS: STREET NUMBERS: Approved numbers and/or addresses shall be placed on all new and existing buildings and at appropriate additional locations as to be plainly visible and legible from the street or roadway fronting the property from either direction of approach. Said numbers shall contrast with their background, and shall meet the following minimum standards as to size: 4" high with a ½" inch stroke width for residential buildings, 8" high with a ½" stroke for

commercial and multi-family residential buildings, 12" high with a 1" stroke for industrial buildings. Additional numbers shall be required where deemed necessary by the Fire Marshal, such as rear access doors, building corners, and entrances to commercial centers.

- VII. **AUTOMATIC FIRE SPRINKLERS SYSTEM: ADDITIONS:** An automatic sprinkler system installed in accordance with 903.3 may be required to be installed throughout structures when the addition is more than 50% of the existing building or when the altered building will exceed a fire flow of 1,500 gallons per minute as calculated per section 507.3. The fire code official may require an automatic sprinkler system be installed in buildings where no water main exists to provide the required fire flow or where a special hazard exists such as: poor access roads, grade, bluffs and canyon rims, hazardous brush and response times greater than 5 minutes by a fire department.
 - VIII. **AUTOMATIC FIRE SPRINKLERS: REMODELS:** An automatic sprinkler system installed in accordance with section 903.3 may be required if the scope of work includes significant modification to the interior of the dwelling or the roof of the building, and the cost of the installation does not exceed 15 percent of the construction costs of the remodel. This section is not intended to require fire sprinkler retrofits for maintenance or improvements of the infrastructure around the structure. Maintenance shall be defined for this section as the normal replacement of existing fixtures. Examples of maintenance work include items such as flooring, plumbing repairs or windows. Improvements required by legislation such as the Americans with Disabilities Act (ADA) do not require fire sprinkler protection under this section.
 - IX. **SMOKE DETECTORS/CARBON MONOXIDE ALARMS/FIRE SPRINKLER SYSTEMS:** Smoke detectors/carbon monoxide alarms/fire sprinklers shall be inspected by the Solana Beach Fire Department.
 - X. **CLASS "A" ROOF:** All structures shall be provided with a Class "A" Roof covering to the satisfaction of the Solana Beach Fire Department.
- C. **Engineering Department Conditions:**
- I. The Applicant shall prepare a City of Solana Beach Storm Water Checklist for Minor Projects to address potential water quality impacts to ensure that pollutants and runoff from this development are reduced to the maximum extent practicable.
 - II. All construction demolition materials shall be recycled according to the City's Construction and Demolition recycling program and an approved waste management plan shall be submitted.

- III. Obtain a Minor Grading Permit. Conditions prior to the issuance of a minor grading permit shall include, but not be limited to the following:
 - a. The Grading Plan shall be prepared by a Registered Civil Engineer and approved by the City Engineer. On-site grading design and construction shall be in accordance with Chapter 15.40 of the Solana Beach Municipal Code.
 - b. All retaining walls and drainage structures shall be shown. Retaining walls shown on the minor grading plan shall conform to the San Diego Regional Standards or be designed by a civil engineer. Engineering calculations for all designed walls with a surcharge and nonstandard walls shall be submitted at minor Grading Plan check. Retaining walls may not exceed the allowable height within the property line setback as determined by the City of Solana Beach Municipal Code.
 - c. The Applicant is responsible to protect the adjacent properties during construction. If any grading or other types or construction are anticipated beyond the property lines, the Applicant shall obtain a written permission from the adjoining property owners for incidental grading or construction that may occur and submit the letter to the City Engineer prior to the anticipated work.
 - d. Pay minor Grading Plan check fee in accordance with the current Engineering Fee Schedule at initial grading plan submittal. Inspection fees shall be paid prior to issuance of the minor Grading Permit.
 - e. Obtain and submit minor grading security in a form prescribed by the City Engineer.
 - f. Obtain a haul permit for important/ export of soil. The Applicant shall transport all excavated material to a legal disposal site.
 - g. Submit certification from the Engineer of Record and the Soils Engineer that all public or private drainage facilities and finished grades are functioning and are installed in accordance with the approved plans. This shall be accomplished by the Engineer of Record incorporating as-built conditions on the Mylar grading plans and obtaining signatures of the Engineer of Record and the Soils Engineer certifying the as-built conditions.
 - h. An Erosion Prevention and Sediment Control Plan shall be prepared. Best Management Practices shall be developed and implemented to manage storm water and non-storm water discharges from the site during excavation and grading activities.

Erosion prevention shall be emphasized as the most important measure for keeping sediment on site during excavation and grading activities. Sediment controls shall be used as a supplement to erosion prevention for keeping sediment on site.

- i. Show all proposed on-site private drainage facilities intended to discharge water run-off. Elements of this design shall include a hydrologic and hydraulic analysis verifying the adequacy of the facilities and identify any construction of drainage structures shall comply with the standards set forth by the San Diego Regional Standard Drawings.
 - j. Post Construction best Management Practices meeting City and RWQCB Order No. R9-2013-001 requirements shall be implemented in the drainage design.
 - k. No increased lot drainage shall be allowed.
6. ENFORCEMENT: Pursuant to SBMC 17.72.120(B) failure to satisfy any and all of the above-mentioned conditions of approval is subject to the imposition of penalties as set forth in SBMC Chapters 1.16 and 1.18 in addition to any applicable revocation proceedings.
7. EXPIRATION: The DRP and SDP for the project will expire 24 months from the date of this Resolution, unless the Applicant has obtained building permits and have commenced construction prior to that date, and diligently pursued construction to completion. An extension of the application may be granted by the City Council, subject to SBMC Section 17.72.110.

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8. INDEMNIFICATION AGREEMENT: The Applicants shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicants of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicants shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicants regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicants shall not be required to pay or perform any settlement unless such settlement is approved by the Applicants.

NOTICE TO APPLICANTS: Pursuant to Government Code Section 66020, you are hereby notified that the 90-day period to protest the imposition of the fees, dedications, reservations or other exactions described in this resolution commences on the effective date of this resolution. To protest the imposition of any fee, dedications, reservations or other exactions described in this resolution you must comply with the provisions of Government Code Section 66020. Generally the resolution is effective upon expiration of the tenth day following the date of adoption of this resolution, unless the resolution is appealed or called for review as provided in the Solana Beach Zoning Ordinance.

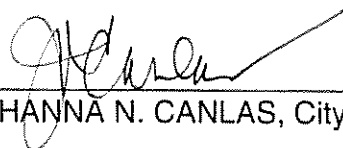
PASSED AND ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, held on the 22nd day of March 2017, by the following vote:

- AYES: Councilmembers – Nichols, Marshall, Zito, Hegenauer
- NOES: Councilmembers – None
- ABSTAIN: Councilmembers – None
- ABSENT: Councilmembers – Edson (recused)



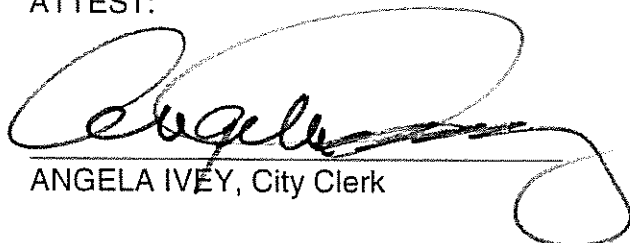
MIKE NICHOLS, Mayor

APPROVED AS TO FORM:



JOHANNA N. CANLAS, City Attorney

ATTEST:



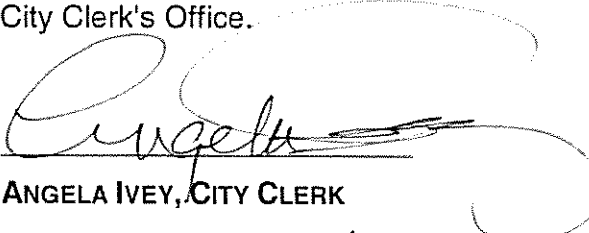
ANGELA IVEY, City Clerk



RESOLUTION CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO } §
CITY OF SOLANA BEACH }

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **Resolution 2017-040** *conditionally approving a Development Review Permit (DRP) at 781 E. Solana Cir., Case No. 17-16-42, Applicant: Corsetti* as duly passed and adopted at a Regular Solana Beach City Council meeting held on the 22nd day of March, 2017 and the original is on file in the City Clerk's Office.


ANGELA IVEY, CITY CLERK

CERTIFICATION DATE: March 29, 2017

HOA / DEVELOPMENT REVIEW SET

SOLANA CIRCLE RESIDENCE
781 E Solana Circle,
Solana Beach Ca, 92075

SOLANA CIRCLE
RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
GARY W. LEECH, AIA
1729 HOLLOWAY ST.
SAN DIEGO, CA 92113
TEL: 760-362-9468

PROJECT OWNER:
LINA CORSETTI
SOLANA CIRCLE RESIDENCE
SOLANA BEACH, CA 92075
TEL: 619-733-4413

ARCHITECT
GARY W. LEECH, AIA
1729 HOLLOWAY ST.
SAN DIEGO, CA 92113
TEL: 760-362-9468

PROJECT DIRECTORY

PROJECT OWNER:
LINA CORSETTI
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ARCHITECT
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SHEET INDEX

ARCHITECTURAL

- A00 - TITLE SHEET
- A10 - EXISTING SITE SURVEY
- A11 - PROPOSED SITE PLAN
- A12 - AREA SUMMARY CALCULATIONS
- A20 - PROPOSED FLOOR PLAN
- A21 - PROPOSED ROOF PLAN
- A22 - STAIR WALK PLAN
- A23 - EXTERIOR ELEVATION
- A30 - BUILDING SECTIONS
- A35 - 30 MEYS

No. Description Date
104-3-2016
104-3-2016
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104-3-2016
104-3-2016
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104-3-2016

TITLE SHEET

Project Number 1503
Date 01/11/2017
Drawn By GVL
Checked By AJ

A0.00

APPLICABLE CODES

1. THESE PLANS AND ALL WORK SHALL COMPLY WITH THE CALIFORNIA BUILDING CODE FOUND IN THE STATE OF CALIFORNIA TITLE 24 CODE AS AMENDED AND ADOPTED BY THE COUNTY OF SAN DIEGO.
2. THESE PLANS SHALL COMPLY WITH THE 2010 CALIFORNIA BUILDING CODE AND ALL APPLICABLE COUNTY OF SAN DIEGO CODES AND ORDINANCES.
3. APPLICABLE BUILDING CODES THE PROJECT SHALL COMPLY WITH THE FOLLOWING:
 - 2010 IRC
 - 2010 CBC
 - 2011 NBC
 - 2011 IBC
 - 2011 MEC SECTION 106.1
4. THE INSPECTOR WILL REQUIRE FOR EXPANSIVE SOILS AND/OR GRADING REQUIREMENTS AT THE FIRST FOUNDATION INSPECTION.
5. PROVIDE 42" HIGH GUARDRAIL FOR PORCHES, BALCONIES, DECKS AND OPEN SERIES OF LANDINGS. MAXIMUM CLEAR OPENING BETWEEN RAIL MEMBERS OF THE GUARDRAIL SHALL BE LESS THAN 4".

SCOPE OF WORK

PERMIT ADDITION TO AN EXISTING RESIDENCE. NEW ROOF DECK, NEW PORCH, NEW EXTERIOR & INTERIOR FINISHES. MAJOR LOT REVISIONS.

AREA SUMMARY

BUILDING AREAS:

EXISTING VS. PROPOSED AREA SUMMARY		GROSS AREA INCREASE: 948 SF	
EXISTING	PROPOSED	NON-HABITABLE GARAGE	HABITABLE
1,250 SF	1,534 SF	209 SF	441 SF
1,450 SF	2,398 SF		

SITE AREAS:

GROSS LOT AREA: 1,813 SF
NET LOT AREA: 9,209 SF

Category	Area (SF)	Percentage (%)
Garage	209	2.3%
Other	441	4.9%
Total	650	7.2%

Category	Area (SF)	Percentage (%)
Garage	209	2.3%
Other	441	4.9%
Total	650	7.2%

T-24 2013 NOTE:

Compliance with the applicable provisions of the 2013 Fire, Electrical, Plumbing, Mechanical, and Gas Codes shall be the responsibility of the contractor. The contractor shall provide all necessary permits for Building, Fire, and Gas. All work shall be done in accordance with the applicable codes and standards. The contractor shall be responsible for obtaining all necessary permits for Building, Fire, and Gas. The contractor shall be responsible for obtaining all necessary permits for Building, Fire, and Gas.

PROJECT DATA

PROJECT SCOPE:
PERMIT ADDITION TO AN EXISTING RESIDENCE. NEW ROOF DECK, NEW EXTERIOR & INTERIOR FINISHES WHERE NOTED.

PROJECT ADDRESS:
SOLANA CIRCLE RESIDENCE
SOLANA BEACH, CA 92075

APPLICABLE PARCEL NUMBER:
288-348-01

LOT SIZE:
7,813 SF (18 ACRES)

LOT AREA TO BE DEVELOPED:
LOT 10 OF MAP NO. 8070

EXISTING RESIDENCE CONSTRUCTED:
APPROX. 1974

OVERLAY ZONE:
R/A

ADJACENT AUTHORITIES:
CITY OF SOLANA BEACH

BASE ZONE:
R/A

EXISTING USE:
SINGLE FAMILY RESIDENCE

PROPOSED USE:
SINGLE FAMILY RESIDENCE

CONSTRUCTION TYPE:
TYPE V, MASONRY

FIRE SPRINKLER SYSTEM:
YES, AUTOMATIC

OCCUPANCY CLASSIFICATION:
R-3 RESIDENCE

NUMBER OF STORIES:
EXISTING: ONE STORY
PROPOSED: ONE STORY

STRUCTURE HEIGHT:
EXISTING: 15 FT.
PROPOSED: 15 FT.

REQUIRED RETENTION:
REAR: 10'
SIDE: 9'

GROSS FLOOR AREA:
EXISTING: 1,250 SF
PROPOSED: 2,398 SF

LOT COVERAGE:
2,298 SF (100) PRINT / 7,813 SF LOT SIZE = 31.00%

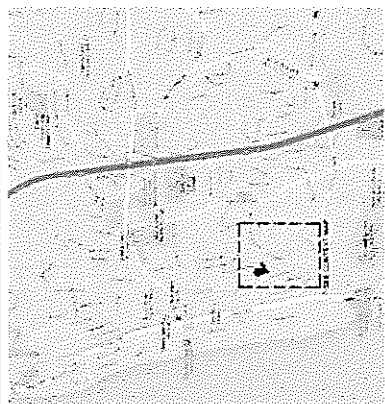
PAVING:
REQUIRED SPACES: 2
PROPOSED SPACES: 2

COVERAGE OF THE LOT:
PROPOSED COVERED NATURAL SOL: 1,500 SF ASSUMED

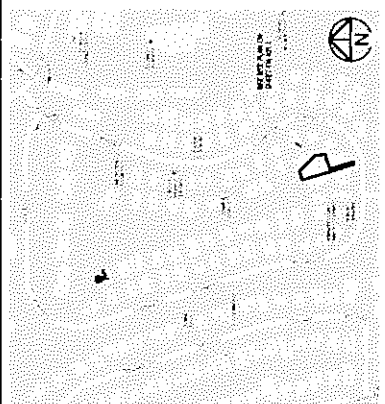
HEIGHT NOTE:

NOTE: NO PORTION OF THE STRUCTURE SHALL EXCEED 15' IN HEIGHT FROM THE ADJACENT GRADE.

VICINITY MAP



CONTEXT MAP



SOLANA CIRCLE RESIDENCE

Single Family Home

781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Curtis and Leary, AIA
775 Wilshire Blvd.
Suite 1000
Los Angeles, CA 90017
T: 760-580-8808



No. Description Date
HOA Submittal 12.18.2018
HOA Comments 01.11.2017
DEVELOPMENT PERMIT REVIEW 01.24.2017
COMMENTS 03.08.2017

PROPOSED SITE PLAN

Project Number 1503
Date 01/11/2017
Drawn By GVL
Checked By AJ

A01.1

STORMWATER CHECKLIST

1. Does surface water impinge on adjacent property?
2. Does surface water impinge on public streets, sidewalks, or other adjacent property?
3. Does surface water impinge on adjacent utility lines?
4. Does surface water impinge on adjacent easements or other property interests?
5. Does surface water impinge on adjacent public utilities?
6. Does surface water impinge on adjacent public utilities?
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LEGEND

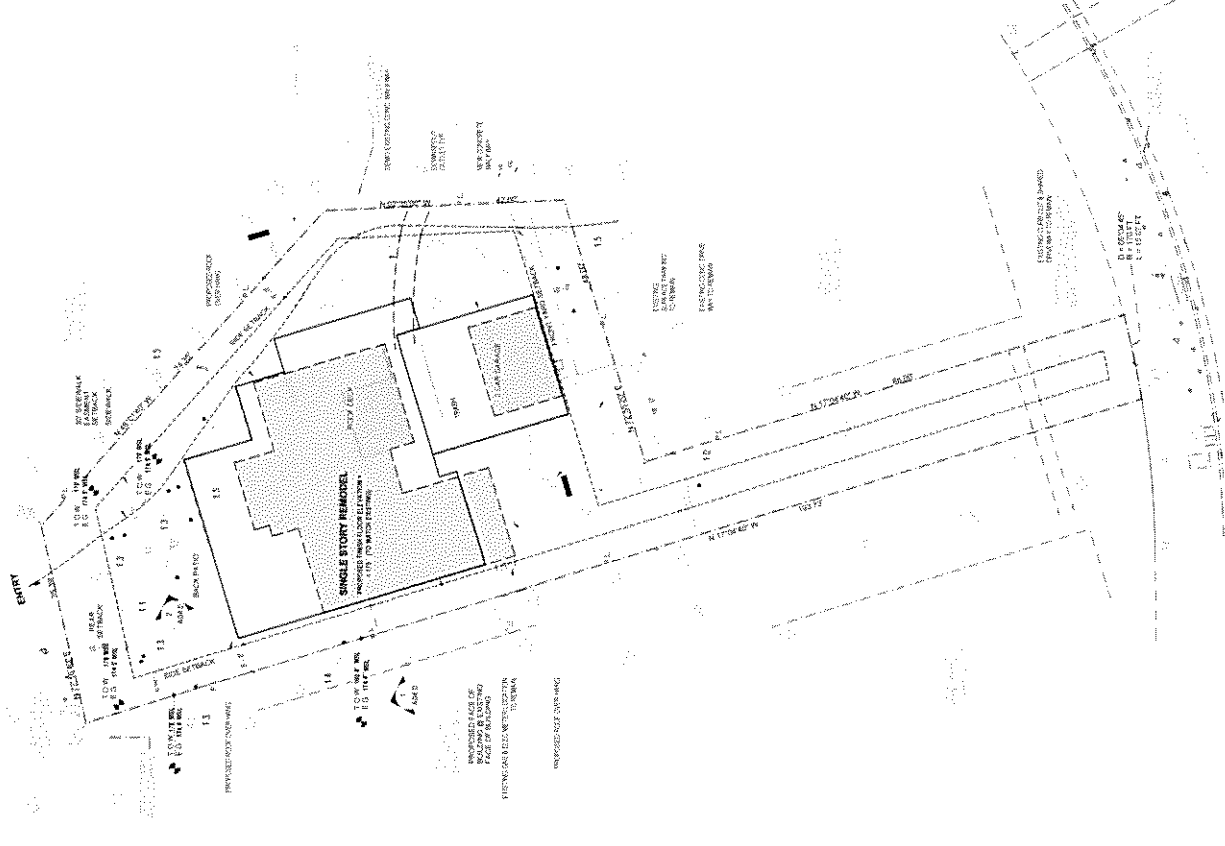
- EXISTING FOOTPRINT
- PROPOSED FOOTPRINT
- PROPOSED GARAGE (NON-HABITABLE)
- EXISTING LANDSCAPE AREA TO REMAIN
- PROPOSED DRIVE
- SPURWAY

EXCAVATION CALCULATIONS

X. EXCAVATION FOR NEW BUILDING FOOTINGS & SITE WALL FOOTINGS 33.16 CY
Y. EXCAVATION AND RECAPIACTION FOR NEW SLAB ON GRADE 13.7 CY
TOTAL SOIL EXCAVATION: 46.86 CY

REMARKS

1. NEW 20' WIDE DRIVE TO REMAIN
2. NEW 8' WIDE DRIVE TO REMAIN
3. NEW 6' WIDE DRIVE TO REMAIN
4. NEW 4' WIDE DRIVE TO REMAIN
5. EXISTING DRIVE TO BE REMOVED



CONSTRUCTION BMPs:

1. All trucks and vehicles shall be cleaned before leaving the site.
2. All trucks and vehicles shall be cleaned before leaving the site.
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15. All trucks and vehicles shall be cleaned before leaving the site.

SITE AREAS:

GROSS LOT AREA: 7603 SF
NET LOT AREA: 6349 SF

Area	Area (SF)
Lot Area	7603
Impervious Area	1250
Permeable Area	6353
Waterway Area	0
Other Area	0
Total Area	7603

1 - PROPOSED SITE PLAN
1" = 10'



SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Garrett Van Liew, AIA
778 Wilshire Dr.
Suite 100
T 949-360-8048

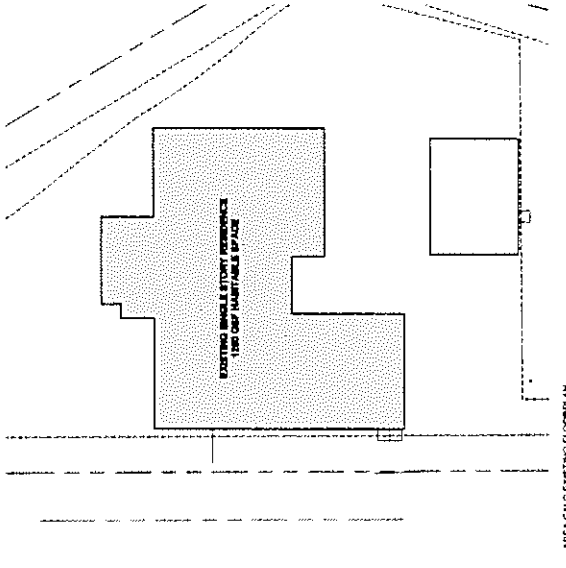


No. 1503
Description
1503 Submittal
12/16/2016
01/11/2017
Development Permit Review
01/24/2017
Development Permit Review
01/26/2017
Comments

AREA SUMMARY

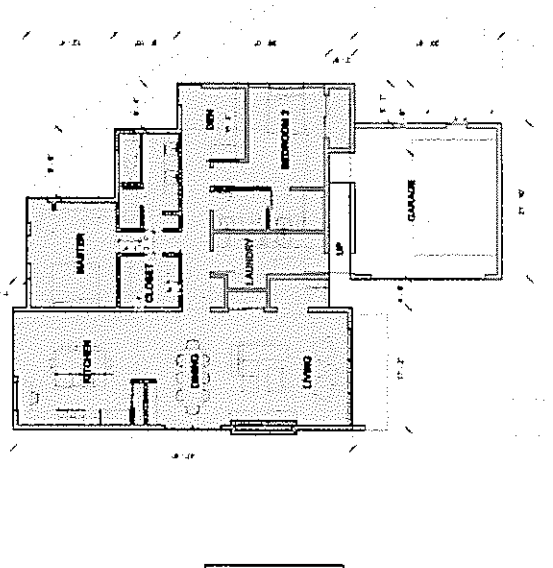
Project Number 1503
Date 01/11/2017
Drawn By GVL
Checked By AJ

A01.2



Category	Value
HABITABLE AREA	1750 SF
NON HABITABLE AREA (GARAGE)	200 SF
TOTAL	1950 SF

EXISTING BEDROOMS 2
EXISTING BATHROOMS 2



Category	Value
HABITABLE AREA	1934 SF
NON HABITABLE AREA (GARAGE)	464 SF
TOTAL	2398 SF

PROPOSED BEDROOMS 2
PROPOSED BATHROOMS 2

EXISTING VS. PROPOSED AREA SUMMARY					
	HABITABLE SPACE	NON HABITABLE (GARAGE)	TOTAL	BEDS	BATHS
EXISTING	1750 SF	200 SF	1950 SF	2	2
PROPOSED	1934 SF	464 SF	2398 SF	2	2
GROSS AREA INCREASE			448 SF		

REGULATION OF THE CITY OF SOLANA BEACH, CALIFORNIA SHALL BE LIMITED TO 2,000 SF AND GARAGE OR CARPORT SHALL BE LIMITED TO 500 SF. IN NO CASE SHALL THE TOTAL SQUARE FOOTAGE ON THE SITE EXCEED 2,500 SF TOTAL. NO DWELLING SHALL CONTAIN MORE THAN TWO BEDROOMS AND TWO BATHROOMS.

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Garrett von Ladow, AIA
1729 Wilshire Dr
Solana Beach, CA 92083
T. 760.533.8028



No.	Description	Date
1503	HOA Submittal	12.16.2016
	HOA Comments	01.11.2017
	DEVELOPMENT PERMIT REVIEW	01.24.2017
	DEVELOPMENT PERMIT REVIEW COMMENTS	03.08.2017

PROPOSED FLOORPLAN

Project Number: 1503
Date: 01/11/2017
Drawn By: GVL
Checked By: AJ

A02.0

FLOOR PLAN NOTES:

1. DIMENSIONS ARE MEASURED TO THE CENTERLINE UNLESS OTHERWISE NOTED.
2. FINISH FLOOR IS 1/2" ABOVE FINISH GRADE UNLESS OTHERWISE NOTED.
3. FINISH GRADE IS AS SHOWN ON THE SITE PLAN AND TYPICAL OF THIS AREA.
4. ALL DIMENSIONS ARE TYPICAL UNLESS OTHERWISE NOTED.
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10. ALL DIMENSIONS ARE TYPICAL UNLESS OTHERWISE NOTED.

FIRE PROTECTION NOTES:

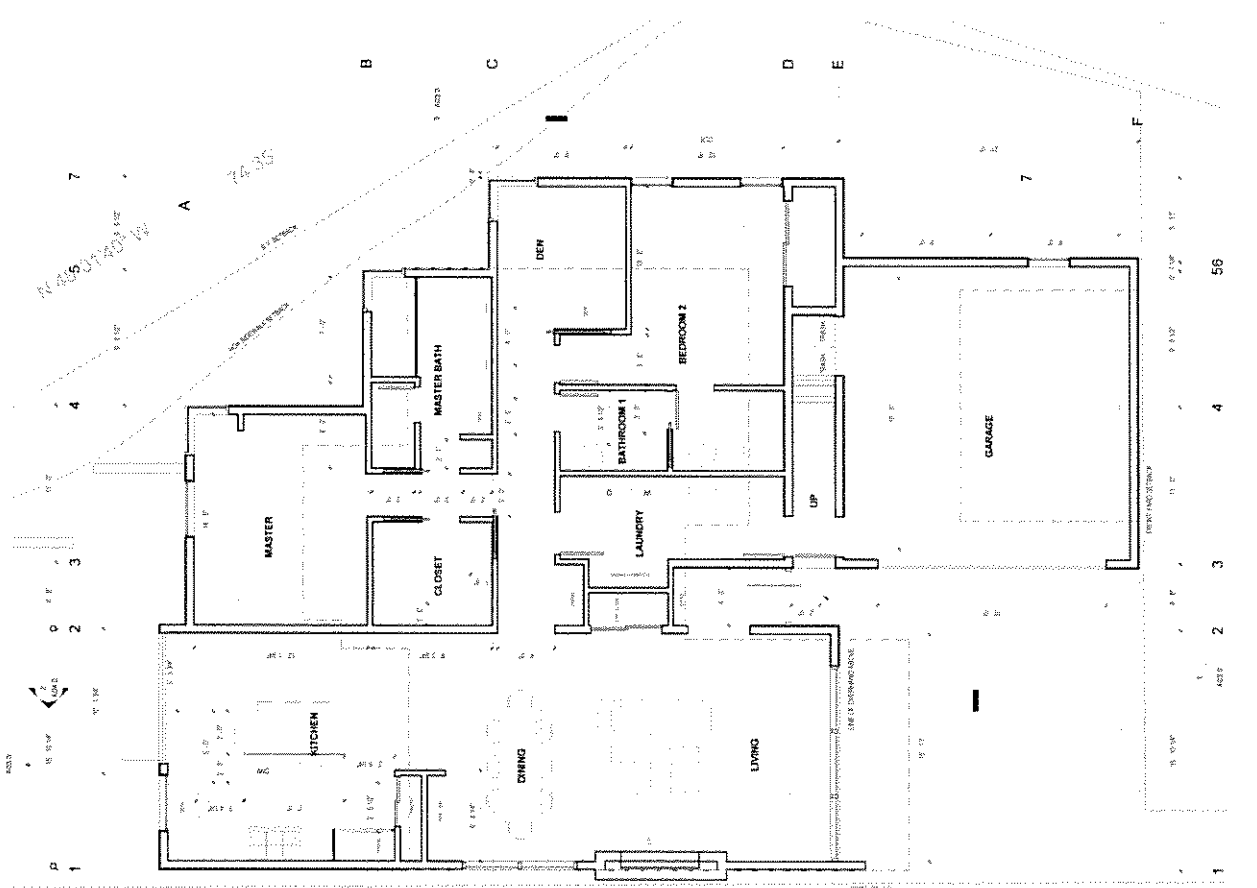
1. ALL INTERIOR WALLS SHALL BE TYPE 1/2" GYPSUM BOARD ON STUDS.
2. ALL INTERIOR DOORS SHALL BE 1 3/4" MINIMUM THICKNESS.
3. ALL INTERIOR DOORS SHALL BE 20 MINUTE FIRE RATED.
4. ALL INTERIOR DOORS SHALL BE 20 MINUTE FIRE RATED.
5. ALL INTERIOR DOORS SHALL BE 20 MINUTE FIRE RATED.

WATER CONSERVATION NOTE:

1. ALL TOILETS SHALL BE 1.6 GPF.
2. ALL SINKS SHALL BE 1.0 GPF.
3. ALL SHOWERHEADS SHALL BE 2.0 GPF.
4. ALL SHOWERHEADS SHALL BE 2.0 GPF.
5. ALL SHOWERHEADS SHALL BE 2.0 GPF.

DEMOLITION NOTES:

1. DEMOLISH ALL INTERIOR WALLS.
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5. DEMOLISH ALL INTERIOR WALLS.



PROPOSED FLOORPLAN
1/8" = 1'-0"

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
GARY VAN LEEUWEN, AIA
17275 WILSON AVENUE
SUNNYVALE, CA 94088
T. 925.355.8528



No. _____ Date 12.16.2016
Description: DEVELOPMENT PERMIT REVIEW 01.24.2017
DEVELOPMENT PERMIT REVIEW 01.18.2017
COMMENTS:

PROPOSED ROOFPLAN

Project Number 1503
Date 01/11/2017
Drawn By GVL
Checked By AJ

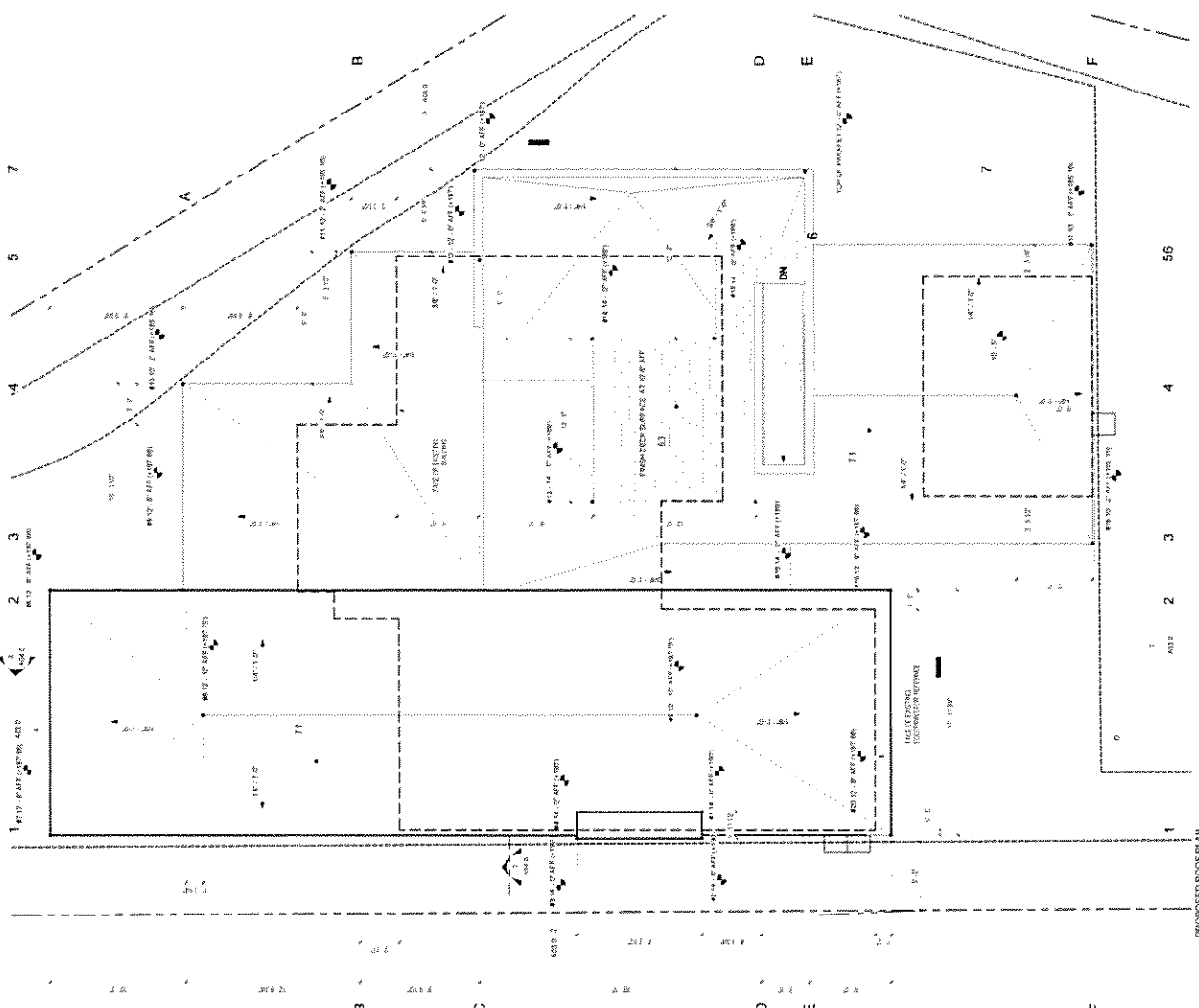
A02.2

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- REVISIONS:**
- 1.1 REVISED PERMIT
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 - 2.00 REVISED PERMIT

ROOF HEIGHT NOTE:
ALL HEIGHTS NOTED ARE TO FINISH GRADE
ELEVATION +117' ABOVE SEA LEVEL

ROOF PLAN NOTES:
NO ELEMENT OF THE STRUCTURE IS TO BE HIGHER THAN ADJACENT GRADE
ALL ROOF DRAIN DOWNSPOUTS MUST BE COVERED WITH 1/2" DIA. 16 GA. GALVALUM
RESISTANT METAL MESH WITH THE FOLLOWING MINIMUM OPENINGS:
SECTION ROOF 1.



PROPOSED ROOF PLAN
1/8" = 1'-0"

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
GARDNER & LUTHELMAN, AIA
17281 WILSON CT
SOLANA BEACH, CA 92088
TEL: 760-860-8608



No. _____ Description _____ Date _____
 104 Submittal 12/16/2016
 DEVELOPMENT PERMIT REVIEW 01/24/2017
 DEVELOPMENT PERMIT REVIEW 02/06/2017
 COMMENTS _____

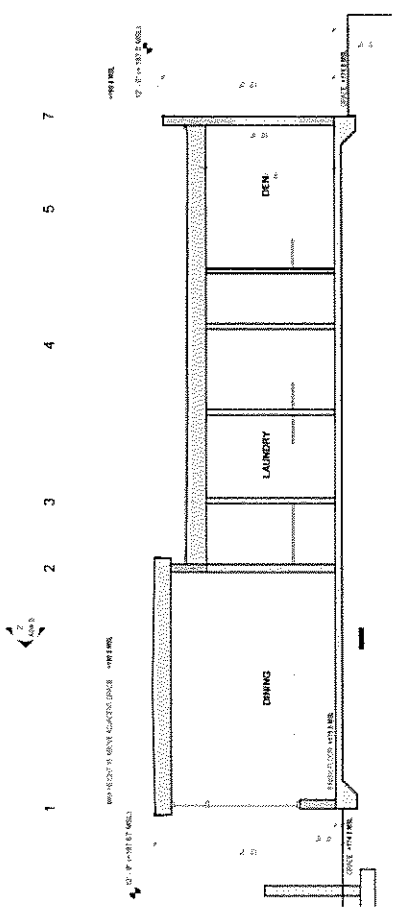
BUILDING SECTIONS

Project Number: 1503
 Date: 01/11/2017
 Drawn By: GVL
 Checked By: AJ

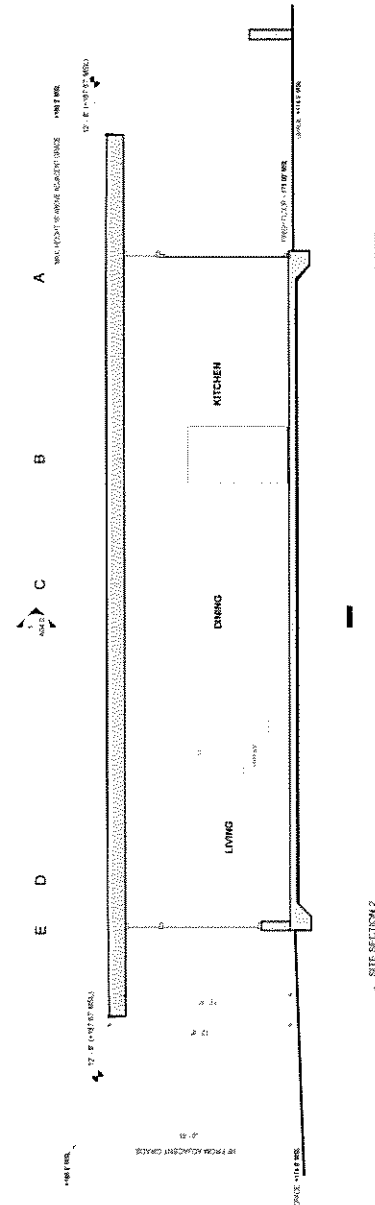
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KEYNOTES

- 1.0 EXISTING FOUNDATION PERMANENT
- 1.1 EXISTING FOUNDATION PERMANENT
- 1.2 EXISTING FOUNDATION PERMANENT
- 1.3 EXISTING FOUNDATION PERMANENT
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- 9.9 EXISTING FOUNDATION PERMANENT
- 10.0 EXISTING FOUNDATION PERMANENT



1 - SITE SECTION 1
1/4" = 1'-0"



2 - SITE SECTION 2
1/4" = 1'-0"

**SOLANA CIRCLE
RESIDENCE**

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Curtis and Leavitt, AIA
1521 Wilshire, CA 90408
T: 310.556.8008

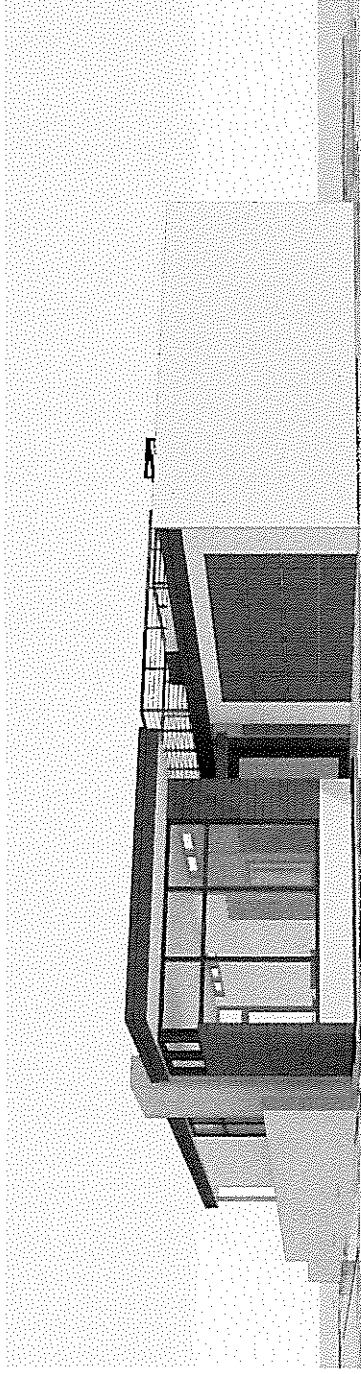


No.	Description	Date
	HOA Summary	12.10.2016
	DEVELOPMENT PERMIT REVIEW	01.24.2017
	DEVELOPMENT PERMIT REVIEW	03.08.2017
	COMMENTS	

OVERALL 3D VIEW

Project Number	1503
Date	01/11/2017
Drawn By	GVL
Checked By	AJ

A05.0



APPROACH FROM SOUTH



APPROACH FROM NORTH

NOTE: DRAWINGS ARE FOR REFERENCE ONLY
SEE DETAIL SHEETS

PLANNING DEPT. RE-SUBMITTAL:
PLAN REVISION -2

SOLANA CIRCLE
 RESIDENCE

Single Family Home
 781 E. Solana Circle
 Solana Beach, CA 92075

ARCHITECT

Charles Van Leuven, AIA
 3401 Ocean Blvd., Suite 100
 San Diego, CA 92108
 T: 760.550.8658

STRUCTURAL ENGINEER
 QUALITY ENGINEERING
 4637 Manchester Ave
 San Diego, CA 92118
 T: 760.552.9377



PROJECT DIRECTORY

PROJECT OWNER:
 CHARLES VAN LEUVEN, AIA
 781 E SOLANA CIRCLE
 SOLANA BEACH, CA 92075
 T 619.733.4411

ARCHITECT:
 CHARLES VAN LEUVEN, AIA
 3401 OCEAN BLVD., SUITE 100
 SAN DIEGO, CA 92108
 T 760.550.8658

APPLICABLE CODES

1. THESE PLANS AND ALL WORK SHALL COMPLY WITH THE CALIFORNIA BUILDING CODE AND ALL ORDINANCES THEREOF AS AMENDED AND ADOPTED BY THE COUNTY OF SAN DIEGO.
2. THESE PLANS SHALL COMPLY WITH THE CALIFORNIA BUILDING CODE AND ALL APPLICABLE ORDINANCES OF SAN DIEGO, CALIFORNIA AND ORDINANCES OF THE CITY OF SOLANA BEACH, CALIFORNIA.
3. THE PROJECT SHALL COMPLY WITH THE CALIFORNIA RESIDENTIAL CODE WHICH ADOPTS THE FOLLOWING:
 2012 IRC
 2012 IBC
 2012 LDC
 2011 IBC SECTION 108.1
4. THE INSPECTOR WILL REVIEW FOR EXPANSIVE SOILS AND/OR GRADING REQUIREMENTS AT THE PREVIOUS LOCATION.
5. PROVIDE AN APPROPRIATE FOUNDATION FOR PORCHES, BALCONIES, DECKS, AND OTHER STRUCTURES. FOUNDATIONS SHALL BE DESIGNED BY A LICENSED PROFESSIONAL ENGINEER AND SHALL BE LESS THAN 18" BELOW FINISH GRADE.

SHEET INDEX

- ARCHITECTURAL
- ADD 1 - TITLE SHEET
 - ADD 2 - EXISTING SITE SURVEY
 - ADD 3 - PROPOSED SITE PLAN
 - ADD 4 - AREA SUMMARY CALCULATIONS
 - ADD 5 - PROPOSED FLOOR PLAN
 - ADD 6 - PROPOSED ROOF PLAN; STORY POLE PLAN
 - ADD 7 - EXTERIOR ELEVATION
 - ADD 8 - BUILDING SECTIONS
 - ADD 9 - 3D VIEWS

SCOPE OF WORK

PREPARE ARCHITECTURAL SUBMITTALS, INCLUDING TO ADOPTING RESOURCES BY NEW CODES, NEW DAMAGE, NEW EXTERIOR & INTERIOR FINISHES WHERE NOTED.

AREA SUMMARY

EXISTING VS. PROPOSED AREA SUMMARY			
EXISTING	PROPOSED	NET CHANGE	TOTAL
RESIDENTIAL	1,500 SF	300 SF	1,800 SF
DECK	1,500 SF	300 SF	1,800 SF
PROPOSED	1,800 SF	300 SF	2,100 SF
GROSS AREA INCREASE:			300 SF

SITE AREAS:



PROJECT DATA

PROJECT SCORE:
 AN APPROXIMATE ESTIMATE OF THE PROJECT'S IMPACT ON THE ENVIRONMENT AND NEIGHBORHOOD. THIS IS A PRELIMINARY SCORE AND WILL BE RE-EVALUATED AS THE PROJECT DEVELOPS.

PROJECT ADDRESS:
 781 E SOLANA CIRCLE
 SOLANA BEACH, CA 92075

ASSESSOR'S PARCEL NUMBER:
 258-360-17

LOT SIZE:
 7,511 S.F. (0.17 ACRES)

LEGAL DESCRIPTION:
 LOT 36 OF MAP 100 5075

EXISTING RESIDENCE CONSTRUCTION:
 APPROX. 1978

OVERLAY ZONES:
 R-1

JURISDICTIONAL AUTHORITIES:
 COUNTY OF SAN DIEGO
 CITY OF SOLANA BEACH
 SOLANA BEACH MARINA

EXISTING USE:
 SINGLE FAMILY RESIDENCE

PROPOSED USE:
 SINGLE FAMILY RESIDENCE

CONSTRUCTION TYPE:
 TYPE V, NON-RATED

FIRE SPRINKLER SYSTEM:
 YES - AUTOMATIC

REGULATORY CLASSIFICATION:
 R-3 RESIDENCE

NUMBER OF STORIES:
 EXISTING ONE STORY
 PROPOSED ONE STORY

STRUCTURE HEIGHT:
 EXISTING 14 FT
 PROPOSED 14 FT

REQUIRED SETBACKS:
 FRONT 10'
 SIDE 5'
 REAR 5'

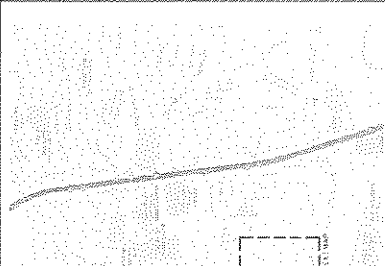
GROSS FLOOR AREA:
 EXISTING 1,500 SF
 PROPOSED 1,800 SF

LOT COVERAGE:
 2,344 SF FOOTPRINT / 7,511 SF LOT SIZE = 30.75%

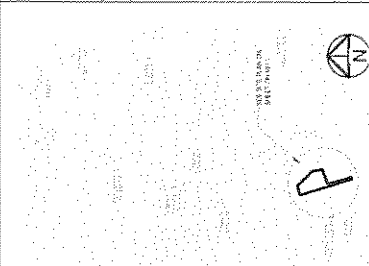
PARKING:
 REQUIRED SPACES 3
 PROVIDED SPACES 3

CONDITION OF THE SOIL:
 PREVIOUSLY DISTURBED NATURAL SOIL, 1,500 H2O ABSORBED

VICINITY MAP



CONTEXT MAP



HEIGHT NOTE:

NOTE: NO PORTION OF THE STRUCTURE SHALL EXCEED 18' IN HEIGHT FROM THE ADJACENT GRADE.

DEFERRED SUBMITTAL:

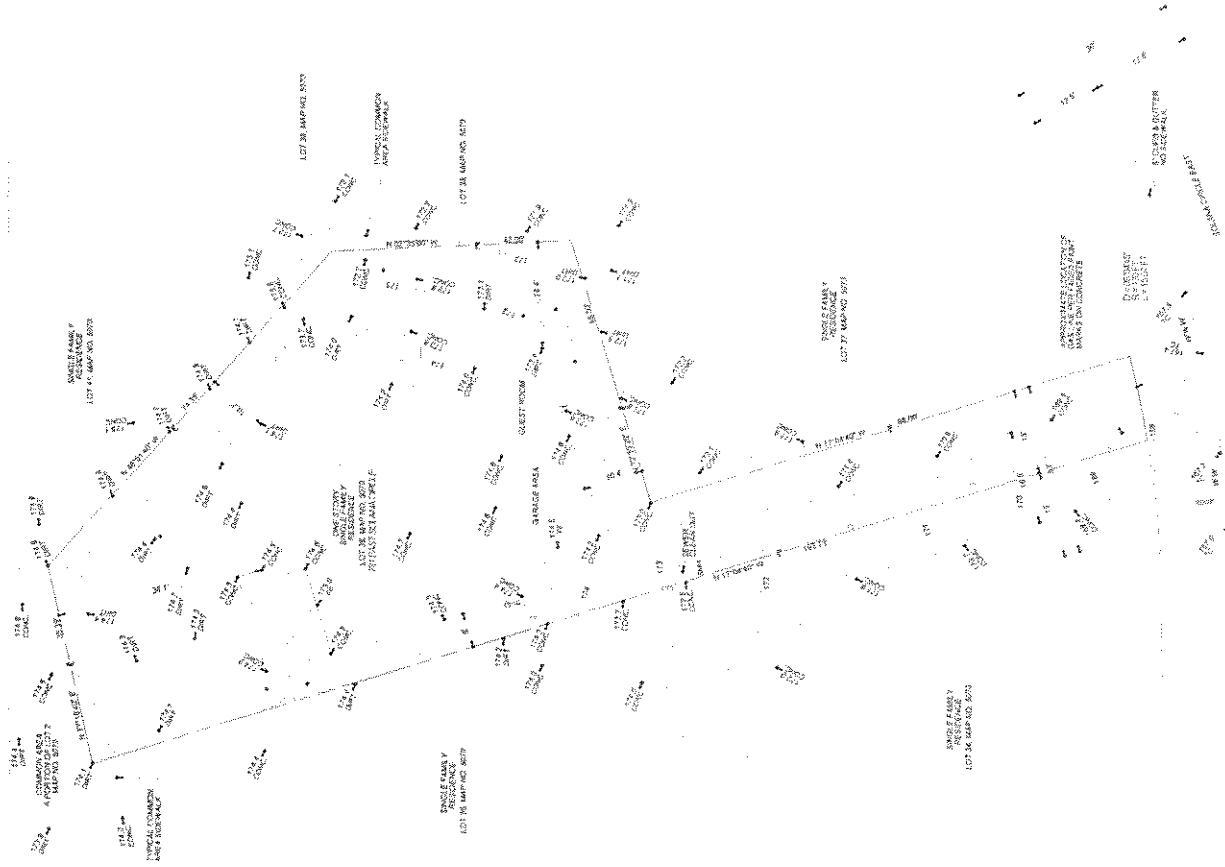
AUTOMATIC FIRE SPRINKLER SYSTEM

Compliance with the documentation requirements of the 2013 Energy Efficiency Standards is necessary for this project. Programmatic signed and sealed copies of the appropriate CEIR, CEIR Supplement, and other documents shall be provided to the Planning Department. From completed forms will be available for the building owner.

TITLE SHEET

Project Number: 1503
 Date: 10/05/2017
 Drawn By: GVL
 Checked By: AJ

A0.00



SCALE 1"=40'

NOTICE: THIS PLAN IS A SUMMARY OF THE
 SITE IMPROVEMENTS BY OTHERS
 SHOWN IN THE RECORDS OF THE
 CITY OF LOS ANGELES.

NOT ALL FEATURES AND VALUES FEATURES
 ARE SHOWN.
 ALL UTILITIES SHOWN ARE BASED ON
 RECORDS ON FILE IN THE RECORDS OF THE
 CITY OF LOS ANGELES.
 EXPANSION OF SERVICE BY SANITARY
 DEPARTMENT IS NOT GUARANTEED.
 ALL UTILITIES SHOWN ARE APPROXIMATE.
 AND MAY NOT BE THE SAME AS SHOWN
 IN THE RECORDS OF THE CITY OF LOS ANGELES.
 ALL UTILITIES SHOWN ARE APPROXIMATE
 AND MAY NOT BE THE SAME AS SHOWN
 IN THE RECORDS OF THE CITY OF LOS ANGELES.

CONCRETE CURB

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RATER/REVISOR
 JAMES S. BRYAN
 15000 W. WILSON
 LOS ANGELES, CA 90024
 (213) 833-1111



SITE MAP

DATE: 10/15/2024
 DRAWN BY: J.S.B.
 CHECKED BY: J.S.B.
 APPROVED BY: J.S.B.
 PROJECT NO.: 2024-001
 SHEET NO.: 1 OF 1

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
GARDNER & LUTHELMAN, AIA
11000 Wilshire Blvd., Suite 1000
Beverly Hills, CA 90210
T 310.550.8689

STRUCTURAL ENGINEER
DUALDES ENGINEERING
4523 Melrose Ave., Suite 200
Beverly Hills, CA 90210
T 310.461.8227

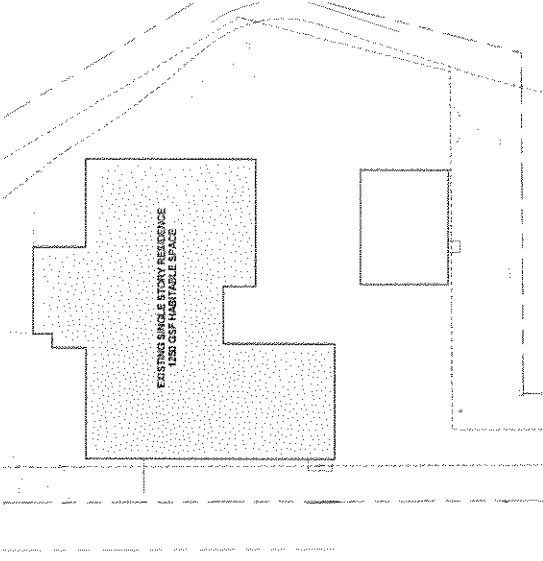


No.	Description	Date
1	ISSUE FOR PERMIT	01/15/2017
2	ISSUE FOR PERMIT	01/15/2017
3	DEVELOPMENT PERMIT REVIEW	01/24/2017
4	DEVELOPMENT PERMIT REVIEW	01/26/2017
5	COMMENTS	
6	ISSUE FOR SUBMITTAL PLAN	02/24/2017
7	ISSUE FOR SUBMITTAL PLAN	02/27/2017
8	ISSUE FOR SUBMITTAL PLAN	02/27/2017
9	ISSUE FOR SUBMITTAL PLAN	02/27/2017
10	ISSUE FOR SUBMITTAL PLAN	02/27/2017

AREA SUMMARY

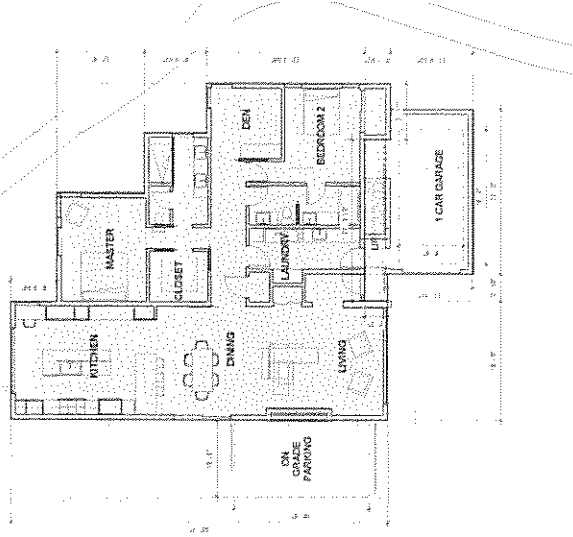
Project Number	1503
Date	10/05/2017
Drawn By	GVL
Checked By	AJ

A01.2



4 AREA CALC. EXISTING FLOORPLAN
10/5/17

Category	Area
HABITABLE AREA	1500 SF
NON-HABITABLE AREA (GARAGE)	200 SF
EXISTING BEDROOMS	2
EXISTING BATHROOMS	2



Category	Area
HABITABLE AREA	1825 SF
NON-HABITABLE AREA (GARAGE)	310 SF
PROPOSED BEDROOMS	2
PROPOSED BATHROOMS	2

EXISTING VS. PROPOSED AREA SUMMARY			
	HABITABLE SPACE	NON-HABITABLE GARAGE	TOTAL
EXISTING	1500 SF	200 SF	1700 SF
PROPOSED	1825 SF	310 SF	2135 SF
GROSS AREA INCREASE:			434 SF

DECLARATION OF RESTRICTIONS: THE LIMITS OF THE ON-SITE PARKING AND GARAGE ON THIS PROJECT SHALL BE LIMITED TO FOUR (4) CARS. IN NO CASE SHALL THE TOTAL SQUARE FOOTAGE OF THE SITE EXCEED 2,400 SF TOTAL HOUSING SMALL DWELLING SHALL CONTAIN MORE THAN TWO BEDROOMS AND TWO BATHROOMS.

5 AREA CALC. PROPOSED FLOORPLAN
10/5/17

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Charles L. Johnson, AIA
5450 Wilshire Blvd., Suite 1100
Beverly Hills, CA 90210
T: 310-206-8828

STRUCTURAL ENGINEER
QUALIFIED ENGINEERING
4433 Mariposa Ave.
San Diego, CA 92121
T: 619-592-8327



No.	Description	Date
1	ISSUE FOR PERMITS	07/11/2017
2	FOR COMMENTS	07/11/2017
3	DEVELOPMENT PERMIT REVIEW	07/24/2017
4	DEVELOPMENT PERMIT REVIEW	08/08/2017
5	COMMENTS	08/08/2017
6	REVISIONS	08/24/2017
7	FOR SUBMITTAL PLAN	09/27/2017
8	FOR SUBMITTAL PLAN	09/27/2017
9	FOR SUBMITTAL PLAN	09/27/2017
10	FOR SUBMITTAL PLAN	10/31/2017

PROPOSED FLOORPLAN

Project Number: 1503
Date: 10/05/2017
Drawn By: GVL
Checked By: AJ

A02.0

FLOOR PLAN NOTES

1. ALL DIMENSIONS UNLESS OTHERWISE NOTED TO THE CONTRARY.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
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10. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

FIRE PROTECTION NOTES

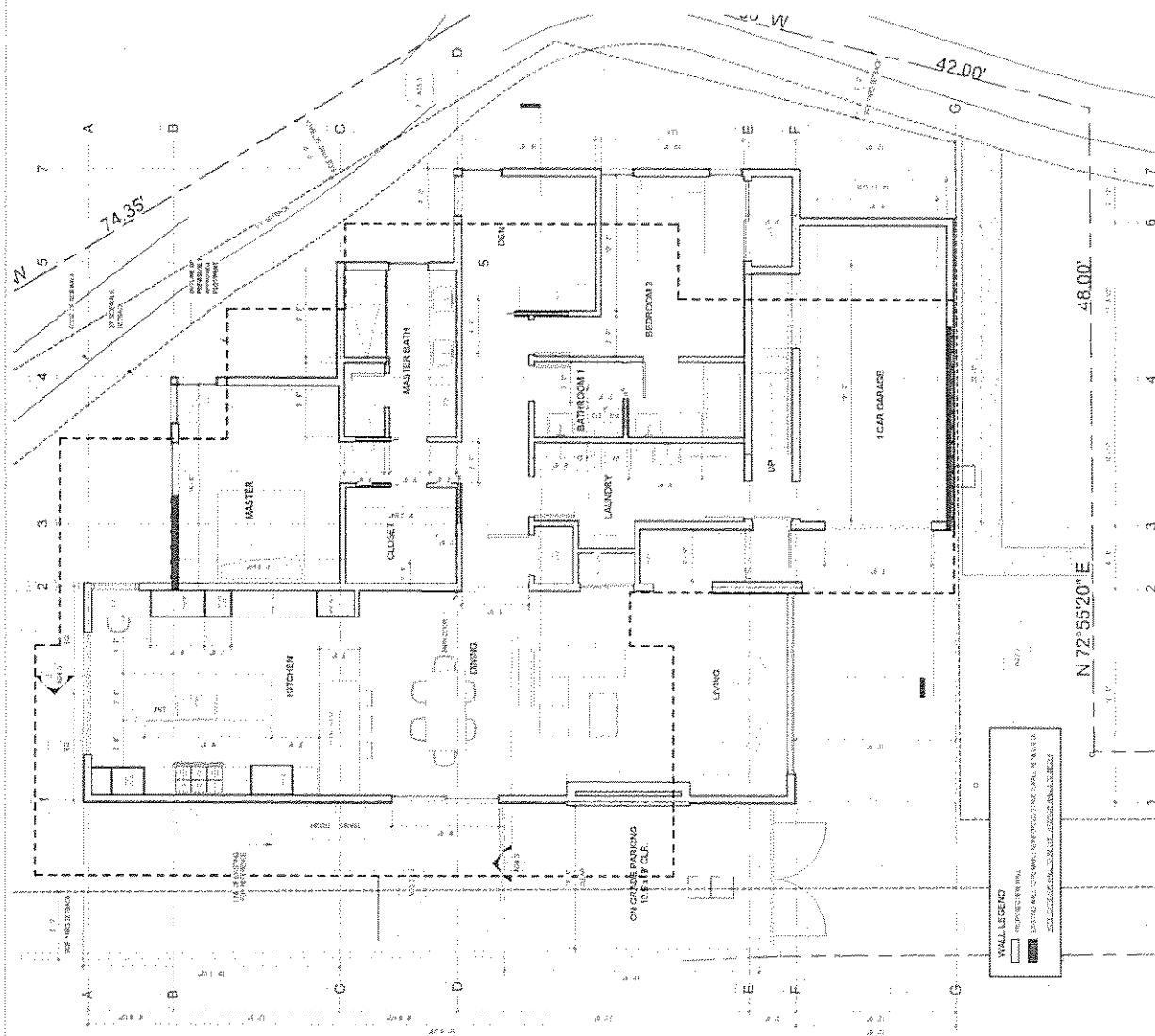
1. ALL ROOMS SHALL BE PROTECTED BY AN AUTOMATIC FIRE SPRINKLER SYSTEM.
2. ALL ROOMS SHALL BE PROTECTED BY AN AUTOMATIC FIRE SPRINKLER SYSTEM.
3. ALL ROOMS SHALL BE PROTECTED BY AN AUTOMATIC FIRE SPRINKLER SYSTEM.

WATER CONSERVATION NOTE

1. ALL TOILETS SHALL BE DUAL FLUSH TOILETS.
2. ALL SINKS SHALL BE DUAL FLUSH SINKS.
3. ALL SHOWERS SHALL BE DUAL FLUSH SHOWERS.

DEVELOPMENT NOTES

1. ALL DEVELOPMENT SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
2. ALL DEVELOPMENT SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
3. ALL DEVELOPMENT SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.



WALL LEGEND	
[Symbol]	EXISTING WALL
[Symbol]	PROPOSED WALL
[Symbol]	EXISTING WALL WITH REVISIONS
[Symbol]	PROPOSED WALL WITH REVISIONS

1. PREPARED BY: GVL
2. DATE: 10/05/2017

SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
DANIEL W. SHANNON, AIA
1000 S. GARDEN AVENUE
SAN DIEGO, CA 92108
T 619-584-8889

STRUCTURAL ENGINEER
DANIEL S. ENGINEERING
4420 MADONNA AVENUE
ESCONDIDO, CA 92024
T 760-637-8227

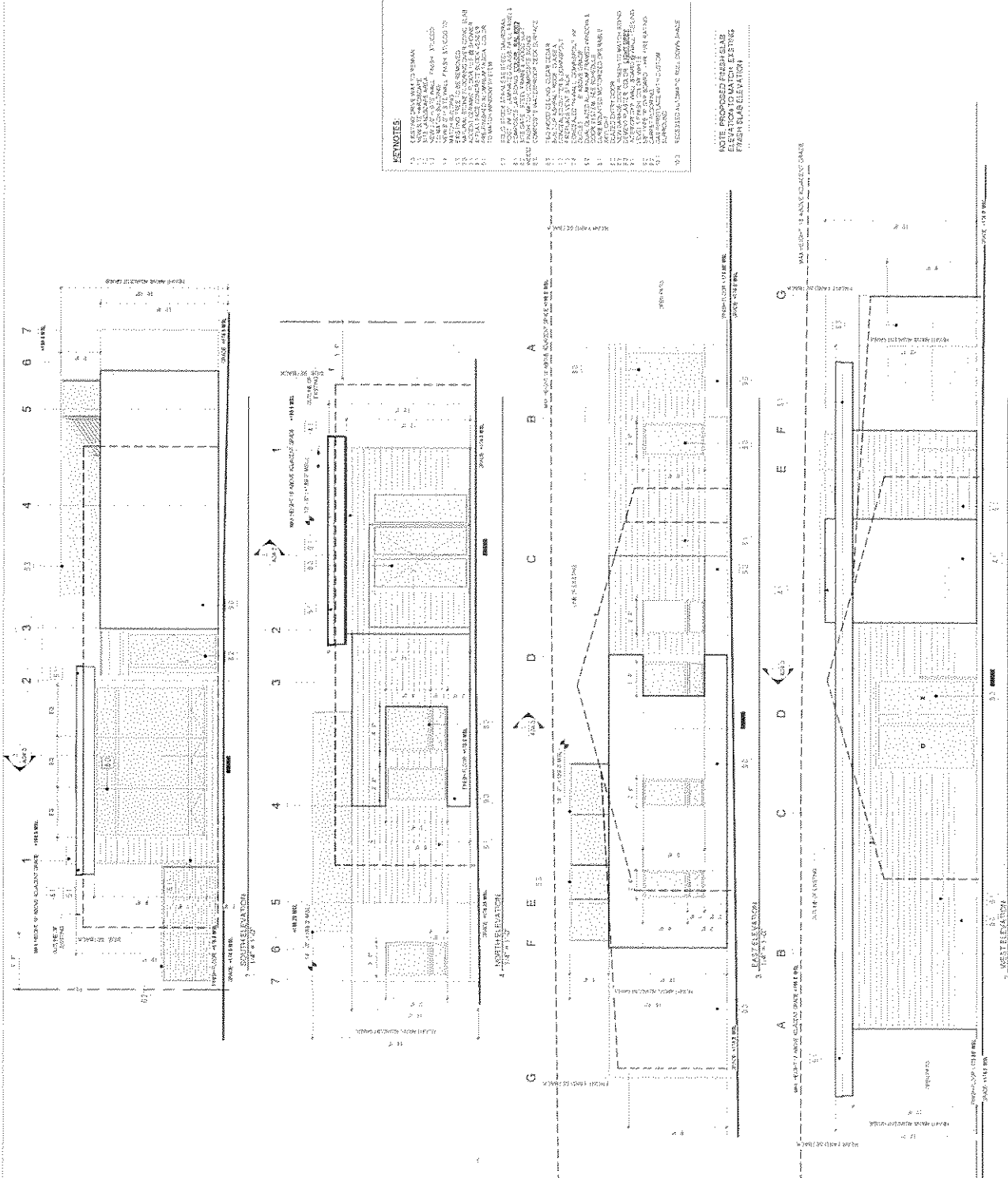


No.	Description	Date
1	ISSUE FOR PERMITS	08/14/2017
2	FOR COMMENTS	08/14/2017
3	DEVELOPMENT REPORT REVIEW	08/24/2017
4	DEVELOPMENT REPORT REVIEW	08/28/2017
5	COMMENTS	08/28/2017
6	REVISIONS	08/28/2017
7	FOR RE-SUBMITTAL PLAN	08/31/2017
8	REVISIONS	08/31/2017
9	FOR RE-SUBMITTAL RE SUBMITTAL 3	10/31/2017

EXTERIOR ELEVATIONS

Project Number: 1903
Date: 10/05/2017
Drawn By: GVL
Checked By: AJ

A03.0



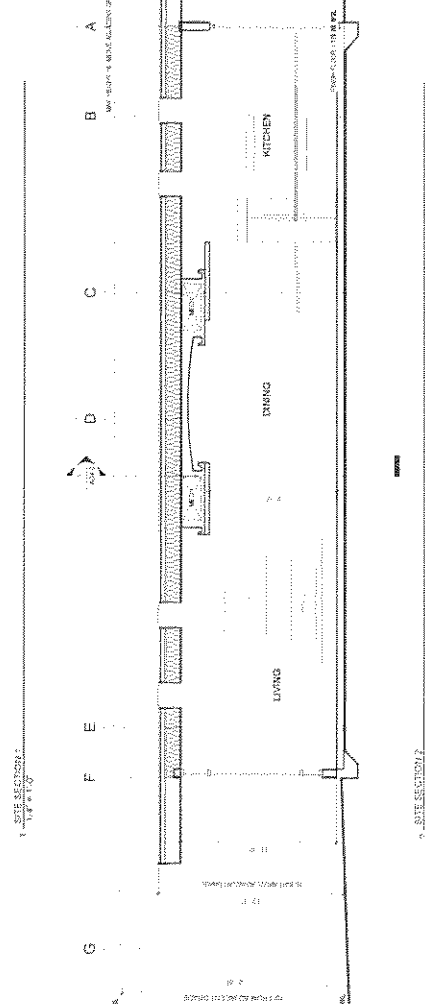
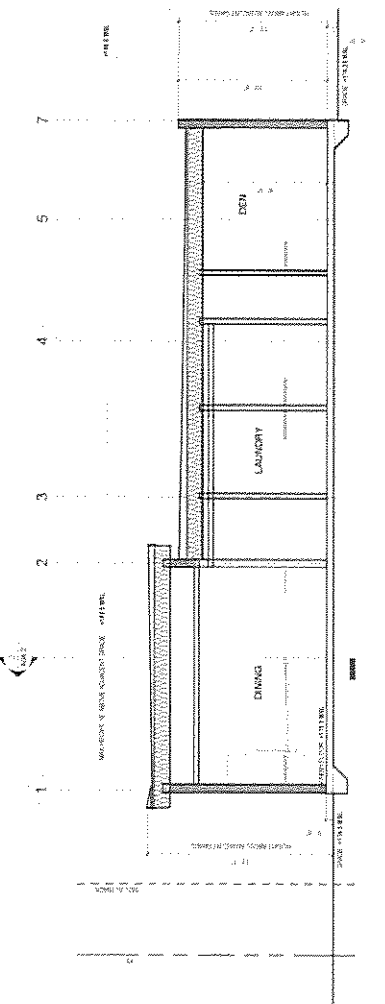
SOLANA CIRCLE RESIDENCE

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
Gardner & Theobald, AIA
4400 Main Street, Suite 200
San Diego, CA 92108
T: 760-593-6028

STRUCTURAL ENGINEER
QUALLES ENGINEERING
4400 Main Street, Suite 200
San Diego, CA 92108
T: 760-593-6027

- REMARKS:**
1. FOUNDATION SHALL BE CONCRETE ON GRADE.
 2. ALL WALLS SHALL BE 8" CMU WITH INTERIOR FINISH.
 3. ROOF SHALL BE 2" POLYSTYRENE INSULATION OVER 4" CONCRETE SLAB ON GRADE.
 4. EXTERIOR WALLS SHALL BE FINISHED WITH STUCCO OVER GYP BOARD.
 5. INTERIOR WALLS SHALL BE FINISHED WITH GYP BOARD AND PAINT.
 6. FLOORING SHALL BE 3/4" T&G LAMINATE OVER 1/2" GYP BOARD.
 7. CEILING SHALL BE 5/8" T&G DROPPED CEILING WITH POP.
 8. ALL DOORS SHALL BE 1 3/4" MIN. THICK SOLID CORE.
 9. ALL WINDOWS SHALL BE 2" MIN. INSULATED GLAZING UNITS.
 10. MECHANICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH ALL APPLICABLE CODES.
 11. ELECTRICAL SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH ALL APPLICABLE CODES.
 12. PLUMBING SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH ALL APPLICABLE CODES.
 13. FIRE PROTECTION SHALL BE INSTALLED IN ACCORDANCE WITH ALL APPLICABLE CODES.
 14. ALL WORK SHALL BE IN ACCORDANCE WITH ALL APPLICABLE CODES.
 15. ALL MATERIALS SHALL BE APPROVED BY THE ARCHITECT.
 16. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE CITY OF SAN DIEGO.
 17. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COUNTY OF SAN DIEGO.
 18. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE STATE OF CALIFORNIA.
 19. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE FEDERAL GOVERNMENT.
 20. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE LOCAL GOVERNMENT.
 21. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE NEIGHBORHOOD.
 22. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COMMUNITY.
 23. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ENVIRONMENT.
 24. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE HISTORY.
 25. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE CULTURE.
 26. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ECONOMY.
 27. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SOCIETY.
 28. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE POLITICAL SYSTEM.
 29. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE RELIGION.
 30. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ARTS AND CULTURE.
 31. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SCIENCE AND TECHNOLOGY.
 32. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ENVIRONMENTAL SUSTAINABILITY.
 33. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SOCIAL JUSTICE.
 34. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE HUMAN RIGHTS.
 35. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE GLOBALIZATION.
 36. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE INTERNATIONAL TRADE.
 37. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE CROSS-CULTURAL UNDERSTANDING.
 38. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MULTICULTURALISM.
 39. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE DIVERSITY.
 40. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE INCLUSION.
 41. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE EQUITY.
 42. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ACCESSIBILITY.
 43. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE AFFORDABILITY.
 44. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SECURITY.
 45. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE RESILIENCE.
 46. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ADAPTABILITY.
 47. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE FLEXIBILITY.
 48. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE INNOVATION.
 49. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE CREATIVITY.
 50. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE IMAGINATION.
 51. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE INSPIRATION.
 52. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MOTIVATION.
 53. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE DETERMINATION.
 54. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE PERSEVERANCE.
 55. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COURAGE.
 56. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE BRAVERY.
 57. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COURTESY.
 58. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE RESPECT.
 59. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE KINDNESS.
 60. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COMPASSION.
 61. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE EMPATHY.
 62. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SYMPATHY.
 63. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SOLIDARITY.
 64. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COOPERATION.
 65. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE TEAMWORK.
 66. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COLLABORATION.
 67. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE PARTNERSHIP.
 68. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE ALLIANCE.
 69. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE COALITION.
 70. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE CONSORTIUM.
 71. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE NETWORK.
 72. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SYSTEM.
 73. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE STRUCTURE.
 74. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE FRAMEWORK.
 75. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE INFRASTRUCTURE.
 76. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SUPPORT STRUCTURE.
 77. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE UNDERPINNING.
 78. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE FOUNDATION.
 79. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE BASE.
 80. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE SUBSTRATE.
 81. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM.
 82. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EXCHANGE.
 83. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF TRANSMISSION.
 84. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INTERACTION.
 85. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COMMUNICATION.
 86. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF RELATIONSHIP.
 87. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CONNECTION.
 88. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF LINKAGE.
 89. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF BRIDGE.
 90. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CONNECTION POINT.
 91. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INTERFERENCE.
 92. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF DISRUPTION.
 93. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF OBSTRUCTION.
 94. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF BARRIER.
 95. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF HINDRANCE.
 96. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF IMPEDIMENT.
 97. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF OBSTACLE.
 98. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF HURDLE.
 99. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CHALLENGE.
 100. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF TEST.
 101. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF TRIAL.
 102. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EXAMINATION.
 103. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EVALUATION.
 104. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ASSESSMENT.
 105. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ANALYSIS.
 106. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF SYNTHESIS.
 107. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CREATION.
 108. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INNOVATION.
 109. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF DISCOVERY.
 110. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF REVELATION.
 111. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF UNCOVERING.
 112. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EXPLORATION.
 113. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INVESTIGATION.
 114. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF RESEARCH.
 115. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF STUDY.
 116. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF LEARNING.
 117. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EDUCATION.
 118. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF TRAINING.
 119. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF DEVELOPMENT.
 120. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF GROWTH.
 121. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF PROGRESS.
 122. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ADVANCEMENT.
 123. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF IMPROVEMENT.
 124. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ENHANCEMENT.
 125. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF OPTIMIZATION.
 126. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF MAXIMIZATION.
 127. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EFFICIENCY.
 128. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EFFECTIVENESS.
 129. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF PRODUCTIVITY.
 130. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF PERFORMANCE.
 131. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF SUCCESS.
 132. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ACHIEVEMENT.
 133. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ACCOMPLISHMENT.
 134. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF REALIZATION.
 135. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ATTAINMENT.
 136. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ACQUISITION.
 137. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF OBTAINMENT.
 138. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF GAINING.
 139. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF RECEIVING.
 140. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ACCEPTING.
 141. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF EMBRACING.
 142. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INCLUDING.
 143. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INVOLVING.
 144. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ENGAGING.
 145. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INVOLVING.
 146. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF PARTICIPATING.
 147. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COLLABORATING.
 148. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COOPERATING.
 149. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF ASSISTING.
 150. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF SUPPORTING.
 151. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF HELPING.
 152. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF SERVICING.
 153. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CATERING.
 154. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF PROVIDING.
 155. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF OFFERING.
 156. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF DONATING.
 157. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CONTRIBUTING.
 158. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF GIVING.
 159. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF SHARING.
 160. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COMMUNICATING.
 161. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF INTERACTING.
 162. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF RELATING.
 163. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF CONNECTING.
 164. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF LINKING.
 165. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF JOINING.
 166. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF UNITING.
 167. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF BRINGING TOGETHER.
 168. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COMBINING.
 169. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF Merging.
 170. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF FUSING.
 171. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF BLENDING.
 172. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF MIXING.
 173. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COMBINING.
 174. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF MERGING.
 175. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF FUSING.
 176. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF BLENDING.
 177. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF MIXING.
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 198. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF COMBINING.
 199. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF MERGING.
 200. ALL WORK SHALL BE SUBJECT TO INSPECTION BY THE MEDIUM OF FUSING.



No.	Description	Date
1	PRELIMINARY PERMIT REVIEW	08/24/2017
2	DEVELOPMENT PERMIT REVIEW	08/28/2017
3	COMMENTS	08/28/2017
4	NOA RE SUBMITTAL PLAN	09/21/2017
5	NOA RE SUBMITTAL PLAN	09/21/2017
6	REVISIONS	09/21/2017
7	PLANNING DEPT. RE SUBMITTAL	09/27/2017
8	PLANNING DEPT. RE SUBMITTAL I	09/27/2017
9	PLANNING DEPT. RE SUBMITTAL II	09/27/2017

BUILDING SECTIONS

Project Number: 1503
Date: 10/05/2017
Drawn By: GVL
Checked By: AJ

A04.0

10/05/2017 11:02:11 AM

**SOLANA CIRCLE
RESIDENCE**

Single Family Home
781 E. Solana Circle
Solana Beach, CA 92075

ARCHITECT
David A. Lawrence, AIA
1400 Main Street, Suite 200
San Diego, CA 92108
T: 760.593.8888

STRUCTURAL ENGINEER
DANIEL J. PROCELSKI
4400 Main Street, Suite 200
San Diego, CA 92108
T: 760.553.8727

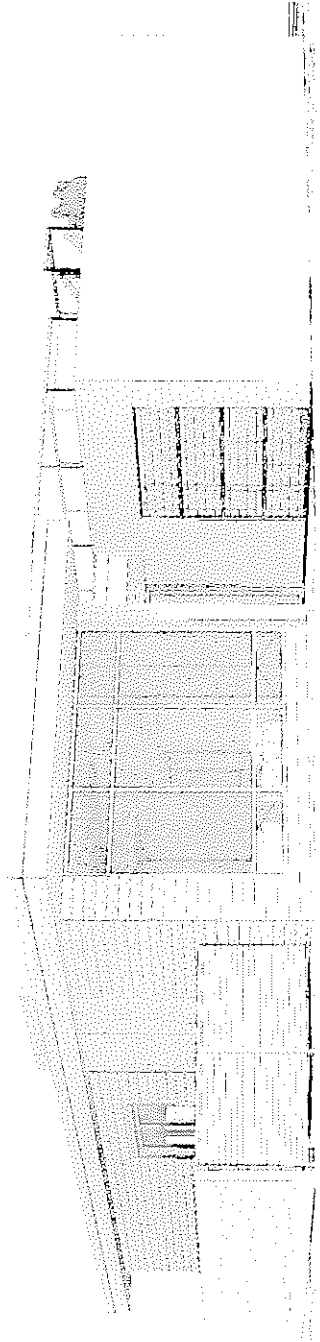


No.	Description	Date
1	Initial Schematic	02/28/18
2	Development Permit Review	03/19/18
3	Development Permit Review	03/19/18
4	Comments	03/19/18
5	NOA RE SUBMITTAL, PLAN	08/24/2017
6	NOA RE SUBMITTAL, PLAN	03/31/2017
7	NOA RE SUBMITTAL, REVISIONS	03/28/2017
8	PLANNING DEPT. RE SUBMITTAL	03/28/2017
9	PLANNING DEPT. RE SUBMITTAL	03/28/2017

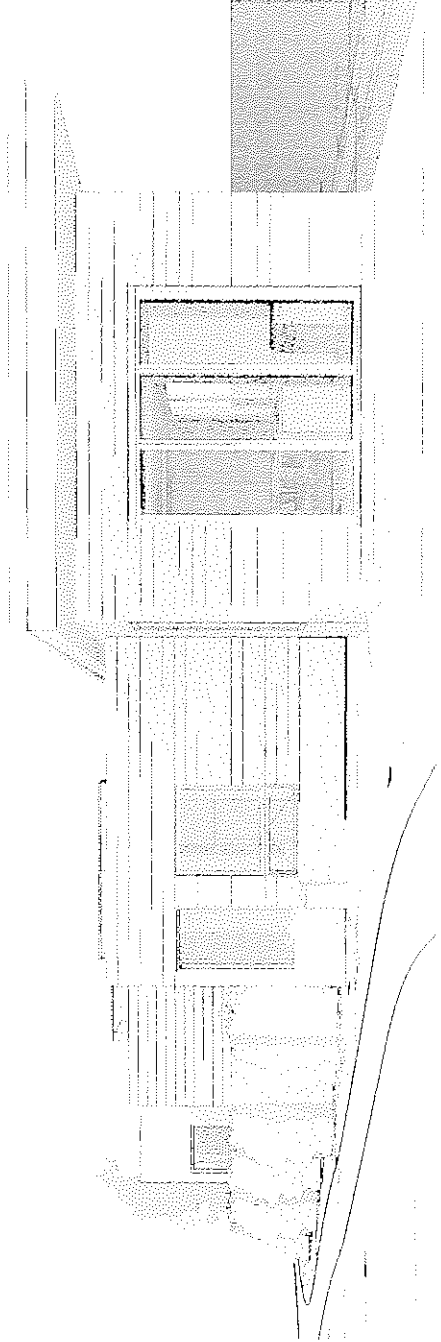
OVERALL 3D VIEW

Project Number: 1503
Date: 10/05/2017
Drawn By: GVL
Checked By: AJ

A05.0

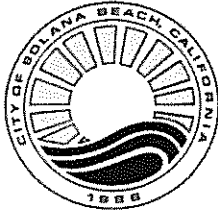


OVERALL 3D VIEW



OVERALL 3D VIEW

NOTE: DRAWING IS FOR REFERENCE ONLY
SEE DETAIL SHEETS



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Engineering Department *MS.*
SUBJECT: **Public Hearing: Introduce (1st Reading) Ordinance 484 Amending Section 17.80.020 of the Solana Beach Municipal Code Related to the Solana Beach Floodplain Overlay Zone to Comply with the National Flood Insurance Program**

BACKGROUND:

While most of Solana Beach is well above the flood zone, the area south of the intersection of Valley Avenue and Stevens Ave to Via de la Valle is subject to periodic flooding from heavy rains. This area is identified on the National Flood Insurance Rate Map to be within the 100-year flood zone (see Attachment 2). Flooding can result in loss of life and property, health and safety hazards, disruption of businesses and government services, extraordinary public expenditures, and lower property values. Flood losses are caused by land uses that are inadequately elevated, flood proofed, or protected from flood damage.

The Federal Emergency Management Agency (FEMA) makes flood insurance available to residents of participating communities, provided the community adopts and enforces adequate floodplain management regulations that meet the minimum National Flood Insurance Program (NFIP) and Code of Federal Regulations.

To be in compliance with the NFIP, in 1993 Council approved Ordinance No. 185, adopting the Solana Beach Floodplain Overlay Zone (Chapter 17.80). Since that time, changes to the NFIP have occurred and the Solana Beach Municipal Code (SBMC) has been revised accordingly.

This item is before the City Council to introduce Ordinance 484 (Attachment 1) to amend SBMC Chapter 17.80 in regards to floodplain regulations.

CITY COUNCIL ACTION:

DISCUSSION:

As part of a regular Community Assistance Contact (CAC), the City was contacted by the California Department of Water Resources (DWR) on behalf of FEMA in June 2017. On July 6, 2017, City Staff met with a DWR representative who conducted a CAC to ensure compliance with NFIP regulations. The CAC revealed the need to update the City's current Floodplain Overlay Zone Ordinance in order to meet the NFIP requirements pursuant to the Title 44 Code of Federal Regulations. DWR requested that the City update SBMC Chapter 17.80 to meet the NFIP requirements pursuant to Title 44, Code of Federal Regulations, Sections 59, 60.3-60.6 and 65.3. A copy of the CAC is included as Attachment 3. The adoption of an amended floodplain management ordinance is a prerequisite for continued participation in the NFIP.

Staff prepared the attached ordinance and submitted it to DWR for review. DWR concluded that the ordinance meets the NFIP requirements and that, after its adoption, Solana Beach will be in full compliance. The proposed changes are described below:

1. In SBMC Section 17.80.120.C4, Standards of Construction, for all new construction and substantial improvements within the flood zone, the following statement is added: "Fully enclosed areas below the lowest floor that are subject to flooding are usable solely for parking of vehicles, building access, and storage."
2. In SBMC Sections 17.80.020, 17.80.090 and 17.80.120, the flood zone designation "VO" is removed. This flood zone designation is no longer used on FEMA maps.

Pursuant to SBMC section 17.76.050, amendments to the Title 17 of the SBMC may be approved by the Council upon making the findings contained in SBMC section 17.76.070.

SMBC section 17.76.070 requires the Council make the following findings to amend Title 17 of the SBMC:

- A. The proposed amendment is consistent with the general plan.
- B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city.

The changes to Chapter 17.80 as proposed in Ordinance 484 do not change the land use in the affected zone and therefore are consistent with the general plan. The suggested revisions are in compliance with the NFIP which enforces floodplain management regulations. Thus, the amendment is not detrimental to the public interest, health, safety, convenience, or welfare of the City.

Therefore, Staff recommends that the City Council introduce Ordinance 484, amending the Solana Beach Floodplain Overlay Zone (Sections 17.80.020, 17.80.090 and 17.80.120).

CEQA COMPLIANCE STATEMENT:

The action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15321 of the State CEQA Guidelines.

FISCAL IMPACT:

There is no anticipated fiscal impact to the City.

WORK PLAN:

N/A

OPTIONS:

- Approve Staff recommendations.
- Provide direction to Staff.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing.
2. If the Council could make the findings as required under SMBC section 17.76.070, introduce Ordinance No. 484 to amend the Solana Beach Floodplain Overlay Zone (Sections 17.80.020, 17.80.090 and 17.80.120) of the SBMC.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager

Attachments:

1. Ordinance 484
2. Flood Insurance Rate Map
3. DWR Letter dated August 16, 2017 (CAC)

ORDINANCE 484

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA AMENDING SECTIONS OF CHAPTER 17.80 OF THE SOLANA BEACH MUNICIPAL CODE, ALL RELATED TO FLOOD DAMAGE PREVENTION

WHEREAS, the City of Solana Beach City Council adopted Ordinance 185 on November 1, 1993, adopting the Solana Beach Floodplain Overlay Zone; and

WHEREAS, on July 6, 2017 a representative from the California Department of Water Resources, Southern Region Office (DWR) conducted a Community Assistance Contact (CAC) in the City of Solana Beach (City); and

WHEREAS, as a result of the July 6, 2017 CAC, the City's current Floodplain Overlay Zone Ordinance requires an update to meet the minimum National Flood Insurance Program (NFIP) requirements pursuant to the Title 44 Code of Federal Regulations Sections 59, 60.3-60.6, and 65.3; and

WHEREAS, the adoption of an amended floodplain management ordinance is a prerequisite for continued participation in the NFIP; and

WHEREAS, the City desires to continue its participation in the NFIP.

NOW THEREFORE, the City Council of the City of Solana Beach does ordain as follows:

Section 1. All of the above statements are true; and

Section 2. The City Council finds that this action is exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15321 because there is no possibility that the activity in question may have a significant effect on the environment.

Section 3. Solana Beach Municipal Code Section 17.80.020 is amended to read as follows (strikeout indicates a deletion, underline indicated an addition):

17.80.020 Definitions. (Two definitions are amended.)

"Area of shallow flooding" means a designated AO or AH ~~or VO~~ zone on the flood insurance rate map (FIRM). The base flood depths range from one to three feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and areas of channelized or velocity flow may be evident.

"Special flood hazard area (SFHA)" means an area having special flood or flood-related erosion hazards, and shown on an FHB or FIRM as zone A, AO, A1-30, AE, A99, ~~VO~~, V1-V30, VE or V.

Section 4. Solana Beach Municipal Code Section 17.80.090 is amended to read as follows (strikeout indicates a deletion, underline indicated an addition):

17.80.090 Development permit required.

A. In addition to any other development permits or approvals required by this code, a flood damage prevention development permit shall be obtained before construction or development begins within any area of special flood hazards, areas of flood-related erosion hazards or areas of mudslide (i.e., mudflow) established by SBMC 17.80.040. Application for a permit shall be made on forms approved by the floodplain administrator and may include, but not be limited to: plans in duplicate drawn to scale showing the nature, location, dimensions, and elevation of the area in question; existing or proposed structures, fill, storage of materials, drainage facilities; and the location of the foregoing. Specifically, the following information is required:

1. Proposed elevation in relation to mean sea level, of the lowest floor (including basement) of all structures; in zone AO ~~or VO~~, elevation of highest adjacent grade and proposed elevation of lowest floor of all structures;
2. Proposed elevation in relation to mean sea level to which any structure will be floodproofed;
3. All appropriate certifications listed in SBMC 17.80.120(C); and
4. Description and substantiating calculations of the extent to which any watercourse will be altered or relocated as a result of proposed development.

B. No other permit or approval for development shall be issued unless either a flood damage prevention development permit has first been issued or such other permit or approval is conditioned upon the successful issuance of a flood damage prevention development permit.

C. Appeals. The city council of the city of Solana Beach shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the floodplain administrator in the enforcement or administration of this chapter.

Section 5. Solana Beach Municipal Code Section 17.80.120 is amended to read as follows (strikeout indicates a deletion, underline indicated an addition):

17.80.120 Standards of construction.

Construction in all areas of special flood hazards shall comply with the standards set forth in this section.

A. Anchoring.

1. All new construction and substantial improvements shall be anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.

2. All manufactured homes shall meet the anchoring standards of SBMC 17.80.150.

B. Construction Materials and Methods.

1. All new construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage.

2. All new construction and substantial improvements shall be constructed using methods and practices that minimize flood damage.

3. All new construction and substantial improvements shall be constructed with electrical, heating, ventilation, plumbing and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.

4. Within **all** zones AH **and** AO **or VO**, adequate drainage paths around structures on slopes to guide floodwaters around and away from proposed structures shall be shown on the grading plans and required as a condition of the grading permit.

C. Elevation and Floodproofing.

1. New construction and substantial improvement of any residential structure shall have the lowest floor, including basement, elevated to one foot above the base flood elevation. Upon the completion of the structure, the elevation of the lowest floor, including basement, shall be certified by a registered civil engineer or licensed land surveyor to be properly elevated. Such certification or verification shall be provided to the floodplain administrator.

2. New construction and substantial improvement of any residential structure in zone AO **or VO** shall have the lowest floor, including basement, elevated above the highest adjacent grade at least as high as the depth number specified in feet on the FIRM, or at least two feet if no depth number is specified. Upon completion of the structure, the elevation of the lowest floor, including basement, shall be certified by a registered civil engineer or licensed land surveyor to be properly elevated. Such certification or verification shall be provided to the floodplain administrator.

3. New construction and substantial improvement of any nonresidential structure shall either be elevated in conformance with subsection (C)(1) or (2) of this section or, together with attendant utility and sanitary facilities, meet the following requirements:

- a. Be floodproofed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water;
- b. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy; and
- c. Be certified by a registered professional engineer or architect that the standards of this subsection are satisfied. Such certifications shall be provided to the floodplain administrator.

4. In all new construction and substantial improvements, fully enclosed areas below the lowest floor that are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. **Fully enclosed areas below the lowest floor that are subject to flooding are usable solely for parking of vehicles, building access, and storage.** Building plans meeting this requirement must either be certified by a registered civil engineer or architect or conform to the following minimum criteria:

- a. Either a minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided. The bottom of all openings shall be no higher than one foot above grade. Openings may be equipped with screens, louvers, valves or other coverings or devices; provided, that they permit the automatic entry and exit of floodwaters; or
- b. Be certified by a registered professional engineer or architect to comply with a local floodproofing standard approved by the Federal Insurance Administration.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code §36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 13th day of December, 2017; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the 11th day of January, 2018, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk

FEMA's National Flood Hazard Layer (Official)



Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available: <http://tinyurl.com/j4xwp5e>

USGS The National Map: Orthoimagery | National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | Print here instead: <http://tinyurl.com/j4xwp5e> Support: FEMAMapSpecialist@riskmapcds.com | SanGIS, Esri, HERE, Garmin, INCREMENT P, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA

DEPARTMENT OF WATER RESOURCESSOUTHERN REGION OFFICE
770 FAIRMONT AVENUE, SUITE 102
GLENDALE, CA 91203-1035

AUG 16 2017

Honorable Mike Nichols
Mayor of the City of Solana Beach
635 South Highway 101
Solana Beach, California 92075

RECEIVED

AUG 17 2017

Engineering Dept.
City of Solana Beach

Dear Mayor Nichols:

Thank you for the cooperation and courtesy extended to Salomon Miranda of my staff during our Community Assistance Contact (CAC) in your community on Thursday July 6, 2017. I hope the meeting was useful and informative for your community's floodplain management staff.

The purpose of the CAC is to provide information about the National Flood Insurance Program (NFIP). On behalf of the Federal Emergency Management Agency, I commend your staff for its conscientious efforts in implementing the NFIP. Continued enforcement of the NFIP regulations will ensure your City's good standing in the NFIP and guarantee availability of flood insurance coverage for residences in flood hazard areas. A copy of the Department's CAC Report for the City of Solana Beach is enclosed for your review and action.

Our CAC did reveal a specific action that needs to be taken to bring your City's floodplain management program into compliance with NFIP requirements. Within 60 days of the date of this letter, we request that your City take the following action:

- Submit a copy of a draft ordinance that amends the City's current floodplain management regulations (Municipal Code Chapter 17.80), as identified in the CAC Report, to meet the minimum NFIP requirements pursuant to *Title 44, Code of Federal Regulations, Sections 59, 60.3-60.6, and 65.3.*

If you have questions concerning this letter, the enclosed report, or any aspect of the NFIP, please contact Salomon Miranda of my staff at (818) 549-2347 or at salomon.miranda@water.ca.gov. I can be reached at (818) 549-2300.

Sincerely,

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

Michael Sabbaghian, Chief
Southern Region Office

NATIONAL FLOOD INSURANCE PROGRAM
COMMUNITY ASSISTANCE CONTACT

COMMUNITY INFORMATION				
Community: <i>City of Solana Beach</i>	County: <i>San Diego</i>	State: <i>CA</i>	Community ID: <i>060725</i>	
Conducted By: <i>Salomon Miranda</i>	Agency: <i>Department of Water Resources</i>	Date of Contact: <i>July 6, 2017</i>		
FLOOD PLAIN MANAGER				
Local Official: <i>Mr. Mohammed Sammak</i>	Address:			
Title: <i>City Engineer</i>	<i>635 South Highway 101</i>			
Email: <i>msammak@cosb.org</i>	<i>Solana Beach, California 92075</i>			
COMMUNITY ASSISTANCE VISIT				
Prior CAV date: <i>January 4, 2010</i>	CAV needed: <i>No</i>			
Outstanding issues from this CAC: <i>Yes</i> <input checked="" type="checkbox"/> <i>No</i> <input type="checkbox"/>	<i>Amend Floodplain Management Ordinance no. 418 to meet the NFIP requirements.</i>			
Date required: <i>October 11, 2017</i>				
CIS/BIENNIAL REPORT DATA				
1. Number of flood insurance policies in force	<i>68</i>			
2. Dollar amount of coverage	<i>\$17,459,000</i>			
3. Number of flood insurance claims/\$ paid	<i>19/\$447,386.27</i>			
4. Number of repetitive loss properties	<i>5</i>			
5. Population (2016)	<i>13,449</i>			
MAPPING				
1. Annexations	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
2. Special Flood Hazard areas annexed (see comments)	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
3. Recent flooding problems (see comments)	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Questions:

1. **Has there been a recent change of the Community's Floodplain Manager?** *(If yes, provide workshop and EMI training schedule)*

No.

2. **Does the Community have a set of written procedures for their floodplain management:**

	Yes	No
(a) Building permitting and inspection process?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) Floodway encroachment?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) Substantial improvement/damage?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) On-site inspection for building and design requirements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. **What is the date of the Community's effective Floodplain Management Ordinance?**

Ordinance No. 418 – adopted on August 25, 2010.

4. **Are there any issues with the Floodplain Management Ordinance?**

Yes.

a. *Section 17.80.120.C.4, of the City's Municipal Code is incomplete. The Section does not define the use of fully enclosed areas below the lowest floor of a structure. These areas are usable solely for parking of vehicles, building access, and storage. The floodplain management ordinance needs to be amended to specify the use of enclosed areas below the lowest floor that are subject to flooding.*

b. *Sections 17.80.020, 17.80.090, 17.80.120, of the City's Municipal Code reference the special flood hazard area as "Zone VO". This flood zone designation does not exist and it needs to be removed from the City's Municipal Code Chapter 17.80.*

5. **Have there been any development or flood control projects since the last FIRM that has altered the existing delineated SFHA?**

No.

If so, has the Community submitted a Letter of Map Revision (LOMR) in accordance with 44CFR, 65.3?

N/A.

6. Does the Community use FEMA's Elevation Certificate to record and store lowest floor elevation data?

Yes.

7. Is there any significant future development planned within the Community's Special Flood Hazard Area?

No.

8. {In communities with one or more un-numbered, approximate "A" Zones} Is the Community requiring Base Flood Elevation data for development of at least 50 lots or 5 acres?

Yes.

9. Has the Community issued any Variances to their floodplain management regulations?

No.

10. Outstanding issues from prior CAV?

No.

11. Follow up needed?

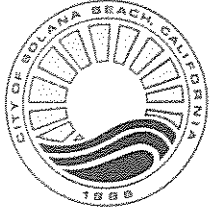
Yes. *Review draft ordinance before it's formally adopted.*

12. CAV needed?

No.

13. Comments?

None.



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: City Clerk's Office
SUBJECT: Annual Mayoral Rotation: Mayor / Deputy Mayor Appointments

BACKGROUND:

Resolution 1996-017 (Attachment 1) states that the City Council shall appoint a mayor and mayor pro tempore on an annual basis at the first City Council meeting of December. The mayor and mayor pro tempore shall be selected by the affirmative vote of not less than three members of the City Council. The mayor pro tempore may be referred to as the deputy mayor, as is currently practiced. Mayor Nichols and Deputy Mayor Marshall currently hold the appointed seats.

This item is before Council to officially appoint a Mayor and Deputy Mayor for the term of December 13, 2017 through December 12, 2018.

DISCUSSION:

Pursuant to Resolution 1996-017, the Council shall proceed with the nominations and appointments of the 2018 Mayor and Deputy Mayor.

This is a summary of Resolution 1996-017 which provides some general guidelines for making appointments of mayor and deputy mayor:

- The deputy mayor shall have first priority to serve as mayor.
- Each member shall be given the opportunity to serve as deputy mayor and then mayor.
- Mayoral terms may be shared. If shared, priority would be given to those never served or those with the least total terms as mayor.
- Six month terms are deemed a full term as mayor. When fulfilling the position of mayor for less than six months, due to the mayor's incapacity, the member will not be considered to have served a full mayoral term.

CITY COUNCIL ACTION:

- When an appointment is declined, eligibility for mayor shall be lost, unless re-elected. A person who declines to accept a shared term as mayor shall not lose any eligibility.
- Council may choose to use alternative criteria for appointments.

CEQA COMPLIANCE STATEMENT: N/A

FISCAL IMPACT: N/A

WORK PLAN: N/A

OPTIONS:

- Approve Staff recommendation and make necessary appointments.
- Approve Staff recommendation with alternative amendments / modifications.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council nominate and appoint the 2018 Mayor and Deputy Mayor for a term of December 13, 2017 to December 12, 2018.

1. Mayor calls for a nomination of a new Mayor. Call for the vote.
2. Newly appointed Mayor calls for nomination of a Deputy Mayor. Call for the vote.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager

Attachments:

1. Resolution 1996-017 - Guidelines for Mayor and Deputy Mayor Appointments.

RESOLUTION NO. 96-17

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SOLANA BEACH, CALIFORNIA, ESTABLISHING POLICIES
REGARDING APPOINTMENT OF MAYOR AND DEPUTY MAYOR**

WHEREAS, the City Council is authorized and directed by Government Code Section 36801 to meet after a general municipal election and choose one of its number as mayor and one of its number as mayor pro tempore; and

WHEREAS, the City Council has determined that it is in the best interest of the City of Solana Beach to establish policies regarding the appointment of mayor and mayor pro tempore.

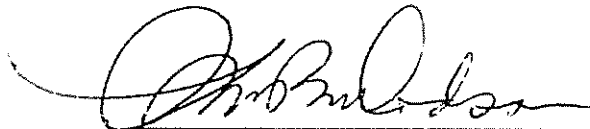
NOW, THEREFORE, the City Council of the City of Solana Beach California, resolves as follows:

1. The City Council shall appoint a mayor and mayor pro tempore on an annual basis. The appointment shall be made at the first City Council meeting of December. The mayor and mayor pro tempore shall serve until their successor is appointed.
2. The mayor and mayor pro tempore shall be selected by the affirmative vote of not less than three members of the City Council.
3. The mayor pro tempore may be referred to as the deputy mayor.
4. When selecting the mayor and mayor pro tempore, the Council shall use the following criteria:
 - a. The deputy mayor shall have first priority to serve as mayor.
 - b. To the extent possible, each member shall be given the opportunity to serve as deputy mayor and then mayor.
 - c. The position of finish for each member at their last election will be an important factor in choosing between members who each have served as mayor or between members who have not previously served as mayor.
 - d. The first place finisher in each election shall have the opportunity to serve a full year term as mayor.

- e. Any member may share their term as mayor with any other member. Priority would be given to those who have not served, or if all have served, priority would be given to the member with the least total terms as mayor.
 - f. If a member accepts a shared term of at least six months as mayor, that shall be deemed a full term as mayor. However, if due to an incapacity a mayor is not able to fulfill a term, a member who is called upon to fill less than six months of the remainder of another member's term as mayor shall not be considered to have served a full term as mayor. The member called upon under such a situation shall be allowed to continue serving as mayor the next full term.
 - g. A person may decline an appointment, but shall lose eligibility unless the person subsequently regains eligibility as a result of re-election. A person who declines to accept a shared term as mayor shall not lose any eligibility.
 - h. The Council may choose to appoint a person to the position of mayor or deputy mayor based on factors other than those set forth in this resolution.
5. This resolution shall supersede all prior resolutions concerning this matter.


PASSED, APPROVED, AND ADOPTED by the City Council of the City of Solana Beach, California, at a regular meeting held on the 5th day of February, 1996, by the following vote:

AYES: Councilmembers - Campbell, Dodson, Kellejian, Renteria, Tompkins
NOES: Councilmembers - None
ABSTAIN: Councilmembers - None
ABSENT: Councilmembers - None



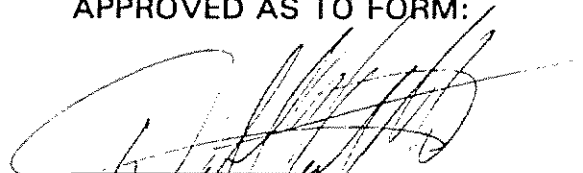
Marion B. Dodson, Mayor

ATTEST:

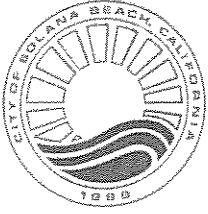


Deborah A. Harrington
City Clerk

APPROVED AS TO FORM:



Daniel S. Hentschke
City Attorney



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Finance
SUBJECT: **Fiscal Year 2016/17 Comprehensive Annual Financial Report (CAFR)**

BACKGROUND:

The City's financial policies specify that each year the City's financial statements are to be audited by a firm of independent Certified Public Accountants (CPA's), and that the auditor's opinion is to be included in the financial statements as is required by Generally Accepted Accounting Principles (GAAP). An independent audit is essential to demonstrate the accountability of government officials' use of public resources, and provides a basis for user acceptance of the audited financial statements.

The action that Staff is recommending to the City Council is to file and accept the Fiscal Year (FY) 2016/17 Comprehensive Annual Financial Report (CAFR) (Attachment 1) and receive a presentation by the City's Independent Auditors, Lance, Sol & Lunghard, LLP, on the City's financial condition as of June 30, 2017.

DISCUSSION:

Staff is presenting the FY 2016/17 CAFR for Council's review. The CAFR is a very detailed report that goes beyond the requirements of Generally Accepted Accounting Principles (GAAP) and beyond any legal reporting requirements. The CAFR covers all funds of the government and all the financial transactions during the year. It is considered a general purpose report as its contents are intended to meet the needs of a range of user groups. GAAP encourages, but does not require, a government entity to issue a CAFR.

CITY COUNCIL ACTION:

Financial Highlights (expressed in thousands of dollars):

- The City's net position increased to \$75,889, or by \$3,162, as a result of FY2017 operations.
- During the year, the City's taxes, other governmental revenues, and business activity revenues exceed expenses by \$3,162.
- Governmental net position equaled \$36,827.
- The total revenues from all sources were \$27,445.
- The total cost of all City programs was \$24,283.
- The General Fund reported an excess of revenues over expenditures and other financing sources and uses by \$1,298.
- The General Fund's actual resources received exceeded the final revenue budget by \$625 while actual expenditures were \$1,238 less than final budget before other financing sources and uses.

GASB Statements regarding Pension Liabilities

A recent standard from the Governmental Accounting Standards Board (GASB) requires government entities to report net pension liabilities in their Statement of Net Positions. The standard, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued by GASB on June 12, 2012.

Under GASB 68, governmental entities need to address net pension liability in their financial statements. Net pension liability refers to the difference between the total pension liability, defined as the present value of the projected benefit payments to employees based on past service, and the pension's assets, generally considered to be the investments set aside to pay retirees and current employees. Since the City takes part in a cost-sharing plan, it needs to recognize its proportionate share of the collective net pension liability and expense for the plan.

The GASB Statements also require governments to immediately recognize annual service costs and interest on the pension liability, as well as the effects of any changes in benefit terms. Since pension expenses will now be viewed over the service period of the plan member, governments will also have to deal with how changes in economic and demographic assumptions used to project benefits affect the pension, as well as with differences between assumptions and actual experiences. Governmental entities will also need to recognize, over a five-year period, the effects of differences between expected and actual investment returns.

The provisions in Statement 68 are effective for financial statements for periods beginning after June 15, 2014.

As of June 30, 2017, the City of Solana Beach reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>	
Miscellaneous	\$	4,534,940
Safety		7,592,101
	\$	<u>12,127,041</u>

The City of Solana Beach's net pension liability for each Plan is measured as the proportionate shares of the net pension liability of \$12,127,041. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

More detailed information regarding the implementation of GASB 68 can be found in the following sections of the CAFR:

1. Note 7, City Employees Retirement Plan – Pension Plans, beginning on page 74.
2. Schedules of Proportionate Share of the Net Pensions Liability on pages 100 and 102.
3. Schedules of Plan Contributions on pages 101 and 103.

GASB Statements regarding Other Post Employment Benefits (OPEB)

In FY 2016/17, the City implemented GASB Statement No. 74, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*, which is the reporting of the City's OPEB plan. The City obtained a new actuarial in accordance with the guidance and have included additional disclosures and supplementary tables, which are intended to provide readers with additional information on the City's responsibilities for OPEB.

The City is required to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, next year which is the "employer" reporting of the plan in its financial statements and will begin to report a liability in the CAFR on the statement of net position for the OPEB liability which is similar to how it is reported for pensions.

The City is still reporting the information on the statement of net position in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the employer reporting piece because it has not implemented GASB 75 yet and will need two years of actuarial information to properly implement the beginning and ending balances of the liability.

The City will have a measurement calculation at June 30, 2018 based on the June 30, 2017 actuarial and therefore have beginning and ending information to properly implement.

More detailed information regarding the implementation of GASB 68 can be found in the following sections of the CAFR:

1. Note 8, Other Post-Employment Benefits, beginning on page 80.
2. Schedules of Changes in Net OPEB Liability/(Assets) and Related Ratios on page 104.
3. Schedules of Plan Contributions on page 105.
4. Schedule of Investment Returns on page 106.

Fund Balance

In FY 2010/11, the City adopted the provisions of GASB Statement No. 54, Fund Balance and Governmental Fund Type Definitions. GASB 54 changed how Fund Balances were previously reported in fiscal years prior to FY 2010/11 and has established Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The Governmental Fund statements conform to this classification and information regarding Fund Balances can be found in Note 12 on page 89 of the CAFR.

Staff also prepared a schedule, GASB 54 Fund Balance Classifications (Attachment 2), which provides detail about the General Fund Balance categories. The Unassigned category amount of \$6,805,201 includes the Fund Balance amount of \$(665,464) for the PERS Side Fund.

This amount reflects the balance due to the Sanitation Fund for the \$3,132,587 borrowed to pay off the City's employee groups' side funds with PERS in FY 2010/11. The funds transfer and the prepayment of the PERS Side Fund will save the City \$970,462 in total interest over a twelve year period as compared to the amortization schedule that was provided to the City by PERS in FY 2010/11.

The loan balance from the Sanitation Fund is reported on the General Fund's balance sheet as "Advances from Other Funds". The loan payment made to the Sanitation Fund in FY 2016/17 totaled \$500,633, of which \$27,052 was for interest and \$473,581 was for principle. As payments are made each year to the Sanitation Fund, the loan amount will decrease and the Fund Balance amount in the PERS Side Fund will increase and eventually be zero when the loan is fully paid in FY 2018/19.

Fund Activity

General Fund

The General Fund had the following activity for FY 2016/17:

Total Revenues	\$ 18,038,489
Expenditures	(15,233,604)
Other Financing Sources	-
Other Financing (Uses)	(1,506,400)
Net Change in Fund Balance	<u>\$ 1,298,485</u>
Fund Balance	
Beginning of year	<u>13,025,292</u>
End of year	<u><u>\$ 14,323,777</u></u>
Nonspendable	\$ 20,164
Restricted	893,185
Committed	914,846
Assigned	5,690,381
Unassigned	<u>6,805,201</u>
Fund Balance-June 30, 2017	<u><u>\$14,323,777</u></u>

The net change in the General Fund's fund balance from FY 2015/16 to FY 2016/17 of \$1,298,485 using the GASB 54 fund balance classifications is reflected in the following table:

	<u>06/30/17</u>	<u>06/30/16</u>	<u>Difference</u>
Non-Spendable	\$ 20,164	\$ 7,471	\$ 12,693
Restricted	893,185	508,897	384,288
Committed	914,846	787,790	127,056
Assigned	5,690,381	5,520,890	169,491
Unassigned			
GF	7,470,665	7,339,289	131,376
PERS Side Fund	(665,464)	(1,139,045)	473,581
Total Unassigned	<u>6,805,201</u>	<u>6,200,244</u>	<u>604,957</u>
Total General Fund	<u><u>\$ 14,323,777</u></u>	<u><u>\$ 13,025,292</u></u>	<u><u>\$ 1,298,485</u></u>

The General Fund's revenue, expenditures, and fund balance as reported in the CAFR includes the City's internal service funds. The net change in the General Fund's fund

balance, including the internal service fund designations, is reflected in the following table:

	06/30/17	06/30/16	Difference
General Fund	\$ 9,670,791	\$ 9,455,150	\$ 215,641
Self Insurance	700,284	779,858	(79,574)
Workers Comp	632,343	600,735	31,608
Asset Replacement	2,298,615	2,166,660	131,955
Facilities Replacement	358,654	251,452	107,202
OPEB/Pensions	1,328,554	910,482	418,072
PERS Side Fund	(665,464)	(1,139,045)	473,581
Total General Fund	<u>\$ 14,323,777</u>	<u>\$ 13,025,292</u>	<u>\$ 1,298,485</u>

When Staff reports to the Council about the General Fund, Staff uses financial information from the "General Fund" category as reported in the above table. After Council approved at its September 12, 2017 Council meeting to fund the Public Agency Retirement Services (PARS) trust for \$400,000 and transfer \$500,000 to the City CIP fund for future projects for a total appropriation of \$900,000, the remaining General Fund's surplus as of June 30, 2017 is \$215,641.

Other Funds

The Special Revenue Funds, which include funds such as Gas Tax, Street Lighting District and TransNet, had the following activity for FY 2016/17:

Total Revenues	\$ 3,234,164
Expenditures	(2,996,384)
Other Financing Sources (Uses)	(70,400)
Net Change in Fund Balance	<u>\$ 167,380</u>
Fund Balance	
Beginning of year	<u>4,281,293</u>
End of year	<u>\$ 4,448,673</u>
Fund Balance	
Restricted	4,785,148
Assigned	-
Unassigned	(336,475)
Fund Balance-June 30, 2017	<u>\$ 4,448,673</u>

The Debt Service Funds had the following activity for FY 2016/17:

Total Revenues	\$	-
Expenditures		(355,601)
Other Financing Sources (Uses)		<u>355,700</u>
Net Change in Fund Balance	\$	<u>99</u>
Fund Balance		
Beginning of year		<u>24,828</u>
End of year	\$	<u><u>24,927</u></u>
Fund Balance		
Restricted		<u>24,927</u>
Fund Balance-June 30, 2017	\$	<u><u>24,927</u></u>

The Capital Projects Funds had the following activity for FY 2016/17:

Total Revenues	\$	813,543
Expenditures		(1,408,901)
Other Financing Sources (Uses)		<u>1,221,100</u>
Net Change in Fund Balance	\$	<u>625,742</u>
Fund Balance		
Beginning of year		<u>1,675,950</u>
End of year	\$	<u><u>2,301,692</u></u>
Fund Balance		
Restricted		916,593
Assigned		<u>1,385,099</u>
Fund Balance-June 30, 2017	\$	<u><u>2,301,692</u></u>

The Sanitation Fund had the following activity for FY 2016/17:

Total Revenues	\$ 5,269,956
Operating Expenses	(2,739,998)
Non Operating Revenues	1,703,438
Non Operating Expenses	<u>(476,859)</u>
Net Change in Net Position	<u>\$ 3,756,537</u>
Net Position	
Beginning of year	<u>35,305,544</u>
End of year	<u>\$39,062,081</u>
Net Position	
Net investment in capital assets	6,195,352
Unrestricted	<u>32,866,729</u>
Net Position-June 30, 2017	<u>\$39,062,081</u>

The Management's Discussion and Analysis Section of the CAFR provides a more in depth view of the City's current financial health.

The Statement of Auditing Standards (SAS) No. 115, Communication of Internal Control Related Matters Identified in an Audit (Attachment 3), received from the auditors states that there were no material instances of noncompliance, no material weakness in internal controls, and no reportable conditions.

The auditors also performed procedures to determine whether the City Appropriations Limit worksheets were properly calculated. The auditors found no exceptions as a result of their procedures and issued an Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets letter (Attachment 4).

In SAS No. 114, the Auditor's Communication With Those Charged with Governance (Communication) (Attachment 5) regarding their responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, the auditors reported on the implementation of various GASBs, among other findings.

The City's audit was conducted in conformity with Generally Accepted Auditing Standards (GAAS). These are the standards that a CPA must follow when auditing financial statements. In an independent audit, the CPA expresses an opinion as to whether the financial statements present fairly the financial position and results of operations for the year ended. The Fiscal Year 2016/17 audit report contains this unmodified opinion.

The City's Housing Successor (Housing Successor) is required to be in compliance with the California Health and Safety Code (Code) sections applicable to California Housing Successor Agencies. The auditors audited the Housing Successor's compliance with the applicable codes and found the City in compliance.

The City was proud to accept the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the CAFR for the fiscal year ended June 30, 2016. Staff is confident that this report will again earn this distinction.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

None

WORK PLAN:

N/A

OPTIONS:

- Approve Staff recommendation.
- Provide alternative direction.


DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:

1. Accept and file the City of Solana Beach Comprehensive Annual Financial Report (CAFR) for the fiscal year July 1, 2016 – June 30, 2017.
2. Accept and file the Communication of Internal Control Related Matters Identified in an Audit letter.
3. Accept and file the Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets letter.
4. Accept and file The Auditor's Communication With Those Charged with Governance letter.
5. Accept and file the Report on Compliance for the Housing Successor.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager

Attachments:

1. CAFR for the year ended June 30, 2017
2. GASB 54 Fund Balance Classifications (General Fund)
3. Communication of Internal Control Related Matters Identified in an Audit letter
4. Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets letter
5. The Auditor's Communication With Those Charged with Governance letter
6. Report on Compliance for the Housing Successor

CITY OF SOLANA BEACH, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL PERIOD ENDED JUNE 30, 2017

PREPARED BY THE FINANCE DEPARTMENT
OF THE CITY OF SOLANA BEACH

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CITY OF SOLANA BEACH
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2017

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CITY OF SOLANA BEACH

FAX (858) 792-6513 / (858) 755-1782

635 SOUTH HIGHWAY 101 • SOLANA BEACH • CALIFORNIA 92075-2215 • (858) 720-2400

November 30, 2017

To the Honorable Mayor, Members of the City Council, and Citizens of Solana Beach:

It is with great pleasure that we present to you the City of Solana Beach (City) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017.

This year's report was prepared by the City's Finance Department in conformity with Generally Accepted Accounting Principles (GAAP) and has been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed Certified Public Accountants. The report consists of management representations concerning the finances of the City. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

The CAFR includes the financial activity for all funds of the City. The City provides a wide range of services including planning; public works; engineering; maintenance of streets, parks and public facilities; community services and recreation; fire and marine safety; sanitation; and general administrative activities. Contracted services include building services through a third party consultant, law enforcement with the San Diego County Sheriff and animal control with the County of San Diego.

Internal Controls

The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of State, County, and Federal financial resources, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the management of the City.

Annual Audit

Lance, Soll and Lunghard, LLC, appointed by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017, are free of material misstatement. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that the City has complied with applicable laws and regulations.

The results of the City's annual audit for the fiscal year ended June 30, 2017, provided no instances of material weaknesses in the internal control structure and no violations of applicable laws and regulations. The independent auditor concluded there was a basis for rendering an unmodified opinion and the City's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MDA)

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MDA) and should be read in conjunction with it. The MDA provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MDA is intended to disclose any known significant events or decisions that affect the financial condition of the City. The City's MDA can be found immediately following the report of the independent auditors.

Government Profile

The City of Solana Beach was incorporated on July 1, 1986, under the general laws of the State of California and is home to a population of 13,527 residents per the State of California Department of Finance. Included within the City's financial statements is the financial information of the Solana Beach Public Facilities Corporation. The City is considered the primary government and the Public Facilities Corporation is a component unit. Additionally, since the governing boards of the City and the component unit are the same, the financial statements of the City and the component unit are blended.

The Solana Beach Public Facilities Corporation was incorporated on July 25, 1990, as a nonprofit public benefit corporation duly organized and existing under the Nonprofit Public Benefit Corporation Law. Its purpose is to benefit the City by providing financing for the planning, development, acquisition, construction, improvement, extension, repair, and renovation of public works projects, public facilities, furnishings, and equipment for use by the City.

The City of Solana Beach is a coastal community encompassing approximately 3.4 square miles and is located twenty-one miles north of the City of San Diego's downtown district. It is bordered to the North and South by the cities of Encinitas and Del Mar, respectively; to

the East by the County San Diego; to the southeast by the City of San Diego; and by the Pacific Ocean to the West.

The City is a general law city that operates under the Council-Manager form of government. The City Council (Council) is comprised of five members elected at large for staggered four-year terms of office. The Mayor and Deputy Mayor are selected by the Council from among its members to serve one-year terms. The Council acts as the legislative and policy-making body of the City, enacting all laws and directing such actions as required providing for the general welfare of the community.

The City Manager, appointed by the Council, serves as the Chief Executive Officer and is responsible to the Council for the proper administration of all City affairs and for the implementation of all policies established by the Council. The City Attorney is the only other position appointed by the Council. All other department heads and employees are appointed by the City Manager.

Commissions play an important role in the governmental structure of Solana Beach. They provide many opportunities for citizens to participate in the affairs of the City. These Advisory Commissions assist in the performance of studies and the issuance of recommendations on various matters of concern to the Council.

The Advisory Commissions are the following:

- Budget & Finance Commission
- Climate Action Commission
- Parks & Recreation Commission
- Public Arts Commission
- View Assessment Commission

Budgetary Process and Controls

The process of adopting a budget for the City is generally a six-month process beginning in late December and ending in June when the Council adopts the budget and appropriates funds necessary for the City to provide services to its residents.

The process is all-inclusive as department directors work with the City Manager and representatives of the Finance Department to discuss departmental requests relative to the City's available resources.

The City's overall objectives and goals, along with the economic outlook, serve as a platform for the proposed budget that is distributed to the Council, and the Budget and Finance Commission, for preliminary review and analysis in preparation of public workshops and hearings. The public workshops and hearings are held to facilitate discussions of items contained within the proposed budget and to allow the citizenry to participate in the budget process.

In June 2017, the City Council approved the City's first two year budget for Fiscal Years (FY) 2017/18 and 2018/19. The same process was followed in developing the two-year

budget and, as the budget is amended during this two year budget cycle, budget adjustments will be brought to the City Council for review and approval.

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Council. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget.

The budget is arranged by fund, function, and department and is presented to the Council by the City Manager. The budget is then adopted annually by the Council prior to the beginning of the financial year and serves as the foundation for the City's financial planning and control. Department directors may make transfers of appropriations within their own budget units' departments with City Manager approval. The City budget is reviewed and is periodically adjusted at the middle of the fiscal year and at the end of the fiscal year. These adjustments are approved by the Council.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The adopted budget for Fiscal Year 2016/17 was prepared in accordance with Generally Accepted Accounting Principles.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Economic Condition and Outlook

Solana Beach is home to citizens who enjoy the benefits of a coastal community that is within close proximity to the City of San Diego. The local beaches are a big attraction to both residents and non-residents. The City is comprised mainly of single-family homes and condominiums with retail, office and light industrial uses and service entities providing a tax base for the City.

As a somewhat suburban community, Solana Beach's economic base is linked primarily to the economy of the greater San Diego region. In particular, the greater San Diego economic base sustains the City's residential and industrial facilities. The local economy is primarily based on small to medium sized retail establishments and specialty stores selling general merchandise, furniture, arts and crafts, clothing, food, and gasoline. Local economic generators such as vacation tourism support a significant portion of the City's commercial base.

In regards to San Diego's local economy, the University of San Diego's Index of Leading Economic Indicators (Index) has continued to increase since March 2009 when it bottomed out from its peak in April 2006. The Index reports on local economic components such as building permits issued, initial claims for unemployment, stock prices on the San Diego Stock Exchange Index, consumer confidence, and help wanted advertising.

After declining for 35 straight months, beginning in April 2006 at 143.8 and dropping to 100.7 by March 2009, the Index has climbed steadily since that time reaching a high of 145.2 set in August 2017. The August reading was a result of moderate increases in three

of the Index's components - the outlook for the national economy, increased authorized residential units, and consumer confidence. These slight increases were offset by declines in three other components of the Index – slight declines in initial claims for unemployment insurance and local stock prices and a sharp decline in online help wanted advertising. But the net changes in the Index components were enough to result in the Index recording its 10th straight month without a decline.

One area that has shown a marked negative impact to the local economy has been increased gas prices as a result of Hurricane Harvey. In September of last year, gasoline prices were approximately \$2.77 a gallon. In September 2017, a gallon of gasoline cost \$3.10. Gasoline prices impact the consumer pocketbook when these prices increase. For every one cent increase in the price of gas, consumers spend \$1 million a month less on other goods and services. Based on the increase in gas prices from one year ago last September, the San Diego County economy is seeing \$33 million a month more being spent on gasoline when it could have been used for goods and services purchased by consumers.

The USD Index for the period January 2012 to August 2017 is shown on the following chart:



Professor Alan Gin of the School of Business at the University of San Diego, and the author of the Index, predicts that the local economy will remain positive though slower through the remaining months of 2017 and into the first half of 2018.

After initial claims for unemployment had a continuous increase for the eight months from October through this past May, the component has decreased for the past three months with August seeming to stabilize with a decrease of -0.10. The other labor component, help wanted advertising, has been on the decline since March 2017 with its largest decrease

reported so far in August at -1.13. The net result of these two components resulted in the seasonally adjusted unemployment rate rising to 4.5 percent in August as compared to the previous few months and as compared to 4.7 percent in August 2016. Unemployment rates in August, after being seasonally adjusted, are usually the second highest rates in the year.

By October, the jobless rate in San Diego County had reach one of its lowest points of the year at a seasonally adjusted unemployment rate 3.7%, however, job growth continued to slow with the addition of 16,600 jobs in the twelve months since last October as compared to 30,000 jobs which were added in 2016. As expected, the largest gains in new jobs were in health care and education at 4,300 followed by 2,900 new jobs each in government and leisure and hospitality. The San Diego region is coming closer to what is considered full employment.

The Index also saw an increase in building permits in August for the third month in a row. Since the Index uses a moving average to smooth the data of volatile components, the August component realized the benefit of large gains reported in June and July.

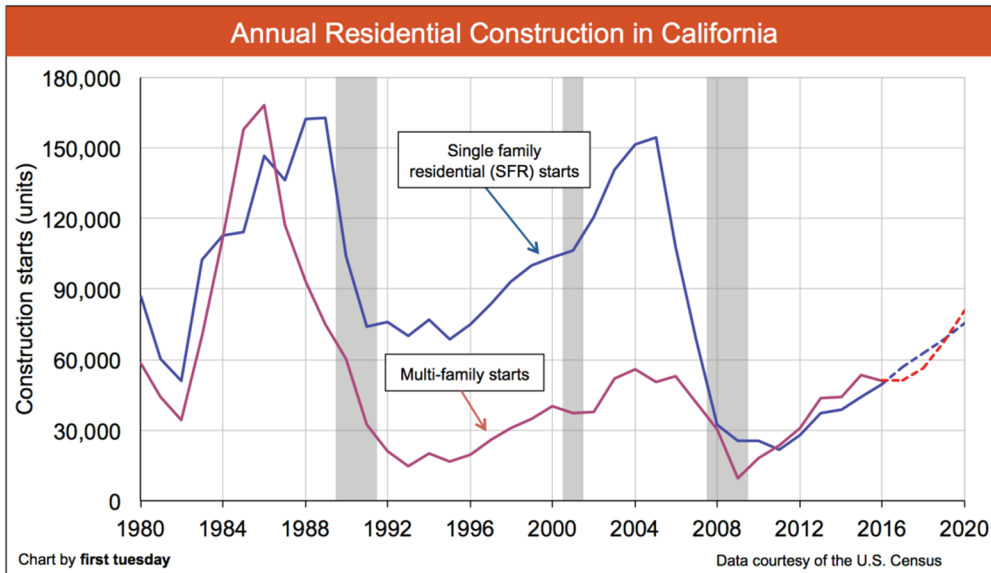
Another positive index is in consumer confidence – the increase in August continued the trend of positive outlooks for the 14th consecutive month.

The local economy has benefited overall from improvements in the national and state economies, but some of the local indicators are possibly following national trends. The national Index of Leading Economic Indicators continued to grow in 2017 from a low in the first quarter of 1.2 percent annual rate to a 3.1 and 3.0 percent annual rate in the second and third quarters, respectively. This was the first time since the middle of 2014 that the United States economy has realized 3 percent growth for two consecutive quarters. The Conference Board Economic Outlook for 2017-2018 expects that the fourth quarter of 2017 will reflect a 2.8 percent annual growth rate and a 2.5 percent growth for 2018. If these growth rates are realized, it would be the economy's best two year rate of growth since 2005.

The UCLA Anderson Forecast estimates that the growth of state employment will be 1.1 percent this year, slowing each year to 0.9 percent in 2018 and 2019. The state's unemployment rate, now just below 5 percent, means the state is close to full employment, which means that nearly everyone who wants a job has one.

While there will be continued job growth and lower unemployment over the next few years in California, this will not necessarily be advantageous for the state as compared to the rest of the country. Due to the absence of affordable housing in California, the state cannot continue to grow at the same rate it has in recent years unless more people can be added to the workplace. But the lack of housing makes that a difficult proposition since new housing must be built otherwise population growth and economic growth will be limited.

The following chart as published by First Tuesday Journal, a resource used by the California real estate industry, provides a perspective regarding the situation with residential construction from the 1980's through the end of this decade:



On June 27, 2017, Governor Brown signed a \$183.2-billion budget for the 2017/18 fiscal year. The state budget includes a \$125.1-billion general fund, a \$2.6 billion or 2.0% increase, as compared to the budget passed in June 2016. The new budget allocates \$74.5-billion, or one-third of the budget, to K-12, preschool, and higher education with more than \$11,000, on average, for each student. Healthcare spending is the largest portion of the budget, with a total cost of \$105.6-billion including federal funds. The spending is focused on Medi-Cal, the healthcare program for low-income residents. It is estimated that more than one in three state residents, are now enrolled.

Additional funds will be available for roads and flood protection, with \$2.8-billion available from Senate Bill (SB) 1 legislation which was approved by lawmakers in April that will increase taxes and fees. Most of the money, or \$1.7-billion, will go to local street, road and transit projects. Borrowing that was approved by voters under Proposition 1 in 2014 will see \$111 million spent to evaluate the safety of dams in California and develop emergency action plans that would be implemented in case of flooding.

This was the second time since 1982, during Brown's second term, that the governor has made no vetoes to reduce individual spending items in the budget plan.

Proposition 2, passed by the voters in 2014, requires the state to set aside at least 1.5% of its revenues each year to pay down debts and build a rainy day fund. This budget allocates \$1.8-billion to the reserve, adding to the \$6.7-billion that was already in the fund for a total of \$8.5-billion. Another \$6-billion is also slated towards making an extra payment to CalPERS by borrowing the money from surplus state revenues.

Long-Term Financial Planning

Solana Beach's conservative fiscal policies have helped the City build and maintain a healthy reserve and management will continue to hold costs in line with available resources.

General Fund property taxes have been, and are expected to be, the highest revenue

generator for the City. Sales tax is the City's second largest revenue source. During FY 2016/17, property taxes increased by \$357,602, or 5.4%, to \$7,041,240 as compared to FY 2015/16, while sales tax decreased by \$127,301, or 3.9%, to \$3,127,803. This decrease was primarily due to a close-out payment of \$381,741 that the City received in FY 2015/16 as part of the wrap-up of the triple-flip revenue swapping process.

Overall, the City's General Fund revenues increased by \$642,639, or 3.7%, from \$17,395,845 in FY 2015/16 to \$18,038,489 in FY 2016/17.

For FY 2017/18, budgeted property taxes are expected to increase as compared to actual amounts received for the prior fiscal year and sales tax is also projected to increase slightly. Property tax is expected to increase to \$7,332,000, or by 4.1%, and sales tax is projected to increase to \$3,233,100, or by 3.3%.

Total General Fund revenues, net of internal service charges, are budgeted at \$17,611,600. It is the City's goal not to rely on General Fund reserves to operate the City annually. The General Fund budget for FY 2017/18 was adopted on June 14, 2017, with a projected \$305,500 surplus and a second year budget, for FY 2018/19, was also adopted with a projected \$416,400 surplus.

The City has taken steps to help maintain its fiscal sustainability over the next years by:

1. Negotiating a five-year contract beginning in July 2017 with the San Diego Sheriff's Department to provide law enforcement services with increases from year to year projected to average approximately 5.4% over the five years.
2. Amending a Fire Department Management Services Cooperative Agreement with the Cities of Del Mar and Encinitas that continues to provide a cost effective option to eliminate redundancy and increase levels of service by sharing common functions of organizational direction and control, supervision of operations, training, fire prevention, administrative and fiscal management, and disaster preparedness.
3. Maintaining 17% of operating expenditures, including debt service, as a reserve in the General Fund to be used in the case of significant financial or other emergency.
4. Implementing additional cost sharing of the employer's share of retirement costs with its employee associations. The goal of the increased cost share is to try to reach a 50% normal cost share between the employee and employer for retirement costs. This allows the City to reduce its pension costs.

All Classic Members (Tier 1 and Tier 2) currently pick-up a portion of the Employer Share of CalPERS retirement costs. The Miscellaneous employee group pick-ups 1.04% and 0.19% for Tier 1 and Tier 2, respectively; the Fire employee group pick-ups 3.00% for both Tier 1 and Tier 2; and the Marine Safety employee group pick-ups 2.00% for Tier 1.

5. Establishing an irrevocable Section 115 trust with Public Agency Retirement Services (PARS) in a “Post-Employment Benefits Trust Program” (Trust). The Trust is a combination trust that allows pre-funding of both unfunded Pension and Other Post Employment Benefit (OPEB) obligations. The City’s estimated total obligation at June 30, 2017 is \$12,127,041 for pension and \$1,943,024 for OPEB for a total of \$14,070,065.

Through June 30, 2017, the Pension and OPEB trusts have been funded in the amounts of \$1,236,120 and \$333,488, respectively, for a combined total of \$1,569,608.

Relevant Financial Policies

The City of Solana Beach has financial policies that help guide it during the preparation of the annual budget.

One such policy is the 17% reserve requirement discussed in the previous section. This policy, as in the adoption of the FYs 2017/18 and 2018/19 Budgets, is one that has been continuously adhered to by Council.

The Asset Replacement Reserve Fund is used to provide for the replacement of the City’s existing equipment, vehicles, computers, and furnishings and the City’s financial policy is to annually budget funds to this Reserve. During the FYs 2017/18 and 2018/19 budget process, the Council again ensured that funds were appropriated to maintain adequate reserves in the Asset Replacement Fund.

Additionally, beginning with the budget cycle for Fiscal Year 2015/16, the City established an infrastructure replacement reserve to ensure that funds are available in the future for the replacement of buildings and improvements. Through Fiscal Year 2018/19, the Council has approved \$700,000 to this reserve fund.

Cash Management Policies and Practices

Cash resources of the individual funds are combined to form a pool of cash and investments. Cash temporarily idle during the year was invested primarily with Chandler Asset Management and also with the Local Agency Investment Fund (LAIF) consistent with the City’s Investment Policy.

The City’s longstanding Investment Policy was amended by the Council on February 10, 2016, and provides the City more flexibility to invest its excess funds to provide safety to ensure the preservation of capital in the portfolio, provide sufficient liquidity for cash needs, and to realize a market rate of return consistent with the investment program while staying within the requirements of California Government Code Section 53601.

The City’s Investment Policy is designed to maximize the productive use of assets entrusted to its care and to invest and manage those funds wisely and prudently. Criteria for selecting investments and the order of priority are: (1) safety (2) liquidity and (3) yield. The basic premise underlying the City’s Investment Policy is to ensure that money is safe,

always available, and earning the highest and best returns.

Investment income includes appreciation/depreciation in the fair value of investments. The total investment income for all funds for the fiscal year was \$441,528, an increase of \$161,278 over the prior fiscal year's amount of \$280,250.

Major Projects and Financial Planning

Solana Beach Pump Station Rehabilitation

This project is to make recommended upgrades, replacements and add emergency overflow storage to the Solana Beach Pump Station per the 2000 Sanitary Sewer Master Plan, along with recommendations from the San Elijo Joint Powers Authority (SEJPA). This station pumps approximately 92% of the City's sewage through a force main under the San Elijo Lagoon to the SEJPA water reclamation facility on Manchester Avenue. The SEJPA maintains the pump station, which was originally constructed in 1966. Since then, the pump station was upgraded in 1982 when significant improvements were made. The City has recently entered into an agreement with the City of Del Mar to transport the majority of their flows through the City's sewer infrastructure, including this pump station, to the SEJPA water reclamation facility.

Final design and preparation of construction documents for the pump station upgrades has been completed. Construction bid advertisement has been postponed due to the adjacent railroad double tracking project. Construction is anticipated to begin during the fall of 2018.

La Colonia Skate Park

In 2010, Van Dyke Landscape Architects developed preliminary design plans for redevelopment of La Colonia Park, including the community center and surrounding park. Due to public requests and support from the community, Staff has been working on the design of a skate park on the northern edge of the La Colonia Park Master Plan that could be constructed so that it could be incorporated into the remainder of the Master Plan when other elements move forward for construction.

To date, Staff has been working with the consultants of the original Skate Park design to hold community workshops to design a facility that would meet the needs of the community. It is anticipated that construction would start during the spring of 2018.

La Colonia Tot Lot Improvement

In 2010, Van Dyke Landscape Architects developed preliminary design plans for La Colonia Park. This plan included an expansion of the existing Tot Lot and addition of a new picnic area in the general vicinity of the existing Tot Lot. The City Council, as part of 2017/2018 FY work-plan directed Staff to upgrade the existing Tot Lot. Staff is in the process of developing design plans for the renovation and upgrade of the existing Tot Lot so that the proposed project remains in substantial conformance of the La Colonia Park Masterplan.

Lomas Santa Fe Drive Corridor Improvements

A recently completed transportation needs study identified several segments along the Lomas Santa Fe Drive corridor as high priority improvements. The first phase of the Lomas Santa Fe Corridor Study started in November 2016 and was intended to provide an assessment of the existing conditions which consisted of base mapping, data collection, identification of deficiencies and identification of proposed solutions to the deficiencies. The first phase has been completed. The second phase has been authorized and includes additional technical and design analyses of the data collected in Phase 1 of the Feasibility Study and preparation of 30% preliminary engineering plans and cost estimates.

Marine Safety Center Renovations

The Marine Safety Center (MSC) at Fletcher Cove was constructed in or around the 1940s and is showing signs of its age. As part of the Fiscal Year 2015/2016 Adopted Budget, funding was allocated to perform a needs assessment and feasibility study to determine the best course of action for the renovation/replacement of the existing facility.

To accomplish this task, a Professional Services Agreement with Stephen Dalton Architects (SDA) was approved at the March 23, 2016 City Council meeting. During the 2016/2017 Fiscal Year, Staff worked with SDA on the preparation of the Fletcher Cove MSC Feasibility/Needs Assessment Study. The results of the Study indicate that nearly all building components are degraded and are past their useful lifespan. Spatially, the current building layout does not meet the functional needs of the Lifeguards.

In May 2017, the Study was presented to the City Council at which time the Council directed Staff to proceed with preparing a Request for Qualifications and Proposals (RFQ/P) for the complete removal and replacement of the existing facility.

Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Solana Beach for its CAFR for the fiscal year ended June 30, 2016. This was the fourteenth year in the past fifteen years that the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements.

The preparation of the Comprehensive Annual Financial Report in accordance with the

GASB 34 financial reporting model was made possible by the dedicated work of the Finance Department staff. Each member of the staff consisting of Catherine Wong, Kyle Koszewnik, and Jill Thayer, has our sincerest appreciation for their contributions made in the preparation of this report. We would also like to thank the Mayor and Council for their continued support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Gregory Wade
City Manager

Respectfully submitted,



Marie Marron Berkuti
Finance Manager/Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Solana Beach
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

**CITY OF SOLANA BEACH
FISCAL YEAR 2016/17
DIRECTORY OF OFFICIALS AND ADVISORY BODIES**

CITY COUNCIL

Mike Nichols, Mayor
Ginger Marshall, Deputy Mayor
David Zito, Council Member
Jewel Edson, Council Member
Judy Hegenauer, Council Member

TERM EXPIRES

December 2018
December 2018
December 2020
December 2020
December 2020

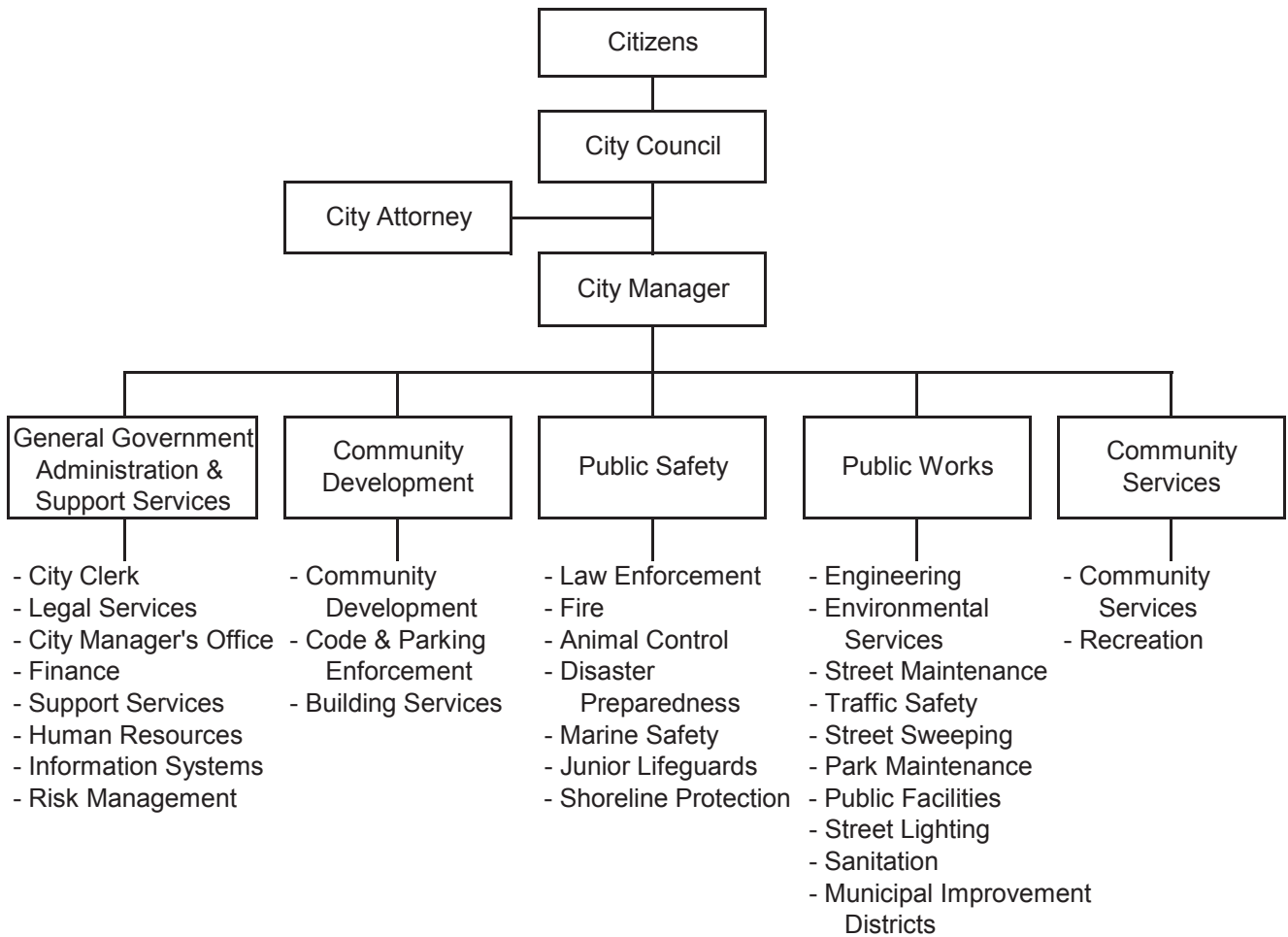
ADVISORY COMMISSIONS

Budget & Finance Commission
Climate Action Commission
Parks & Recreation Commission
Public Arts Commission
View Assessment Commission

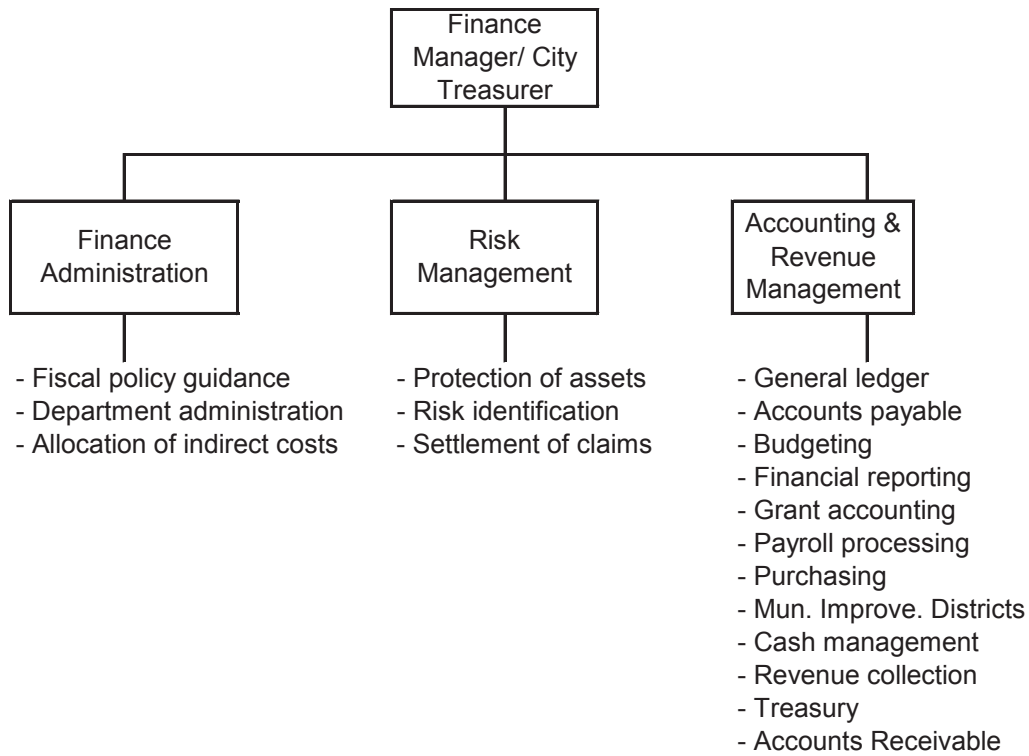
APPOINTED OFFICIALS AND DEPARTMENT DIRECTORS

Gregory Wade	City Manager
Dan King	Assistant City Manager
Mohammed Sammak	Director of Public Works/City Engineer
Bill Chopyk	Director of Community Development
Angela Ivey	City Clerk
Johanna Canlas	City Attorney
Marie Marron Berkuti	Finance Manager/Treasurer

CITY OF SOLANA BEACH
CITY GOVERNMENT
ORGANIZATIONAL CHART
FISCAL YEAR 2016/2017



CITY OF SOLANA BEACH
FINANCE DEPARTMENT
ORGANIZATIONAL CHART
FISCAL YEAR 2016/2017





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Solana Beach, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solana Beach, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, transnet fund, and low and moderate income housing asset fund and the schedules of contributions, the schedule of investment returns, the schedules of proportionate share of the net pension liability, and the schedule of changes in net OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior Year Comparative Information

The financial statements include (partial or summarized) prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2016, from which such partial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
November 24, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Solana Beach (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017 (Fiscal Year (FY) 2017). It should be read in conjunction with the accompanying transmittal letter beginning on page i and the accompanying basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The City's net position increased to \$75,889, or by \$3,162, as a result of FY2017 operations.
- During the year, the City's taxes, other governmental revenues, and business activity revenues exceed expenses by \$3,162.
- Governmental net position equaled \$36,827.
- The total revenues from all sources were \$27,445.
- The total cost of all City programs was \$24,283.
- The General Fund reported an excess of revenues over expenditures and other financing sources and uses by \$1,298.
- The General Fund's actual resources received exceeded the final revenue budget by \$625 while actual expenditures were \$1,238 less than final budget before other financing sources and uses.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are:

- (1) Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the City as a whole.
- (2) Fund financial statements describe how City services are financed in the short term as well as what resources are available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.
- (3) Notes to the financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the City's overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

These two statements report the City's net position and changes thereto. Net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to assess accurately the overall health of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All of the City's basic services are considered governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, transient occupancy taxes, sales taxes, and franchise fees finance most of these activities.
- Proprietary activities/Business type activities - The City charges a fee to customers to cover all or most of the cost of the services provided. The City's Sanitation system is reported in this category.
- Component units - The City's governmental activities include the blending of the City of Solana Beach Public Facilities Corporation, a separate legal entity. Although legally separate, this "component unit" is important because the City is financially accountable for the corporation. A separate component unit financial statement was not issued for the Solana Beach Public Facilities Corporation since it has had no transactions, nor any assets, liabilities or equity over the past three fiscal years.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds that aid in the administration of resources for particular purposes or to meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's two kinds of funds, governmental and proprietary, use different accounting approaches:

- *Governmental funds* - Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* through the Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements.

- *Proprietary funds* - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Assets and Liabilities. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City's other financial statements because the assets cannot be used to finance operations.

After the date of the dissolution of the Solana Beach Redevelopment Agency (RDA) on February 1, 2012, the assets and liabilities of the former redevelopment agency were transferred to the Successor Agency to the former Solana Beach RDA (Successor Agency) and are reported in a fiduciary fund (private-purpose trust fund).

THE CITY AS A WHOLE

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business activities.

Table 1
City of Solana Beach Net Position
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 26,146	\$ 23,331	\$ 35,516	\$ 33,026	\$ 61,662	\$ 56,357
Capital assets, net	35,837	38,078	13,240	12,876	49,077	50,954
Total assets	61,983	61,409	48,756	45,902	110,739	107,311
Deferred Outflows	3,185	1,521	430	431	3,615	1,952
Liabilities:						
Long-term debt outstanding	7,791	8,029	9,412	10,369	17,203	18,398
Other liabilities	19,843	16,326	682	606	20,525	16,932
Total liabilities	27,634	24,355	10,094	10,975	37,728	35,330
Deferred Inflows	707	1,153	30	53	737	1,206
Net position:						
Net investment in capital assets	28,412	30,366	6,195	5,594	34,607	35,960
Restricted	6,620	5,825	-	-	6,620	5,825
Unrestricted	1,795	1,231	32,867	29,711	34,662	30,942
Total net position	\$ 36,827	\$ 37,422	\$ 39,062	\$ 35,305	\$ 75,889	\$ 72,727

The City's combined net position for the fiscal year ended June 30, 2017 was \$75,889. The City has chosen to account for its sanitation operations in an enterprise fund, which is shown as Business Activities on Table 1. The City's net position for governmental activities decreased from \$37,422 to \$36,827. The following is an explanation of the governmental activity changes between fiscal years as shown in Table 1:

- Current and other assets increased \$2,815 or 12.1% primarily because of the increased cash position for governmental funds due to increased revenues as compared to the previous fiscal year and to the lower than anticipated spending in capital outlay. An irrevocable trust for pension liabilities that was established in FY2016 was increased by \$384 bringing the total in the trust to \$893.

Additionally, monies borrowed from the Sanitation Fund of \$3,133 used to pay off the City's PERS Side Fund in FY2011 is reported as a negative Internal Balance amount in the asset section of the balance sheet for government activities and this amount decreased by \$474 for the payment to the Sanitation Fund for FY2017. The remaining balance at the end of FY2017 for the amount owed to the Sanitation Fund is \$665.

- Deferred outflows of \$3,185 are a result of the implementation of GASB 68 and are related to contributions made after the actuarial measurement date for the net pension liability.
- Capital assets decreased \$2,241 (net of \$4,447 depreciation and disposition) as detailed in Table 4. Ongoing projects include the Stevens/Valley Avenues improvement project which resulted in an increase to Work in Progress of \$693. The City also had construction activities for the annual street pavement program and ongoing storm drain repairs totaling \$413.
- Governmental long-term debt decreased \$238 due to routine principal payments made on existing debt principal. See Table 5 for additional detail.
- Deferred inflows of \$707 are a result of the implementation of GASB 68 and are related to unrecognized actuarial gains and losses for the net pension liability.
- Other liabilities increased \$3,517 primarily due to an increase in net pension liability of \$2,601. The City began recording its net pension liability in Fiscal Year (FY) 2015 as a result of implementing GASB 68. Increases were also recorded in accounts payable and deposits payable of \$429 and \$603, respectively and net other post-employment benefit (OPEB) liability of \$211.
- Net investment in capital assets decreased \$1,954 primarily due to the addition of Improvements and Vehicles totaling \$1,474 less depreciation and disposition costs of \$4,447.
- Restricted net position increased \$795 due to the establishment of an irrevocable trust for pension liabilities that increased in FY2017 by \$384 and less than anticipated spending in capital projects and fixed assets.

- As a result of the above activities, unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements, increased \$564 from \$1,231 to \$1,795 at June 30, 2017.

Governmental Activities

The cost of all Governmental activities in FY2017 was \$22,681 as shown on Tables 2 and 2.1. Of this cost, \$2,723 was paid for by those who directly benefited from the programs; \$1,728 was subsidized by grants received from other governmental organizations for both capital and operating activities; and \$17,635 was financed through general City revenues. Overall governmental program revenues, including intergovernmental aid and fees for services were \$4,451. Items of significance within Table 2 are:

Revenues:

- Charges for services increased by 19% as compared to FY2016 primarily as a result of increased revenues received for development related activities.
- Operating and Capital grants and contributions increased by a net \$54 over the prior fiscal year amount due to an increase in various public safety and public works grants and contributions received or recognized in FY2017 as compared to FY2016.
- Property taxes and other taxes increased by approximately 2.9% or \$463 due to improved property valuations as a result of real estate sales in the City and increased transient occupancy tax revenue.
- Other general revenues increased by \$73 as compared to the prior fiscal year primarily due to an a final dividend payment received by the City due to the dissolution of the San Diego County Pooled Insurance Program Authority (SANDPIPA), a joint powers authority (JPA) of which the City was a member and that was dissolved on June 30, 2015.

Expenses:

- General Government expenditures increased in FY2017 by 8% or \$332 from the prior fiscal year primarily due to increased costs in minor equipment for Information Systems, self-insurance claim payments reported in Support Services, and salary and benefits for Personnel due to hiring of a Human Resources Manager. Additionally, the City's OPEB liability increase by \$211 as compared to FY2016.
- Public Safety increased by 5% or \$466 as a result of a \$148 or 4.1% increase in the City's contract with the County of San Diego Sheriff's Department for law enforcement services and a \$330 increase in public safety's share of the increase in net pension liability as reported per GASB 68.
- Community Development increased by 27% or \$367 as compared to the last fiscal year due to higher affordable housing expenditures and increased payments paid to the City's on-call building plan check consultant as a result of increased plan-check fees, 75% of which go to the consultant.

- Community Services increased by 79% or \$494 due to a payment made to the San Elijo Lagoon Conservancy for the acquisition, rezoning, permitting and construction of improvements proposed for the Harbaugh Trails property located at the northern end of the City from a grant that was received from the State of California Department of Transportation.

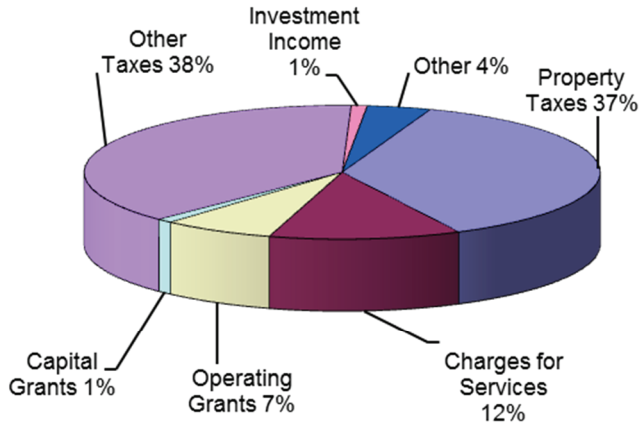
Table 2
City of Solana Beach Changes in Net Position
(in Thousands)

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 2,723	\$ 2,288	\$ 5,256	\$ 5,152	\$ 7,979	\$ 7,440
Operating grants and contributions	1,572	1,516	-	-	1,572	1,516
Capital grants and contributions	158	160	-	-	158	160
General revenues:						
Property taxes	8,095	7,706	-	-	8,095	7,706
Other taxes	8,468	8,394	-	-	8,468	8,394
Other	1,070	997	103	164	1,173	1,161
Total revenues	<u>22,086</u>	<u>21,061</u>	<u>5,359</u>	<u>5,316</u>	<u>27,445</u>	<u>26,377</u>
Expenses:						
General government	4,310	3,944	-	-	4,310	3,944
Public safety	9,628	9,162	-	-	9,628	9,162
Public works	5,487	5,439	-	-	5,487	5,439
Community development	1,745	1,378	-	-	1,745	1,378
Community services	1,122	628	-	-	1,122	628
Interest and fiscal charges	389	398	-	-	389	398
Sanitation	-	-	1,602	3,569	1,602	3,569
Total expenses	<u>22,681</u>	<u>20,949</u>	<u>1,602</u>	<u>3,569</u>	<u>24,283</u>	<u>24,518</u>
Increase/(decrease) in net position	(595)	112	3,757	1,747	3,162	1,859
Net position - July 1	37,422	37,310	35,305	33,558	72,727	70,868
Net position - June 30	<u>\$ 36,827</u>	<u>\$ 37,422</u>	<u>\$ 39,062</u>	<u>\$ 35,305</u>	<u>\$ 75,889</u>	<u>\$ 72,727</u>

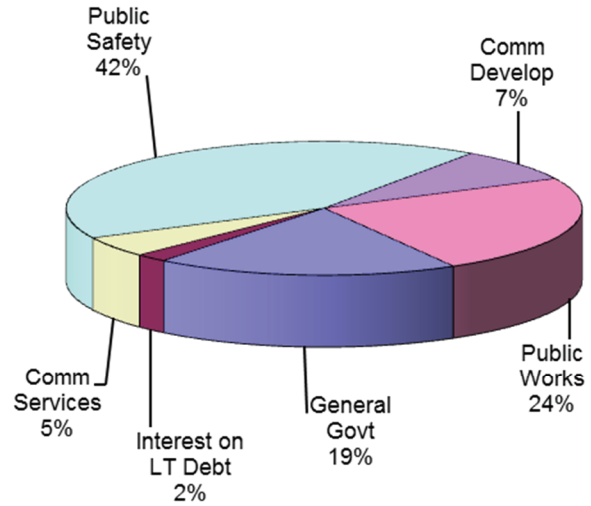
Fiscal Year 2017 Governmental Activities

(Graphic representation of Table 2 in percentages)

Sources of Revenue



Program Expenses



Net Cost of Governmental Activities

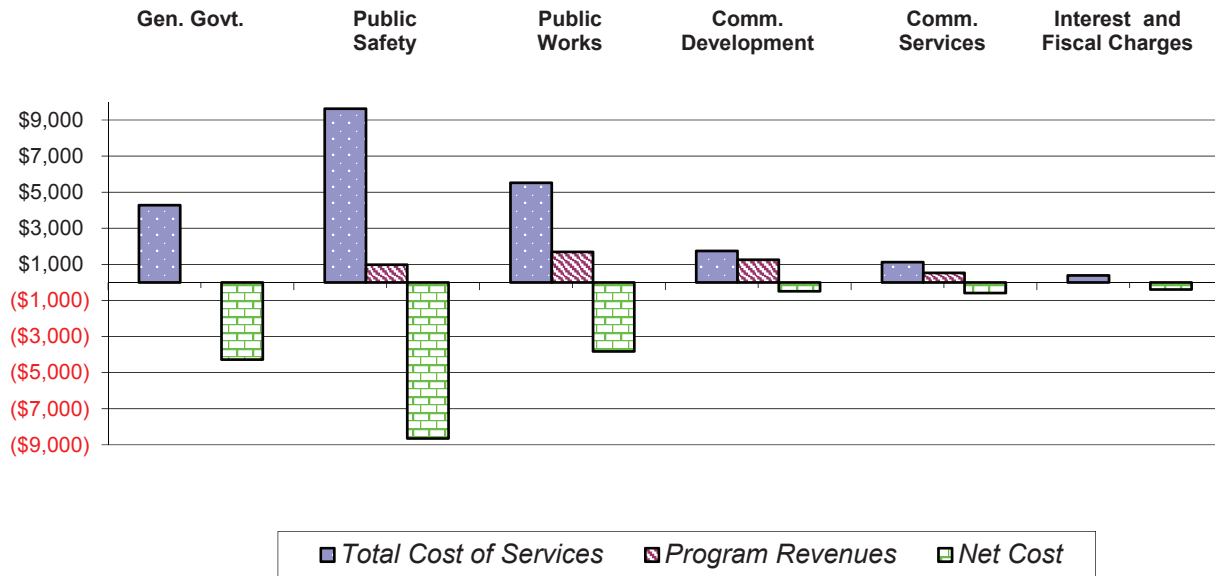
The City's programs include General Government, Public Safety, Public Works, Community Development, and Community Services. Each programs' net cost (total cost less revenues generated by the activities) is presented on Table 2.1. The net cost shows the extent to which the City's general taxes support each of the City's programs.

Table 2.1

Net Cost of Governmental Activities
(in Thousands)

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2017	2016	2017	2016	2017	2016
General government	\$ 4,310	\$ 3,944	\$ -	\$ -	\$ (4,310)	\$ (3,944)
Public safety	9,628	9,162	978	1,009	(8,650)	(8,153)
Public works	5,487	5,439	1,693	1,462	(3,794)	(3,977)
Community development	1,745	1,378	1,252	1,128	(493)	(250)
Community services	1,122	628	530	365	(592)	(263)
Interest on long-term debt	389	398	-	-	(389)	(398)
Totals	\$ 22,681	\$ 20,949	\$ 4,453	\$ 3,964	\$ (18,228)	\$ (16,985)

**Total Cost of Services, Program Revenues & Net Cost
Governmental Activities**
(in Thousands)



Total resources available during the year to finance governmental operations were \$59,507 consisting of a net position at July 1, 2017 of \$37,422, program revenues of \$4,453, and general revenues of \$17,633. Total governmental activities during the year were \$22,681, and as a result, net position decreased by \$595 to \$36,827.

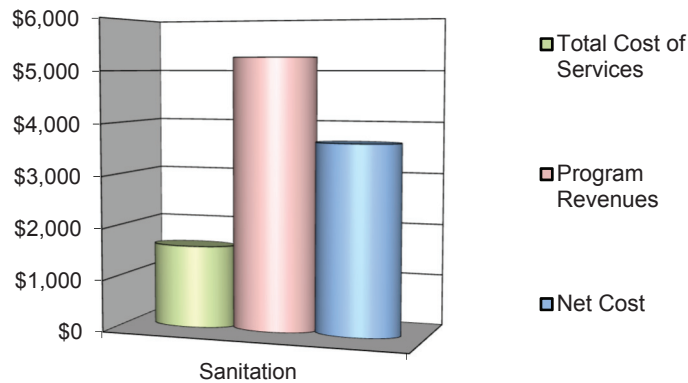
Business Type Activities

Net position of the Proprietary Fund (Business Type activities) at June 30, 2017 as reflected in Table 1 was \$39,062. As shown in Table 3, amounts paid by users of the system and other operating revenue were \$5,256 while the cost of providing all Proprietary (Business Type) activities in FY2017 was \$1,602 resulting in a net gain of \$3,654. With the addition of non-operating revenues of \$103, assets increased by \$3,757 or 10.64%.

Table 3
Net Cost of Business Activities
(in Thousands)

	Total Cost of Services		Program Revenue		Net Cost of Services	
	2017	2016	2017	2016	2017	2016
Sanitation	\$ 1,602	\$ 3,569	\$ 5,256	\$ 5,152	\$ 3,654	\$ 1,583

**Fiscal Year 2017
Total Cost of Services, Program Revenues & Net Cost
Business Activities (in thousands)**



General Fund Budgetary Highlights

The final expenditures for the City’s General Fund at year-end were \$1,238 less than actual appropriations prior to other financing uses. The budget to actual variance in appropriations was principally due to 1) conservative estimates at quarter-year and mid-year by management; 2) expenditures for asset replacement appropriations being delayed to next fiscal year; and 3) lower than expected professional service costs across departments.

Actual revenues were \$625 greater than the final budget. Budget amendments and supplemental appropriations were made during the normal course of business to increase appropriations for unanticipated expenditures after adoption of the original budget. Significant supplemental appropriations were:

- \$1,023 for transfers out to the City CIP fund for various CIP projects.
- \$400 to add funds to trusts established for Pension and Other Post-Employment Benefits (OPEB) liabilities in the amounts of \$315 and 85, respectively, with Public Agency Retirement Services (PARS).
- \$188 reduction in department charges for worker compensation and self-insurance fund administrative revenues.
- \$150 for Fire department overtime
- \$159 in building services for increased payments paid to the City’s on-call building plan check consultant as a result of increased plan-check fees, 75% of which go to the consultant.
- \$119 for three replacement vehicles in the engineering and public works departments.
- \$34 for increased stormwater consultant costs.

- \$32 for the reclassification of the temporary Fire Inspector from a 0.75 FTE to a full-time position.
- \$29.4 reduction in Planning department equipment maintenance expense due to the new permit tracking software implementation being delayed to FY2018.
- \$25 in professional services in the City Manager's budget unit to cover the costs of a consultant to evaluate financing options for public parking facilities.

Significant budgetary variations between certain departments' final amended budget versus actual for the General Fund were:

- Manager: costs for the City Manager's professional services and contingency expenditure accounts were \$61 lower than anticipated in FY2017.
- Personnel: savings were realized in salary and benefits since the Human Resources Manager was budgeted at full-time but was hired at a 0.75 FTE. There was also savings realized in professional services.
- Information Systems: minor equipment and community television production expenditures were lower than the amount expected to be spent for the fiscal year.
- Support Services: payments for damage claims and professional services from the City's workers compensation fund and insurance premiums and professional services from the City's self-insurance fund were lower than expected.
- Code and Parking Enforcement: a number of staff vacancies occurred in this department resulting in lower than anticipated salaries and benefit costs.
- Street and other public works: savings were realized in professional services due to lower than anticipated use for outside contractors in environmental services, street maintenance, traffic safety, and park maintenance.
- Community Services: public arts and professional services expenditures were lower than expected.
- Capital Outlay: amounts were budgeted for Planning department software that was to be purchased in FY2017. These expenditures were delayed until the following fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital assets include equipment, buildings, land, park facilities, and roads.

At June 30, 2017, net capital assets of the governmental activities totaled \$35,837 and the net capital assets of the business-type activities totaled \$13,240. Depreciation on capital assets is recognized in the government-wide financial statements. (See Table 4 and Note 4 to the financial statements.)

The City's five-year Capital Improvement Plan projects to spend \$14,900 through FY2022. Over the next five years, funding will come from current fund balances and revenues such as Gas Tax and TransNet. Significant projects are rebuilding the Solana Beach Pump Station, La Colonia Park Skate Park, the Marine Safety Building, Seascape Sur staircase repair, and ongoing pavement management, traffic calming, and storm drain and sewer pipeline improvements and replacement projects.

Table 4
City of Solana Beach Capital Assets at Year-End
(Net of Depreciation)
(In Thousands)

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,538	\$ 2,538	\$ 112	\$ 112	\$ 2,650	\$ 2,650
Buildings & Improvements	10,599	11,030	10,817	10,768	21,416	21,798
Equipment & Vehicles	1,216	1,443	331	-	1,547	1,443
Infrastructure	19,600	22,058	-	-	19,600	22,058
Work in Progress	1,884	1,009	1,980	1,996	3,864	3,005
	<u>\$ 35,837</u>	<u>\$ 38,078</u>	<u>\$ 13,240</u>	<u>\$ 12,876</u>	<u>\$ 49,077</u>	<u>\$ 50,954</u>

Debt

At year-end, the City had \$7,791 in governmental type debt and \$9,412 in proprietary debt (including premium on debt issuance) totaling \$17,203. This debt is a liability of the government and amounts to \$1,272 per capita.

See Table 5 and Note 5 to the financial statements for detailed descriptions.

Table 5
City of Solana Beach Outstanding Debt at Year-End
(In Thousands)

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Refunding lease	\$ 817	\$ 941	\$ -	\$ -	\$ 817	\$ 941
Capital leases	1,113	1,278	-	-	1,113	1,278
JPA loan payable-2011			1,593	2,286	1,593	2,286
Sewer revenue bond	-	-	7,780	8,025	7,780	8,025
TransNet bond	5,500	5,500	-	-	5,500	5,500
Bond premiums	-	-	-	28	-	28
Bond discounts	(6)	(7)	-	-	(6)	(7)
Compensated absences	367	317	39	29	406	346
	<u>\$ 7,791</u>	<u>\$ 8,029</u>	<u>\$ 9,412</u>	<u>\$ 10,368</u>	<u>\$ 17,203</u>	<u>\$ 18,397</u>

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In June 2016, the City Council adopted a two-year budget for fiscal years ending June 30, 2018 and June 30, 2019.

In considering the City Budget for the two fiscal years, the focus of the City Council and management was to adopt balanced budgets and promote fiscal sustainability. Budget decisions were made with the understanding that, although the current economic climate was markedly improved, the City's growth rate for certain revenues was still uneven and uncertain and that the rate of any expenditure cost increase needed to be closely evaluated and monitored. The challenge given these circumstances was to prepare a budget that held costs in line while continuing to provide high quality services and to move forward implementing the City's five-year capital improvement plan.

The result at the time of the budget adoption was that no new programs or services were added to the FY2017 budget. Departments were asked to prepare budgets with no change in their materials, supplies, and services categories and any requests for new monies needed to be justified. Salary increases of 4.5% and cafeteria benefits increases of 10% were provided to fire department employees (SBFA) as called for in their memorandum of understanding (MOU) with the City. The SBFA MOU also included a provision for Classic CalPERS fire members to contribute 3% towards the employer's share of their CalPERS pension formula.

Subsequent to the budget's adoption, negotiations were successfully completed with the City's marine safety and miscellaneous regular employees and these groups received salary increases of 3% and cafeteria benefit increases of 10%. Unrepresented regular employees received the same increases. Classic CalPERS members of these employee groups were already contributing a percentage, up to 2%, toward the employer's share of their CalPERS pension formula based on previous MOUs.

The adopted budget for FY2018 and FY2019 reflected projected surpluses in the General Fund of \$305,500 and \$416,400, respectively.

While fiscal sustainability included focusing on the expenditure side of the budget, in the coming fiscal year, City staff will be tasked with developing increased revenue sources to help broaden the revenue base needed by the City for its short and long-term needs.

Overall, the budget anticipates that local tax revenues to the City next year will increase based upon the economic activity in the California economy, including property taxes, which are projected to increase in FY2018 by 4.1%, and transient occupancy tax which are expected to increase by 3%. Sales tax is expected to also increase by 3.3%. Overall, the General Fund adopted operating expenditures for FY2018 are budgeted to increase approximately 4.85% as compared to the previous fiscal year's adopted budget. The CIP budget was set to be \$8,032 for the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's fiduciary responsibility for the funds it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Solana Beach, 635 South Highway 101, Solana Beach, California 92075 or online: [.http://www.ci.solana-beach.ca.us](http://www.ci.solana-beach.ca.us).

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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CITY OF SOLANA BEACH

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and investments	\$ 24,256,552	\$ 12,879,706	\$ 37,136,258
Receivables:			
Accounts, net	318,418	56,912	375,330
Taxes	899,295	-	899,295
Interest	84,594	37,098	121,692
Prepaid costs	20,164	29,982	50,146
Due from other governments	339,725	-	339,725
Total Current Assets	<u>25,918,748</u>	<u>13,003,698</u>	<u>38,922,446</u>
Noncurrent Assets:			
Restricted assets:			
Cash and investments with fiscal agent	893,185	594,324	1,487,509
Investment in joint venture	-	21,251,840	21,251,840
Internal balances	(665,464)	665,464	-
Capital assets not being depreciated	4,421,323	2,091,911	6,513,234
Capital assets, net of depreciation	31,415,251	11,148,371	42,563,622
Total Noncurrent Assets	<u>36,064,295</u>	<u>35,751,910</u>	<u>71,816,205</u>
Total Assets	<u>61,983,043</u>	<u>48,755,608</u>	<u>110,738,651</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	274,588	274,588
Deferred pension related items	3,184,883	155,655	3,340,538
Total Deferred Outflows of Resources	<u>3,184,883</u>	<u>430,243</u>	<u>3,615,126</u>
Liabilities:			
Current Liabilities:			
Accounts payable	1,511,719	42,257	1,553,976
Accrued liabilities	111,304	8,049	119,353
Accrued interest	15,674	132,684	148,358
Unearned revenue	403,182	-	403,182
Claims payable - due within one year	338,774	-	338,774
Compensated absences - due within one year	250,469	24,572	275,041
Long-term debt - due within one year	296,366	979,648	1,276,014
Total Current Liabilities	<u>2,927,488</u>	<u>1,187,210</u>	<u>4,114,698</u>
Noncurrent Liabilities:			
Deposits payable	3,021,195	-	3,021,195
Net other post employment benefit liability	1,943,024	-	1,943,024
Claims payable - due in more than one year	869,428	-	869,428
Compensated absences - due in more than one year	116,031	13,964	129,995
Net pension liability	11,628,198	498,843	12,127,041
Long-term debt - due in more than one year	7,128,087	8,393,939	15,522,026
Total Noncurrent Liabilities	<u>24,705,963</u>	<u>8,906,746</u>	<u>33,612,709</u>
Total Liabilities	<u>27,633,451</u>	<u>10,093,956</u>	<u>37,727,407</u>
Deferred Inflows of Resources:			
Deferred pension related items	707,045	29,814	736,859
Total Deferred Inflows of Resources	<u>707,045</u>	<u>29,814</u>	<u>736,859</u>
Net Position:			
Net investment in capital assets	28,412,121	6,195,352	34,607,473
Restricted for:			
Redevelopment activities	871,665	-	871,665
Public safety	361,891	-	361,891
Parks and recreation	175,631	-	175,631
Public works	2,772,815	-	2,772,815
Capital projects	1,519,739	-	1,519,739
Debt service	24,927	-	24,927
Pensions	893,185	-	893,185
Unrestricted	1,795,456	32,866,729	34,662,185
Total Net Position	<u>\$ 36,827,430</u>	<u>\$ 39,062,081</u>	<u>\$ 75,889,511</u>

CITY OF SOLANA BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 4,309,372	\$ -	\$ -	\$ -
Public safety	9,628,140	620,990	198,615	158,370
Community development	1,745,101	1,252,126	-	-
Community services	1,122,128	400,353	129,324	-
Public works	5,487,183	449,962	1,241,379	-
Interest on long-term debt	389,077	-	-	-
Total Governmental Activities	22,681,001	2,723,431	1,569,318	158,370
Business-Type Activities:				
Sanitation Fund	1,602,359	5,255,483	-	-
Total Business-Type Activities	1,602,359	5,255,483	-	-
Total Primary Government	\$ 24,283,360	\$ 7,978,914	\$ 1,569,318	\$ 158,370

General Revenues:

Taxes:

Property taxes, levied for general purpose

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (4,309,372)	\$ -	\$ (4,309,372)
(8,650,165)	-	(8,650,165)
(492,975)	-	(492,975)
(592,451)	-	(592,451)
(3,795,842)	-	(3,795,842)
(389,077)	-	(389,077)
(18,229,882)	-	(18,229,882)
-	3,653,124	3,653,124
-	3,653,124	3,653,124
(18,229,882)	3,653,124	(14,576,758)
8,095,383	-	8,095,383
3,127,803	-	3,127,803
1,740,208	-	1,740,208
733,354	-	733,354
2,868,629	-	2,868,629
283,828	88,940	372,768
785,872	14,473	800,345
17,635,077	103,413	17,738,490
(594,805)	3,756,537	3,161,732
37,422,235	35,305,544	72,727,779
\$ 36,827,430	\$ 39,062,081	\$ 75,889,511

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Fiduciary Fund Financial Statements

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**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

CITY OF SOLANA BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(With comparative totals for June 30, 2016)**

	Special Revenue Funds			Capital Projects Funds
	General	TransNet	Low and Moderate Income Housing Asset	City CIP
Assets:				
Cash and investments	\$ 15,938,108	\$ 67,230	\$ -	\$ 2,042,686
Receivables:				
Accounts	263,059	-	-	-
Taxes	891,574	-	-	-
Accrued interest	69,049	7	-	2,918
Prepaid costs	20,164	-	-	-
Deposits	-	-	-	-
Due from other governments	123,862	-	-	-
Due from other funds	384,793	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	893,185	-	-	-
Total Assets	\$ 18,583,794	\$ 67,237	\$ -	\$ 2,045,604
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,086,499	\$ 28,719	\$ -	\$ 114,545
Accrued liabilities	77,385	-	-	15,960
Unearned revenues	8,700	-	-	-
Deposits payable	2,421,969	-	-	530,000
Due to other funds	-	-	-	-
Advances from other funds	665,464	-	-	-
Total Liabilities	4,260,017	28,719	-	660,505
Fund Balances:				
Nonspendable	20,164	-	-	-
Restricted	893,185	38,518	-	-
Committed	914,846	-	-	-
Assigned	5,690,381	-	-	1,385,099
Unassigned	6,805,201	-	-	-
Total Fund Balances	14,323,777	38,518	-	1,385,099
Total Liabilities and Fund Balances	\$ 18,583,794	\$ 67,237	\$ -	\$ 2,045,604

CITY OF SOLANA BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(With comparative totals for June 30, 2016)**

	Other Governmental Funds	Total Governmental Funds	
		2017	2016
Assets:			
Cash and investments	\$ 6,208,528	\$ 24,256,552	\$ 22,139,756
Receivables:			
Accounts	55,359	318,418	279,012
Taxes	7,721	899,295	1,184,455
Accrued interest	12,620	84,594	67,579
Prepaid costs	-	20,164	7,471
Deposits	-	-	-
Due from other governments	215,863	339,725	282,999
Due from other funds	-	384,793	221,431
Restricted assets:			
Cash and investments with fiscal agents	-	893,185	508,897
Total Assets	\$ 6,500,091	\$ 27,196,726	\$ 24,691,600
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 281,956	\$ 1,511,719	\$ 1,082,481
Accrued liabilities	17,959	111,304	385,873
Unearned revenues	394,482	403,182	437,358
Deposits payable	69,226	3,021,195	2,418,049
Due to other funds	384,793	384,793	221,431
Advances from other funds	-	665,464	1,139,045
Total Liabilities	1,148,416	6,097,657	5,684,237
Fund Balances:			
Nonspendable	-	20,164	7,471
Restricted	5,688,150	6,619,853	5,825,595
Committed	-	914,846	787,790
Assigned	-	7,075,480	6,370,807
Unassigned	(336,475)	6,468,726	6,015,700
Total Fund Balances	5,351,675	21,099,069	19,007,363
Total Liabilities and Fund Balances	\$ 6,500,091	\$ 27,196,726	\$ 24,691,600

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CITY OF SOLANA BEACH

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances of governmental funds		\$ 21,099,069
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity:		
Capital assets	\$ (23,411,223)	
Accumulated depreciation	<u>59,247,797</u>	35,836,574
Deferred outflows related to contributions made after the actuarial measurement date for the net pension liability:		
Miscellaneous Plan difference between expected and actual experiences	12,264	
Miscellaneous Plan contributions made subsequent to measurement date	371,413	
Miscellaneous Plan net difference between projected and actual earnings on plan investments	603,901	
Miscellaneous Plan adjustment due to differences in proportions	271,813	
Safety Plan contributions made subsequent to measurement date	673,212	
Safety Plan Net difference between projected and actual earnings on plan investments	1,044,944	
Safety Plan adjustment due to differences in proportions	<u>207,336</u>	3,184,883
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Notes payable	(5,500,000)	
Lease revenue bond - ABAG	(817,200)	
Unamortized bond discount	5,809	
Capital lease obligations	(1,113,062)	
Claims and judgments	(1,208,202)	
Compensated absences	<u>(366,500)</u>	(8,999,155)
Governmental funds report all pension contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the proportionate share of contributions are recorded as a asset or liability.		
Miscellaneous Plan portion of net pension liability	(4,036,097)	
Safety Plan net pension liability	<u>(7,592,101)</u>	(11,628,198)
Governmental funds report all Other Post Employment Benefits (OPEB) contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.		
		(1,943,024)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		
		(15,674)
Deferred inflows related to unrecognized actuarial gains and losses for the net pension liability:		
Miscellaneous Plan changes in assumptions	(116,031)	
Miscellaneous Plan difference between expected and actual experiences	(2,810)	
Miscellaneous Plan difference in proportionate share	(122,381)	
Safety Plan changes in assumptions	(212,691)	
Safety Plan difference between expected and actual experiences	(48,782)	
Safety Plan adjustment difference in proportionate share	<u>(204,350)</u>	(707,045)
Net Position of governmental activities		<u><u>\$ 36,827,430</u></u>

CITY OF SOLANA BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Special Revenue Funds			Capital Projects Funds
	General	TransNet	Low and Moderate Income Housing Asset	City CIP
Revenues:				
Taxes and assessments	\$ 13,298,761	\$ -	\$ -	\$ -
Licenses, permits and fees	527,146	-	-	-
Intergovernmental	1,771,840	429,525	-	470,000
Charges for services	944,111	-	-	58,383
Use of money and property	262,094	115	402	6,404
Fines and forfeitures	495,885	-	-	-
Other revenues	738,652	29,714	-	6,448
Total Revenues	18,038,489	459,354	402	541,235
Expenditures:				
Current:				
General government	3,776,669	-	-	571
Public safety	8,373,569	-	-	51,074
Public works	1,672,066	874	-	22,969
Community development	1,081,256	-	161,719	87,003
Community services	263,797	-	-	470,000
Capital outlay	66,247	138,774	-	594,907
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	325,105	-	-
Total Expenditures	15,233,604	464,753	161,719	1,226,524
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,804,885	(5,399)	(161,317)	(685,289)
Other Financing Sources (Uses):				
Transfers in	-	-	-	1,221,100
Transfers out	(1,506,400)	-	-	-
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	(1,506,400)	-	-	1,221,100
Net Change in Fund Balances	\$ 1,298,485	\$ (5,399)	\$ (161,317)	\$ 535,811
Fund Balances:				
Beginning of year	\$ 13,025,292	\$ 43,917	\$ 161,317	\$ 849,288
Net change in fund balances	1,298,485	(5,399)	(161,317)	535,811
End of Year	\$ 14,323,777	\$ 38,518	\$ -	\$ 1,385,099

CITY OF SOLANA BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Other Governmental Funds	Total Governmental Funds	
		2017	2016
Revenues:			
Taxes and assessments	\$ 1,810,292	\$ 15,109,053	\$ 14,719,229
Licenses, permits and fees	-	527,146	471,581
Intergovernmental	513,907	3,185,272	3,069,673
Charges for services	696,646	1,699,140	1,313,658
Use of money and property	14,813	283,828	261,466
Fines and forfeitures	-	495,885	502,921
Other revenues	11,058	785,872	735,521
Total Revenues	3,046,716	22,086,196	21,074,049
Expenditures:			
Current:			
General government	579	3,777,819	3,635,443
Public safety	646,103	9,070,746	8,912,742
Public works	813,285	2,509,194	2,463,442
Community development	391,737	1,721,715	1,380,934
Community services	26,678	760,475	278,481
Capital outlay	673,907	1,473,835	2,190,316
Debt service:			
Principal retirement	288,487	288,487	161,086
Interest and fiscal charges	67,114	392,219	383,130
Total Expenditures	2,907,890	19,994,490	19,405,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,826	2,091,706	1,668,475
Other Financing Sources (Uses):			
Transfers in	355,700	1,576,800	1,043,400
Transfers out	(70,400)	(1,576,800)	(1,043,400)
Debt issued	-	-	614,759
Total Other Financing Sources (Uses)	285,300	-	614,759
Net Change in Fund Balances	\$ 424,126	\$ 2,091,706	\$ 2,283,234
Fund Balances:			
Beginning of year	\$ 4,927,549	\$ 19,007,363	\$ 16,724,129
Net change in fund balances	424,126	2,091,706	2,283,234
End of Year	\$ 5,351,675	\$ 21,099,069	\$ 19,007,363

CITY OF SOLANA BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ 2,091,706

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,473,835	
Depreciation	<u>(3,714,944)</u>	(2,241,109)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments:		
Lease revenue bond - ABAG	123,400	
Capital lease	165,087	
Amortization of bond premiums/discounts	(968)	
Changes in claims and judgments liabilities	14,540	
Changes in compensated absences	<u>(49,142)</u>	252,917

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (491,855)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 4,110

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (210,574)

Change in net position of governmental activities \$ (594,805)

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

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CITY OF SOLANA BEACH

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

(With comparative totals for June 30, 2016)

	Sanitation Fund	
	2017	2016
Assets:		
Current:		
Cash and investments	\$ 12,879,706	\$ 11,786,031
Receivables:		
Accounts	56,912	268,320
Taxes	-	2
Interest	37,098	14,754
Prepaid costs	29,982	32,197
Total Current Assets	13,003,698	12,101,304
Noncurrent:		
Cash and investments with fiscal agent	594,324	594,936
Advances to other funds	665,464	1,139,045
Investment in joint venture	21,251,840	19,190,619
Capital Assets:		
Non-depreciable	2,091,911	2,108,289
Depreciable, net	11,148,371	10,768,131
Total Noncurrent Assets	35,751,910	33,801,020
Total Assets	48,755,608	45,902,324
Deferred Outflows of Resources:		
Deferred pension related items	155,655	88,513
Deferred charge on refunding	274,588	343,235
Total Deferred Outflows of Resources	430,243	431,748
Total Assets and Deferred Outflows	\$ 49,185,851	\$ 46,334,072
Liabilities, Deferred Inflows, and Net Position:		
Liabilities:		
Current:		
Accounts payable	\$ 42,257	\$ 15,496
Accrued liabilities	8,049	16,710
Interest payable	132,684	145,189
Compensated absences, due within one year	24,572	17,707
Long-term debt, due within one year	979,648	937,808
Total Current Liabilities	1,187,210	1,132,910
Noncurrent:		
Compensated absences, due in more than one year	13,964	11,608
Long-term debt, due in more than one year	8,393,939	9,401,597
Net Pension Liability	498,843	429,227
Total Noncurrent Liabilities	8,906,746	9,842,432
Total Liabilities	10,093,956	10,975,342
Deferred Inflows of Resources:		
Deferred pension related items	29,814	53,186
Total Deferred Inflows of Resources	29,814	53,186
Net Position:		
Net investment in capital assets	6,195,352	5,594,350
Unrestricted	32,866,729	29,711,194
Total Net Position	39,062,081	35,305,544
Total Liabilities, Deferred Inflows, and Net Position	\$ 49,185,851	\$ 46,334,072

CITY OF SOLANA BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2017
(With comparative totals for June 30, 2016)

	Sanitation Fund	
	2017	2016
Operating Revenues:		
Charges for services	\$ 5,255,483	\$ 5,151,671
Other	14,473	49,090
Total Operating Revenues	5,269,956	5,200,761
Operating Expenses:		
Cost of sales and services	1,928,205	1,973,000
Administration	452,598	428,031
Depreciation	359,195	352,650
Total Operating Expenses	2,739,998	2,753,681
Operating Income (Loss)	2,529,958	2,447,080
Nonoperating Revenues (Expenses):		
Interest income	88,940	115,321
Interest expense	(423,061)	(454,872)
Amortization of bond premium/discount & refunding charge	(42,853)	(42,853)
Amortization of investment premium	(10,945)	(10,945)
Share in joint venture net gain(loss)/capital contribution	1,614,498	(306,550)
Total Nonoperating Revenues (Expenses)	1,226,579	(699,899)
Changes in Net Position	3,756,537	1,747,181
Net Position:		
Beginning of Fiscal Year	35,305,544	33,558,363
End of Fiscal Year	\$ 39,062,081	\$ 35,305,544

CITY OF SOLANA BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Sanitation Fund	
	2017	2016
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 5,466,891	\$ 4,907,596
Cash paid to suppliers for goods and services	(1,899,229)	(2,588,548)
Cash paid to employees for services	(472,936)	(424,307)
Other	14,473	49,090
Net Cash Provided by Operating Activities	3,109,199	1,943,831
Cash Flows from Non-Capital Financing Activities:		
Repayment received from other funds	473,581	447,202
Net Cash Provided by Non-Capital Financing Activities	473,581	447,202
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(723,057)	(1,106,602)
Principal paid on capital debt	(937,808)	(906,470)
Interest paid on capital debt	(437,778)	(466,738)
Net Cash Used in Capital and Related Financing Activities	(2,098,643)	(2,479,810)
Cash Flows from Investing Activities:		
Interest received	(391,074)	(392,444)
Net Cash Used in Investing Activities	(391,074)	(392,444)
Net Increase (Decrease) in Cash and Cash Equivalents	1,093,063	(481,221)
Cash and Cash Equivalents at Beginning of Year	12,380,967	12,862,188
Cash and Cash Equivalents at End of Year	\$ 13,474,030	\$ 12,380,967
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 2,529,958	\$ 2,447,080
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	359,195	352,650
(Increase) decrease in accounts receivable	211,408	(244,075)
(Increase) decrease in prepaid expense	2,215	2,216
(Increase) decrease in deferred outflows from pensions	(67,142)	(46,211)
Increase (decrease) in accounts payable	26,761	(617,764)
Increase (decrease) in accrued liabilities	(8,661)	4,416
Increase (decrease) in net pension liability	69,616	99,814
Increase (decrease) in compensated absences	9,221	4,298
Increase (decrease) in deferred inflows from pensions	(23,372)	(58,593)
Total Adjustments	579,241	(503,249)
Net Cash Provided by Operating Activities	\$ 3,109,199	\$ 1,943,831
Non-Cash Investing, Capital, and Financing Activities:		
Amortization of bonds premium/discount	\$ (79,430)	\$ (77,708)
Gain/(loss) on investment in joint venture	1,614,498	(306,550)

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**FIDUCIARY FUND
FINANCIAL STATEMENTS**

CITY OF SOLANA BEACH

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Agency Funds		OPEB Trust Fund		Private-Purpose Trust Fund Successor Agency of the Former RDA	
	2017	2016	2017	2016	2017	2016
Assets:						
Cash and investments	\$ 501,621	\$ 488,999	\$ -	-	\$ 416,131	\$ 372,514
Receivables:						
Accounts	459	266	-	-	-	-
Taxes	4	1,779	-	-	-	-
Restricted assets:						
Cash and investments	-	-	7,235	9,618	-	-
Mutual funds	-	-	233,926	127,784	-	-
Cash and investments with fiscal agents	-	-	-	-	236,063	235,840
Total Assets	\$ 502,084	\$ 491,044	\$ 241,161	\$ 137,402	652,194	608,354
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 107	\$ -	21,781	4,618
Accrued liabilities	-	-	-	-	2,841	9,673
Accrued interest	-	-	-	-	11,657	12,008
Due to bondholders	502,084	491,044	-	-	-	-
Long-term liabilities:						
Due in one year	-	-	-	-	95,000	90,000
Due in more than one year	-	-	-	-	2,725,000	2,820,000
Total Liabilities	\$ 502,084	\$ 491,044	107	-	2,856,279	2,936,299
Net Position:						
Held in trust for other purposes			241,054	137,402	(2,204,085)	(2,327,945)
Total Net Position			\$ 241,054	\$ 137,402	\$ (2,204,085)	\$ (2,327,945)

CITY OF SOLANA BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	OPEB Trust Fund		Private-Purpose Trust Fund Successor Agency of the Former RDA	
	2017	2016	2017	2016
Additions:				
Taxes	\$ -	\$ -	\$ 522,092	\$ 521,503
Interest and change in fair value of investments	19,334	2,402	312	28
Contributions from City	85,376	135,000	-	-
Total Additions	104,710	137,402	522,404	521,531
Deductions:				
Administrative expenses	1,058	-	250,000	250,001
Contractual services	-	-	4,795	5,804
Interest expense	-	-	143,749	148,534
Total Deductions	1,058	-	398,544	404,339
Changes in Net Position	103,652	137,402	123,860	117,192
Net Position - Beginning of the Year	137,402	-	(2,327,945)	(2,445,137)
Net Position - End of the Year	\$ 241,054	\$ 137,402	\$ (2,204,085)	\$ (2,327,945)

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NOTES TO BASIC FINANCIAL STATEMENTS

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Solana Beach, California (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Financial Reporting Entity

The City was formed July 1, 1986 after an election held June 3, 1986 in the proposed incorporated area. The City's incorporation involved a reorganization consisting primarily of the incorporation of the City of Solana Beach; the detachment of territory from the Cardiff Sanitation District and annexation of the same territory to the Solana Beach Sanitation District; the establishment of the Solana Fire Protection District and Solana Beach Sanitation District as subsidiary districts of the City; and the establishment of five improvement districts of the City, which coincided with five previously existing county service areas (CSAs). The City merged the Fire District into the City by dissolving the District and creating a separate Fire Department within the City's General Fund effective January 1, 1988. Effective July 1, 1990, the Solana Beach Sanitation District was dissolved and is now a department of the City.

The Solana Beach Public Facilities Corporation (Corporation) was incorporated on July 25, 1990 as a nonprofit public benefit corporation duly organized and existing under the Nonprofit Public Benefit Corporation Law. Its purpose is to benefit the City by providing financing for the planning, development, acquisition, construction, improvement, extension, repair, and renovation of public works projects, public facilities, furnishings, and equipment for use by the City. The Corporation does not issue separate financial statements. The City's basic financial statements have the Corporation included using the blended method since the governing bodies of the component unit is substantially the same as the governing body of the City. The Corporation provides services entirely to the City.

b. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to, Due from other funds
- Advances to, Advances from other funds
- Transfers in, Transfers out

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, franchise taxes, gas taxes, transient occupancy taxes, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major governmental fund:

General Fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Solana Beach, these services include general government, public safety, public works, community development, and community services.

Low and Moderate Income Housing Asset Fund accounts for resources related to affordable housing grants and successor housing activities.

TransNet Special Revenue Fund accounts for revenues received and expenditures made related to transportation development, transit and related studies. Funding is provided to the City as a secondary recipient under agreement with the County of San Diego and with San Diego Association of Governments (SANDAG).

City Capital Projects Fund - accounts for the acquisition, construction and improvement of capital facilities and infrastructure. Projects are funded by transfers from the General Fund.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Note 1: Summary of Significant Accounting Policies (Continued)

Operating revenues, such as charges for services, in the proprietary funds are those revenues that are generated from exchange transactions as the primary operations of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. All other revenues, such as subsidies, taxes, and investment earnings, which result from non-exchange transactions or ancillary activities are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary fund:

Sanitation Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing sewage and wastewater treatment services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position. The City's fiduciary funds include agency funds, an OPEB trust fund and one private-purpose trust fund. Agency funds are used to account for collections received from special assessment districts and their disbursement to bondholders. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Spending of agency fund resources is controlled primarily through legal agreements and applicable State and Federal laws. Agency funds are reported using the accrual basis of accounting.

The Private-Purpose Trust Fund is used to account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

The Pension and Private Purpose Trust Fund funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

c. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

The cash flow statements require presentation of "cash and cash equivalents". For the purpose of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as "cash and cash equivalents", as such funds are available to the various funds as needed.

Note 1: Summary of Significant Accounting Policies (Continued)

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

d. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

e. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair value on the date donated. City policy has set the capitalization threshold for reporting infrastructure and all other capital assets at \$1,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	20-50 years
Equipment	3-25 years
Infrastructure - sewer lines	40-50 years
Infrastructure - other	20-60 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include roads and streets, curbs, gutters and sidewalks, street lights, signs and signals, park equipment, and storm drains. The appropriate operating department maintains information regarding the infrastructure assets.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property that determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition.

Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

Note 1: Summary of Significant Accounting Policies (Continued)

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflows relating to the net pension obligation reported in the government-wide statement of net position and proprietary statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions. These amounts are deferred and amortized over the expected average remaining service life time.

In addition to liabilities, the statement of financial position or governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has an item that qualifies for reporting in this category which are deferred inflows related to the pensions reported in the government-wide statement of net position and proprietary statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments, differences between employer's contributions and proportionate share of contributions, and adjustment due to differences in proportions. These amounts are deferred and amortized straight-line over a five year period or the expected average remaining service life time.

g. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

h. Compensated Absences

Government-Wide Financial Statements

For governmental activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources, rather than currently available financial resources. Accordingly, the entire unpaid liability for the governmental funds is recorded in the government-wide financial statements, as these amounts will be liquidated from future resources. In the proprietary fund, compensated absences are expensed in the period they are earned, and the unpaid liability is recorded as a long-term liability of the fund.

i. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

j. Net Position

In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that was issued for the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position."

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

k. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the

Note 1: Summary of Significant Accounting Policies (Continued)

government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

I. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. The formal action required to establish, modify, or rescind a fund balance commitment is through a resolution.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized through a resolution the City Manager and the Director of Finance for that purpose.

Unassigned – This category is for any balances that have no restrictions placed upon them.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

m. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1: Summary of Significant Accounting Policies (Continued)

When expenditures are incurred for purposes where only unrestricted fund balances are available, the Agency uses the unrestricted resources in the following order: committed, assigned, and unassigned.

n. Property Taxes

Property taxes are levied on July 1 and are payable in two installments: December 10 and February 10 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of San Diego, California (County) bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 60 days. The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy.

o. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

p. Budgets

The Tea 21/Tea Fund, Caltrans, and the Miscellaneous Grants Fund did not adopt a budget. Therefore, no budgetary comparison schedule is presented as supplementary information.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2017:

	Government-Wide Statement of Net Position			Fiduciary	Total
	Governmental Activities	Business-Type Activities	Total	Funds Statement of Net Position	
Cash and investments	\$ 24,256,552	\$ 12,879,706	\$ 37,136,258	\$ 917,752	\$ 38,054,010
Restricted cash and investments	893,185		893,185	241,161	1,134,346
Cash and investments with fiscal agent held by fiscal agents	-	594,324	594,324	236,063	830,387
Total	\$ 25,149,737	\$ 13,474,030	\$ 38,623,767	\$ 1,394,976	\$ 40,018,743

Cash and investments consisted of the following at June 30, 2017:

Cash:	
Cash on hand	\$ 400
Demand deposits	1,729,773
Total cash	<u>1,730,173</u>
Investments:	
Local Agency Investment Fund	1,015,149
Investments	36,139,075
Cash and investments held in PARS OPEB Trust	1,134,346
Total investments	<u>38,288,570</u>
Total cash and investments	<u>\$ 40,018,743</u>

Note 2: Cash and Investments (Continued)

a. Cash Deposits

The carrying amounts of the City's cash deposits were \$1,729,773 at June 30, 2017. Bank balances were \$2,062,049 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below. The \$332,476 difference represents outstanding checks and other reconciling items.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2017, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. For investments identified herein as held by fiscal agent, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the City.

b. Investments

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. The City has no investments held by bond trustee.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment in One Issuer
Local agency bonds	Yes	5 years	30%	5%
U.S. Treasury bills	Yes	5 years	None	25%
U.S. Treasury notes	Yes	5 years	None	25%
U.S. agency securities	Yes	5 years	None	25%
Banker's acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	10%
Non-Negotiable certificates of deposit	Yes	5 years	30%	5%
Negotiable certificates of deposit	Yes	5 years	20%	None
Certificate of Deposit Placement Services	Yes	5 years	20%	None
Collateralized Bank Deposits	Yes	1 year	None	None
Repurchase agreements	Yes	1 year	None	None
Medium-term notes	Yes	5 years	30%	5%
Mutual funds	Yes	5 years	20%	None
Money market mutual funds	Yes	5 years	20%	None
Asset backed security	Yes	5 years	20%	5%
Supranational	Yes	5 years	30%	10%
Local Agency Investment Fund (LAIF)	Yes	5 years	\$65,000,000	None

* Based on state law or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	360 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	90 days	None	None
Investment contracts	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

c. External Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 2: Cash and Investments (Continued)

The fair value of the City's investment in LAIF is reported at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated.

The City's investments with LAIF at June 30, 2017, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

d. Risk Disclosures**Interest Rate Risk**

Interest rate risk is the risk that the market value of investments in the portfolio will fall due to changes in market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages this risk by investing its operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools to ensure liquidity and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

	Fair Value	Remaining Investment Maturities		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Investments:				
Local Agency Investment Fund	\$ 1,015,149	\$ 1,015,149	\$ -	\$ -
US Treasury	8,783,353	1,746,930	1,464,399	5,572,024
U.S Government Agency Securities				
Federal Farm Credit Bank	5,231,206	1,305,268	3,094,637	831,301
Federal Home Loan Bank	1,729,259	947,784	500,614	280,861
Federal Home Loan Mortgage Corp	4,681,767	982,938	759,506	2,939,324
Federal National Mortgage Association	3,564,362	-	767,031	2,797,334
Medium Term Notes	8,471,338	2,191,887	2,242,338	4,037,113
Commercial Paper	498,661	498,661	-	-
Asset Backed Security	1,207,353	-	823,019	384,333
Money Market	53,443	53,443	-	-
Mutual Funds	1,099,313	1,099,313	-	-
Supranational	1,123,217	-	-	1,123,217
Investments with fiscal agents:				
Money Market Mutual Funds	830,148	830,148	-	-
Total Investments	\$ 38,288,570	\$ 10,671,522	\$ 9,651,544	\$ 17,965,506

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified through the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only in investment types allowed for municipalities by the Government Code as listed on the City's investment policy and investing only in instruments that are most credit worthy. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of June 30, 2017, for each investment type.

Investment Type	Total as of June 30, 2017	Minimum Legal Rating	Minimum Rating				
			AAA	AA + - AA-	A - A-	A-1	Not Rated
Investments:							
Local Agency Investment Fund	\$ 1,015,149	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,015,149
US Treasury	8,783,353	N/A	-	8,783,353	-	-	-
U.S Government Agency Securities							
Federal Farm Credit Bank	5,231,206	N/A	-	5,231,206	-	-	-
Federal Home Loan Bank	1,729,259	N/A	-	1,729,259	-	-	-
Federal Home Loan Mortgage Corp.	4,681,767	N/A	-	4,681,767	-	-	-
Federal National Mortgage Association	3,564,362	N/A	-	3,564,362	-	-	-
Medium Term Notes	8,471,338	A	301,385	2,313,476	5,856,477	-	-
Commercial Paper	498,661	A-1	-	-	-	498,661	-
Asset Backed Security	1,207,353	AA	636,037	-	-	-	571,315
Money Market	53,443	AAA	53,443	-	-	-	-
Mutual Funds	1,099,313	AAA	1,099,313	-	-	-	-
Supranational	1,123,217	AA	1,123,217	-	-	-	-
Investments with Fiscal Agent							
Money Market Mutual Fund	830,148	N/A	-	-	-	-	830,148
Total Investments	\$ 38,288,570		\$ 3,213,396	\$ 26,303,423	\$ 5,856,477	\$ 498,661	\$ 2,416,612

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 2: Cash and Investments (Continued)

Issuer	Investment Type	Reported Amount	
Federal Farm Credit Bank	Federal agency securities	\$ 5,231,206	14%
Federal Home Loan Mortgage Corp	Federal agency securities	4,681,767	12%
Federal National Mortgage Assoc.	Federal agency securities	3,564,364	9%

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Level			
	Totals	1	2	3
Local Agency Investment Fund	\$ 1,015,149.00	\$ -	\$ 1,015,149	\$ -
US Treasury	8,783,353	-	8,783,353	-
Federal Agencies	15,206,594	-	15,206,594	-
Medium Term Notes	8,471,338	-	8,471,338	-
Commercial Paper	498,661	-	498,661	-
Asset Backed Security	1,207,353	-	1,207,353	-
Money Market	53,443	-	53,443	-
Mutual Funds	1,099,313	-	1,099,313	-
Supranational	1,123,217	-	1,123,217	-
Investments with fiscal agents:				
Money Market Mutual Funds	830,148	-	830,148	-
Total Investments	\$ 38,288,570	\$ -	\$ 38,288,570	\$ -

Deposits and Federal Agency Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds, Certificates of Deposit, any local agency, and Registered Treasury Notes or Bonds of any other 49 States are classified in Level 2 of the fair value hierarchy are value using specified fair market value factors.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 3: Interfund Transactions

Due From and To Other Funds

At June 30, 2017, the City had the following short-term interfund receivables and payables:

	Due from other funds
	General Fund
<u>Due to other funds</u>	
Non-major Governmental Funds	\$ 384,793
Total	<u>\$ 384,793</u>

Due from/to other funds balances arise from the advance payments by the City's General Fund for debt service payments and projects expenditures which are reimbursable through various Federal and State Grant Programs.

Advances From and To Other Funds

As of June 30, 2017, the City had the following long-term interfund receivables and payables:

	Advance from other funds
	General Fund
<u>Advance to other funds</u>	
Sanitation Fund	<u>\$ 665,464</u>

The Sanitation Fund advanced funds to the General Fund for payment of the PERS side-fund. For further information see Note 10.

Interfund Transfers

For the year ended June 30, 2017, the City had the following transfers:

	Transfers In		
	City CIP Fund	Non-Major Governmental Funds	Total
<u>Transfers Out</u>			
General Fund	\$ 1,221,100	\$ 285,300	\$ 1,506,400
Non-major governmental funds	-	70,400	70,400
	<u>\$ 1,221,100</u>	<u>\$ 355,700</u>	<u>\$ 1,576,800</u>

The most significant interfund transfers were from the General Fund to the City Capital Projects Fund for the City's construction project costs. With the non-major funds, transfers were made to various special revenue funds to public service and public works related costs, as well as debt service principal and interest payments on capital leases. During the fiscal year ended June 30, 2017, there were no significant interfund transfers that were not expected, budgeted for, unusual, nor of a non-routine nature.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Governmental Activities:					
<i>Non-Depreciable Assets:</i>					
Land	\$ 2,537,440	\$ -	\$ -	\$ -	\$ 2,537,440
Construction in progress	1,008,990	1,407,588		(532,695)	1,883,883
Total non-depreciable assets	<u>3,546,430</u>	<u>1,407,588</u>	<u>-</u>	<u>(532,695)</u>	<u>4,421,323</u>
<i>Depreciable Assets:</i>					
Buildings	6,016,915				6,016,915
Improvements	11,607,847			79,006	11,686,853
Equipment	1,947,469	66,247	42,133	-	1,971,583
Vehicles	2,644,286		299,401		2,344,885
Infrastructure	68,189,123			453,689	68,642,812
Total depreciable assets	<u>90,405,640</u>	<u>66,247</u>	<u>341,534</u>	<u>532,695</u>	<u>90,663,048</u>
<i>Less accumulated depreciation:</i>					
Buildings	(2,637,110)	(120,792)			(2,757,902)
Improvements	(3,957,990)	(388,641)			(4,346,631)
Equipment	(1,709,727)	(117,212)	42,133		(1,784,806)
Vehicles	(1,438,783)	(175,860)	299,401		(1,315,242)
Infrastructure	(46,130,777)	(2,912,439)			(49,043,216)
Total accumulated depreciation	<u>(55,874,387)</u>	<u>(3,714,944)</u>	<u>341,534</u>	<u>-</u>	<u>(59,247,797)</u>
Total depreciable assets, net	<u>34,531,253</u>	<u>(3,648,697)</u>	<u>-</u>	<u>532,695</u>	<u>31,415,251</u>
Total capital assets, net	<u>\$ 38,077,683</u>	<u>\$ (2,241,109)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,836,574</u>

Governmental activities depreciation expense for capital assets for the year ended June 30, 2017, is as follows:

General Government	\$ 145,434
Public Safety	280,663
Public Works	2,935,953
Community Development	1,132
Community Services	<u>351,762</u>
Total depreciation expenses	<u>\$ 3,714,944</u>

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 4: Capital Assets (Continued)

	Balance July 1, 2016	Transfers	Additions	Deletions	Balance June 30, 2017
Business-Type Activities					
<i>Non-Depreciable Assets:</i>					
Land	\$ 111,706	\$ -	\$ -	\$ -	\$ 111,706
Construction in progress	1,996,583	(739,435)	723,057	-	1,980,205
Total non-depreciable assets	<u>2,108,289</u>	<u>(739,435)</u>	<u>723,057</u>	<u>-</u>	<u>2,091,911</u>
<i>Depreciable Assets:</i>					
Building and improvements	16,223,141	408,791	-	-	16,631,932
Equipment	838,497	330,644	-	-	1,169,141
Total depreciable assets	<u>17,061,638</u>	<u>739,435</u>	<u>-</u>	<u>-</u>	<u>17,801,073</u>
<i>Less accumulated depreciation:</i>					
Building and improvements	(5,795,446)	-	(359,195)	-	(6,154,641)
Equipment	(498,061)	-	-	-	(498,061)
Total accumulated depreciation	<u>(6,293,507)</u>	<u>-</u>	<u>(359,195)</u>	<u>-</u>	<u>(6,652,702)</u>
Total depreciable assets, net	<u>10,768,131</u>	<u>739,435</u>	<u>(359,195)</u>	<u>-</u>	<u>11,148,371</u>
Total capital assets, net	<u>\$ 12,876,420</u>	<u>\$ -</u>	<u>\$ 363,862</u>	<u>\$ -</u>	<u>\$ 13,240,282</u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2017, is \$359,195.

Note 5: Long-Term Obligations

Governmental Activities Long-Term Debt

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Refunding Lease - ABAG	\$ 940,600	\$ -	\$ 123,400	\$ 817,200	\$ 126,800
Municipal Finance Capital Lease	663,390	-	47,897	615,493	49,563
2016 Municipal Finance Fire Truck Lease	614,759	-	117,190	497,569	120,003
Limited Tax Bonds 2010A Series	5,500,000	-	-	5,500,000	-
Compensated Absences	317,358	266,027	216,885	366,500	250,469
	<u>\$ 8,036,107</u>	<u>\$ 266,027</u>	<u>\$ 505,372</u>	<u>7,796,762</u>	<u>\$ 546,835</u>
			unamortized discount	(5,809)	
			Total	<u>\$ 7,790,953</u>	

Lease Revenue Bonds – ABAG

On January 10, 2002, the City issued \$3,465,000 of Series 2002 ABAG Lease Revenue Bonds to advance refund \$2,185,000 of the outstanding Certificates of Participation, Series 1992, and \$1,125,000 of the outstanding Certificates of Participation, Series 1995, establish a reserve account for the bonds, and to pay the cost of issuing the bonds.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Long-Term Obligations (Continued)

\$3,504,499 of the 2002 series proceeds were used to purchase U.S. Government securities to advance refund the 1992 and 1995 series. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 and 1995 series. As a result, the 1992 and 1995 series certificates of participation are considered to be defeased and the liability for the 1992 and 1995 series has been removed from the Government-wide Statement of Net Position.

On November 1, 2011, the City entered into a refunding lease agreement with Municipal Financial Corporation in the amount of \$1,388,300 to current refund the outstanding balance of the ABAG Lease Revenue Bonds, Series 2002 and to take advantage of historically low interest rates. The average savings are approximately \$21,258 per fiscal year with the net present value savings equal to \$185,245. The lease matures on December 1, 2022. Principal payments are due December 1st of each year with semi-annual interest rate at 3.40%. The debt requirements due under the terms of the lease as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 126,800	\$ 25,629	\$ 152,429
2019	129,800	21,267	151,067
2020	137,600	16,721	154,321
2021	135,300	12,082	147,382
2022	142,700	7,356	150,056
2023	145,000	2,465	147,465
Total	<u>\$ 817,200</u>	<u>\$ 85,520</u>	<u>\$ 902,720</u>

Capital Lease Obligations

Energy Efficiency/Conservation Upgrades

On May 9, 2012, the City entered into a capital lease with Municipal Finance Corporation for various energy efficiency/conservation upgrades at City facilities. The lease was executed in the amount of \$818,696. Rental payments are due in thirty-one semi-annual payments of \$35,187 and include interest at the rate of 3.45%. The City also executed an acquisition fund agreement with Deutsche Bank National Trust Company for distribution of the funds. The debt requirements due under the terms of the lease as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 49,563	\$ 20,811	\$ 70,374
2019	51,288	19,086	70,374
2020	53,073	17,301	70,374
2021	54,920	15,455	70,375
2022	56,831	13,543	70,374
2023-2027	315,229	36,641	351,870
2028-2032	34,589	597	35,186
Total	<u>\$ 615,493</u>	<u>\$ 123,434</u>	<u>\$ 738,927</u>

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Long-Term Obligations (Continued)

Fire Truck Lease

In 2016, the City entered into a capital lease with Municipal Finance Corporation for a fire truck at the cost of \$614,759. Rental payments are due in annual installments of \$131,944 which includes interest at the rate of 2.40% per annum. Payments are due July of each year. The debt requirements due under the terms of the lease as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 120,003	\$ 11,941	\$ 131,944
2019	122,883	9,061	131,944
2020	125,831	6,113	131,944
2021	128,852	3,092	131,944
Total	<u>\$ 497,569</u>	<u>\$ 30,207</u>	<u>\$ 527,776</u>

San Diego County Regional Transportation Commission Sales Tax Revenue Bonds

On October 28, 2010, the San Diego Association of Governments (SANDAG), acting as the San Diego County Regional Transportation Commission, issued \$338,960,000 Taxable Build America Bonds 2010 Series A (Limited Tax Bonds). SANDAG is responsible for the administration of programs under the TransNet Extension ordinance, Proposition A, which sets forth the permitted uses for revenues from a half cent transactions and use tax in San Diego County (TransNet Extension Program). In fiscal year ended June 2015, the City borrowed \$5,500,000 from the TransNet debt financing program for the Highway 101 Streetscaping/Traffic Calming Project and other projects eligible under the terms of the debt financing and applicable SANDAG policies and approved projects. The debt requirements due under the terms of the bonds as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 325,105	\$ 325,105
2019	-	325,105	325,105
2020	-	325,105	325,105
2021	-	325,105	325,105
2022	-	325,105	325,105
2023 - 2027	-	1,625,525	1,625,525
2028 - 2032	-	1,625,525	1,625,525
2033 - 2037	-	1,625,525	1,625,525
2038 - 2042	2,089,140	1,428,735	3,517,875
2043 - 2047	2,924,982	675,308	3,600,290
2048	485,878	28,722	514,600
Total	<u>\$ 5,500,000</u>	<u>\$ 8,634,865</u>	<u>\$ 14,134,865</u>

Compensated Absences

Compensated absences at June 30, 2017, amounted to \$366,500. This liability is expected to be paid from future resources from the General Fund.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Long-Term Obligations (Continued)

Business-type Activities Long-Term Debt

The following is a summary of changes in business-type activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
JPA Loan Payable - 2011	\$ 2,286,111	\$ -	\$ 692,808	\$ 1,593,303	\$ 724,648
Sewer Revenue Bond- 2006	8,025,000	-	245,000	7,780,000	255,000
Compensated Absences	29,315	27,913	18,692	38,536	24,572
	<u>\$ 11,242,598</u>	<u>\$ 27,913</u>	<u>\$ 956,500</u>	9,411,839	<u>\$ 1,004,220</u>
			Unamortized premium/(discount)	284	
			Total	<u>\$ 9,412,123</u>	

San Elijo JPA Loan Payable - 2011

On March 1, 2012, the San Elijo Joint Powers Authority issued the 2012 Refunding Revenue Bonds to refund on a current basis the 2003 Refunding Revenue Bonds and prepaid a note to the California Energy Commission. Each local agency entered into a Third Amended and Restated Loan Agreement as of January 1, 2012 to assist in the financing of the Local Agencies' respective share of the Bonds. The City of Encinitas and the City of Solana Beach will be paying approximately 52% and 48% of total debt service on the bonds, respectively.

The amended loan matures on March 1, 2021. The interest rates on the bonds range from 2.00% to 4.00% per year. The City of Solana Beach's portion of annual principal installments range from \$25,000 to \$751,155.

The annual debt service requirements for the City of Solana Beach are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 724,648	\$ 62,266	\$ 786,914
2019	751,155	33,280	784,435
2020	57,500	3,234	60,734
2021	60,000	1,710	61,710
Total	<u>\$ 1,593,303</u>	<u>\$ 100,490</u>	<u>\$ 1,693,793</u>

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Long-Term Obligations (Continued)

In compliance with bond issuance covenants, specifically Appendix F Section 4(c) of the \$18,640,000 San Elijo Joint Powers Authority, 2011 Refunding Revenue Bonds, the City is including this table showing debt service coverage for the fiscal year of at least 1.10 times (i) the loan installments coming due and payable during the fiscal year, (ii) all payments required with respect to parity debt, and (iii) amount required to replenish the Reserve Fund as required by the indenture.

	Fiscal Year 2016-17
Revenues:	
Operating revenues	\$ 5,255,483
Other operating	14,473
Non-operating	88,940
Gross revenues	<u>5,358,896</u>
Expenses	<u>2,760,896</u>
Net Income	<u>2,598,000</u>
Add back:	
Interest expense	423,061
Depreciation	359,195
Amortization of bond premium/discount & refunding	42,853
Amortization of investment in JPA	<u>10,945</u>
Net revenues available for debt service	<u>\$ 3,434,054</u>
2011 Refunding Revenue bonds debt service:	
Principal repayment	\$ 692,808
Interest charges	89,978
Total debt service	<u>\$ 782,786</u>
Coverage ratio	<u>4.4</u>

2006 Subordinate Wastewater Revenue Bonds

On January 18, 2007, the City, acting as the Solana Beach Public Financing Authority, issued \$9,825,000 of Series 2006 Subordinate Wastewater Revenue Bonds to finance certain capital improvements to the Wastewater System. These bonds have a 30 year maturity with principal payments ranging from \$130,000 to \$565,000 with the final maturity paid on March 1, 2037. Interest on the bonds is payable semi-annually March 1 and September 1 commencing on September 1, 2007. Interest rates range from 3.42% to 4.45%. Total principal and interest remaining on the bonds was \$12,402,359 as of June 30, 2017.

The Bonds are paid solely from, and secured by a pledge of, installment payments and moneys in the funds and account held under the indenture. The installment payments are special limited obligations of the City payable solely from and secured by a pledge of and first lien on residual net revenues of the Wastewater System. Residual net revenues consist of revenues derived from the Wastewater System and remaining after the payment of operating and maintenance expense and debt service on the JPA Loan Payable.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 5: Long-Term Obligations (Continued)

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 255,000	\$ 335,788	\$ 590,788
2019	265,000	325,588	590,588
2020	275,000	314,988	589,988
2021	285,000	303,713	588,713
2022	300,000	291,956	591,956
2023-2027	1,700,000	1,256,613	2,956,613
2028-2032	2,100,000	852,250	2,952,250
2033-2037	2,600,000	350,875	2,950,875
Total	<u>\$ 7,780,000</u>	<u>\$ 4,031,771</u>	<u>\$ 11,811,771</u>

The City covenants under the 2006 Subordinate Wastewater Revenue Bond Installment Sale Agreement require while the Bonds remain outstanding and to the extent permitted by law, the City will fix, prescribe and collect rates and charges which will be at least sufficient to yield during each fiscal year Residual Net Revenues equal to one hundred twenty percent (120%) of Debt Service.

This bond issue is subordinate to the San Elijo JPA Refunding Revenue Bonds Issue.

Using net revenues available for debt service of \$2,608,501, the 2006 Subordinate Wastewater Revenue bonds debt service coverage requirement for fiscal year ended June 30, 2017, is calculated as follows:

	<u>Fiscal Year 2016-17</u>
Net revenues available for debt service	\$ 3,434,054
Less: 2011 Refunding Revenue bonds debt service	<u>782,786</u>
Net revenues available for 2006 Sewer Revenue Bonds debt service	<u>\$ 2,651,268</u>
2006 Sewer Revenue bonds debt service	
Principal repayment	\$ 245,000
Interest charges	<u>345,588</u>
Total debt service	<u>\$ 590,588</u>
Coverage ratio	<u>4.5</u>

Compensated Absences

Compensated absences for business-type activities as of June 30, 2017, amounted to \$38,536. This liability is expected to be paid from future resources from the Sanitation Fund.

Note 5: Long-Term Obligations (Continued)

Non-City Obligations – Special Assessment Debt

Bonds issued to finance public improvement projects in certain assessment districts are liabilities of the property owners and are secured by liens against the assessed property. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders.

The City has no obligation or duty to pay any delinquency out of any available funds of the City. Neither the faith, credit, nor the taxing power of the City is pledged to the payment of the bonds. Therefore, none of the following obligations are included in the accompanying basic financial statements.

Undergrounding Districts

During July 2006, the Solana Beach Public Financing Authority issued Assessment District Revenue Bonds totaling \$2,112,000 (less bond issuance costs of \$244,393) to finance the undergrounding of utility lines for the Barbara/Granados Avenue Utility Undergrounding District and the Pacific Avenue/East and West Circle Drive Utility Underground Assessment District. In July 2008, the City of Solana Beach issued \$480,000 (less bond issuance costs of \$87,775) to finance the undergrounding of utility lines on Marsolan Avenue. The outstanding bonds as of June 30, 2017, were \$2,085,000.

South Solana Sewer District

In November 2006, the Solana Beach Public Financing Authority issued Limited Obligation Improvement Bonds totaling \$570,000 (less bond issuance costs of \$5,742) to finance the construction of sewer improvements to connect 51 properties of the South Solana Beach Sewer District assessment district to the City's sewer system. The outstanding bonds as of June 30, 2017, were \$465,000.

Note 6: Risk Management

General Liability Insurance

On June 30, 2015, the San Diego County Pooled Insurance Program Authority (SANDPIPA), a joint powers authority (JPA) that provided liability, property and casualty coverage, of which the City was a member, was dissolved. As of July 1, 2015, the City acquired excess liability insurance directly from CSAC Excess Insurance Authority (EIA).

The City has a Self-Insured (SIR) of \$100,000 per claim and additional coverage above its SIR with CSAC - EIA to \$5 million per claim; there is an additional \$45 million of reinsurance above CSAC - EIA coverage bringing the total coverage to over \$50 million per claim. The CSAC - EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

Workers' Compensation

Beginning October 1, 2004, the City became fully self-insured with respect to Workers' Compensation. The City has a Self-Insured Retention (SIR) of \$125,000 per claim and additional coverage above its SIR with CSAC Excess Insurance Authority (EIA) to \$5 million per claim; there is an additional \$45 million of reinsurance above CSAC-EIA coverage bringing the total coverage to over \$50 million per claim, up to the statutory workers' compensation limits set by the State of California. The CSAC-EIA is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 6: Risk Management (Continued)

The workers' compensation and general liability claims payable of \$1,208,202 reported at June 30, 2017, includes all claims for which information prior to the issuance of the financial statements indicates that it was probable that a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year. Changes in the claims liability amounts were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2014-2015	\$ 1,216,600	\$ (86,405)	\$ (136,346)	\$ 993,849
2015-2016	1,201,742	169,050	(148,050)	1,222,742
2016-2017	1,222,742	328,311	(342,851)	1,208,202

The City also maintains insurance coverage in the following specific areas: real and personal property damage, boiler and machinery, special events, cyber liability, and pollution.

The latest financial information of the CSAC Excess Insurance Authority for fiscal year ended June 30, 2016, is as follows:

Total assets	<u>\$ 741,987,349</u>
Total liabilities	<u>\$ 604,314,732</u>
Total net position	<u>\$ 137,672,617</u>
Total revenues	<u>\$ 787,272,604</u>
Total expenses	<u>\$ 762,006,632</u>
Expenses over revenues	<u>\$ 25,265,972</u>

Note 7: City Employees Retirement Plan - Pension Plans

a. PERS – Public Employees Retirement System

1. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefits tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors eight rate plans (three miscellaneous and five safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

Below is a summary of the plans' provisions and benefits in effect at June 30, 2017, for which the City of Solana Beach has contracted:

Major Benefit Options	Miscellaneous *	Miscellaneous Second Tier	Miscellaneous PEPRA	Safety Fire First Tier *	Safety Fire Second Tier	Safety PEPRA	Safety Lifeguard First Tier *	PEPRA Other Safety
Hire Date	Prior to January 1, 2010	January 1, 2010 but prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2010	On or after January 1, 2010	On or after January 1, 2013	On or after January 1, 2010	On or after January 1, 2013
Benefit Provision								
Benefit Formula	2.5% @ 55	2.0% @ 60	2.0% @ 62	3.0% @ 50	2.0% @ 50	2.7% @ 57	3.0% @ 50	2.7% @ 57
Social Security	no	no	no	no	no	no	no	no
Full/Modified	full	full	full	full	full	full	full	full
Benefit vesting schedule	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service	5 yrs service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67	50	50-55	50-57	50-55	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%	3%	2.4% to 3.0%	2% to 2.7%	1.426% to 2.0%	2.0% to 2.7%
Required employer contribution rates	10.069%	7.159%	6.555%	19.536%	14.785%	12.082%	19.536%	12.082%
Required employee contribution rates	8.000%	7.000%	6.250%	9.000%	9.000%	11.500%	9.000%	11.500%

* closed to new member entrants

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2017, the contributions recognized as a reduction to the net pension liability was \$1,004,656.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the City of Solana Beach reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 4,534,940
Safety	7,592,101
Total	<u>\$ 12,127,041</u>

The City of Solana Beach's net pension liability for each Plan is measured as the proportionate share of the net pension liability of \$12,127,041. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2015 and 2016, was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.12950%
Proportion - June 30, 2016	0.13054%
Change - Increase (Decrease)	0.80622%

Proportions as a percentage of the CalPERS Safety risk pool:

	<u>Safety</u>
Proportion - June 30, 2015	0.14362%
Proportion - June 30, 2016	0.14659%
Change - Increase (Decrease)	2.06642%

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

For the year ended June 30, 2017, the City of Solana Beach recognized reductions in net pension liability of \$616,489 for miscellaneous and \$944,999 for safety. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Miscellaneous Plan</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 417,318	\$ -
Changes in assumptions	-	130,372
Difference between expected and actual experiences	13,780	3,157
Net differences between projected and actual earnings on plan investments	678,541	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	137,507
Adjustment due to differences in proportions	305,407	-
Total	\$ 1,415,046	\$ 271,036
<u>Safety Plan</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 673,212	\$ -
Changes in assumptions	-	212,692
Difference between expected and actual experiences	-	48,781
Net differences between projected and actual earnings on plan investments	1,044,944	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	204,350
Adjustment due to differences in proportions	207,336	-
Total	\$ 1,925,492	\$ 465,823
<u>Total Plans</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,090,530	\$ -
Changes in assumptions	-	343,064
Difference between expected and actual experiences	13,780	51,938
Net differences between projected and actual earnings on plan investments	1,723,485	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	341,857
Adjustment due to differences in proportions	512,743	-
Total	\$ 3,340,538	\$ 736,859

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

\$1,090,530 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous		Safety	
Year Ended June 30	Deferred Outflows/ (Inflows) of Resources	Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2017	\$ 128,366	2017	\$ (7,734)
2018	119,599	2018	35,758
2019	302,976	2019	486,403
2020	175,751	2020	272,030

Actuarial Assumptions

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015, total pension liability. The June 30, 2015 and the June 30, 2016, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method Actuarial Assumptions	Entry Age Normal Cost Method
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report on the CalPERS website.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: City Employees Retirement Plan - Pension Plans (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.65 percent) or 1% point higher (8.65 percent) than the current rate:

Plan Type	Discount Rate - 1% 6.65%	Current Discount Rate 7.65%	Discount Rate + 1% 8.65%
Miscellaneous	\$ 6,911,723	\$ 4,534,940	\$ 2,570,647
Safety	11,419,192	7,592,101	4,450,452
Total	\$ 18,330,915	\$ 12,127,041	\$ 7,021,099

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Note 8: Other Post-Employment Benefits

Plan Description

The City of Solana Beach Retiree Healthcare Plan ("Plan") is a single employer defined benefit healthcare plan administered by the City. The Plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA). Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees and the unions representing City employees. The Retiree Healthcare Plan does not issue a financial report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Other Post-Employment Benefits (Continued)

a. Plan Membership

At June 30, 2017, membership consisted of:

Inactive plan members or beneficiaries currently receiving benefit payments	44
Inactive plan members entitled to but not yet receiving benefit payments	11
Active plan members	60
	<u>115</u>

b. Benefits Provided

The City provides the PEMHCA minimum benefit (\$128 per month for 2017) but no less than \$325 per month for employees retired before January 1, 2007 and \$290 per month for employees hired before January 1, 2007.

c. Contributions

The contribution requirements of the Plan participants and the City are established by and may be amended by the City pursuant to agreements with its non-represented employees and the unions representing City Employees.

The City contributed \$148,050 during the 2017 fiscal year on a pay-as-you-go basis for current benefit payments and contributed \$85,376 to an irrevocable trust. Retired plan members and their beneficiaries pay the annual premium cost not paid by the employer

Investments

The City's policy in regard to the allocation of invested assets is established and may be amended by the City Council through resolution.

<u>Asset Class</u>	<u>Asset Allocation</u>
Cash and money market	5%
Equity	50%
Fixed Income	45%
Total	<u>100%</u>

Rate of return. For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 10.55 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Other Post-Employment Benefits (Continued)

Net OPEB Liability of the City

a. The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Total OPEB liability	\$ 4,864,000
Less Plan fiduciary net position	241,000
City's net OPEB liability	<u><u>\$ 4,623,000</u></u>

b. **Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Payroll increases	3.00 percent
Investment rate of return	5.70 percent, net of investment expense
Healthcare cost trend rates	7.50 percent, decreasing to 6.75 percent in 2023 and 4.00 percent after 2076 for non-medicare and 6.50 percent, decreasing to 5.90 percent in 2023 and 4.00 percent after 2076 for medicare

Mortality rates were based on the MP-2016 mortality improvement scale.

The expected long-term net rate of return is expected nominal long-term net rate of return for the OPEB trust based on stochastic projections of expected long-term real rates of return net of assumed investment expenses under various economic scenarios using expected long-term geometric real rates of return and correlations for fund asset classes plus inflation. The long-term expected geometric real rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Money Market	.06%
Equity	4.82%
Fixed Income	1.47%

Discount Rate. The discount rate used to measure the total OPEB liability was 3.45%. The City currently pays benefits directly and has no current plans to further prefund the plan. The OPEB trust is projected to not have sufficient assets to pay all benefits under the City's current funding policy.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Other Post-Employment Benefits (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.45%)	3.45%	1% Increase (4.45%)
Net OPEB liability (asset)	\$ 5,360,000	\$ 4,623,000	\$ 4,036,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.0%)	Healthcare Cost Trending Rates (7.5% decreasing to 4.0%)	1% Increase (8.5% decreasing to 5.0%)
Net OPEB liability (asset)	\$ 4,174,000	\$ 4,623,000	\$ 5,284,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 8: Other Post-Employment Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation under GASB Statement 45

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. An amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's Net OPEB obligation.

Annual Required Contribution (ARC)	\$ 531,000
Interest on Net OPEB Obligation	69,000
Adjustment to ARC	<u>(156,000)</u>
Annual OPEB Cost (Expenses)	444,000
Contribution Made	<u>(233,426)</u>
Increase in Net OPEB Obligation	210,574
Net OPEB Obligation	
Beginning of year	<u>1,732,450</u>
End of year	<u><u>\$ 1,943,024</u></u>

Annual OPEB Cost and Net OPEB Obligation under GASB Statement 45

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage Contribution	Increase in Net OPEB Obligation	Net OPEB Obligation
2014-2015	\$ 394,000	\$ 127,279	32.3%	\$ 266,721	\$ 1,582,986
2015-2016	416,000	266,536	64.1%	149,464	1,732,450
2016-2017	444,000	233,426	52.6%	210,574	1,943,024

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 8: Other Post-Employment Benefits (Continued)**Funded Status and Funding Progress under GASB Statement 45**

The most recent schedule of funding progress is presented below:

Actuarial Valuation Date	Actuarial Asset Value (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentage of Covered Payroll [(B-A)/C]
6/30/2006	\$ -	\$ 1,706,000	\$ 1,706,000	0.0%	\$ 3,348,000	51.0%
6/30/2009	-	2,330,000	2,330,000	0.0%	4,243,000	54.9%
6/30/2012	-	2,940,000	2,940,000	0.0%	3,900,000	75.4%

Most Recent Actuarial Valuation under GASB Statement 45

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions under GASB Statement 45

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the June 30, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and a 3% general inflation assumption. The City's benefit cap for active employees hired before January 1, 2007 was assumed to remain at its current level. The PEMHCA minimum was assumed to increase with a medical cost increase rate of 4.5% beginning in 2017. The initial Unfunded Actuarial Accrued Liability (UAAL) was amortized as a level percentage of projected payroll over a fixed 20-year period starting with the 2008/09 fiscal year. There were 13 years remaining in this amortization period for the 2016/2017 Annual Required Contribution.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 9: Investment in Joint Venture

On June 17, 1987, the Cardiff Sanitation District and the City of Solana Beach established the San Elijo Joint Powers Authority (SEJPA), a separate legal entity, whose function is to manage, operate, maintain and expand a plant for the treatment and disposal of sewage or wastewater and to determine the joint and separate obligations of the members concerning the transmission, treatment, disposal and reclamation of sewage and wastewater within the respective service territories. The SEJPA's governing board consists of two members from each entity. The City of Solana Beach's investment in the SEJPA has been recorded using the equity method of accounting and is shown as an investment in joint venture in the City's financial statements. Summarized audited information of the SEJPA for the fiscal year ended June 30, 2017, is as follows:

Operating revenues	\$ 6,959,676
Operating expenses	(7,209,365)
Net non-operating income	348,795
Capital contributions	<u>915,336</u>
Change in net position	<u>\$ 1,014,442</u>
Total assets and deferred outflows of resources	\$ 55,495,240
Total liabilities and deferred inflows of resources	<u>(13,250,555)</u>
Net position- total fund equity	<u>\$ 42,244,685</u>

Prior to the formation of the San Elijo Joint Powers Authority, the Cardiff Sanitation District and the City of Solana Beach operated the San Elijo water pollution control facility under an agreement whereby operating costs were shared based on usage and capital expansions were funded 56% by Cardiff and 44% by Solana Beach. Upon formation of the SEJPA in June 1987 the members continued funding SEJPA activities in this manner until May 1989, when the equity interests in the joint venture were revised to 50% Cardiff and 50% Solana Beach. To effect the change in equity interests, the City of Solana Beach agreed to pay Cardiff Sanitation District \$750,680, which included a premium on the value of the equity interest in the amount of \$437,782. This premium is being amortized over the estimated useful life of the facility of forty years.

A summary of the changes in the City's investment in the San Elijo Joint Powers Authority for the year ended June 30, 2017, is as follows:

Investment at June 30, 2016	\$ 19,190,619
Capital contribution	457,668
Current year share in the joint venture net income	1,614,498
Amortization of JPA	<u>(10,945)</u>
Investment at June 30, 2017	<u>\$ 21,251,840</u>

At June 30, 2017, the SEJPA had \$3,234,580 in 2012 Refunding Revenue Bonds outstanding. The financial statements of the SEJPA can be obtained from the Solana Beach Finance Department located at Solana Beach City Hall, 635 S. Highway 101, Solana Beach, California 92075.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 10: Sanitation Loan to General Fund

On June 22, 2011, the City Council adopted Resolution 2011-101 transferring funds from the Sanitation unrestricted reserves to an internal General Fund account, PERS Side Fund Prepayment fund, to pay off the City's CalPERS Side Fund obligation in the amount of \$3,132,587. The transfer of funds was characterized as a loan from the Sanitation Fund at an annual interest rate of 2.375% for 8 years. The funds transfer and the prepayment of the CalPERS Side Fund will save the City \$970,462 in total interest over a twelve-year period as compared to the current PERS amortization schedule.

The City has the ability to make this kind of transfer from one fund to another so long as there is no prohibition on the use of the funds. In this case, the Sanitation funds are not specifically prohibited for other uses (except for connection fees, which cannot be used for any other purpose). See Health & Safety Code §§ 5473 et seq. While the transaction was fiscally and legally sound, the City Council determined that the timely repayment of the Sanitation Fund is a priority.

To ensure prudent, responsible fiscal oversight of the Sanitation fund, the Council adopted Council Policy No. 22 establishing procedures to guarantee that the Sanitation Fund is repaid for the transfer of funds in the amount of \$3,132,587 in a timely manner. The Policy requires a 4/5 vote of the City Council to delay and/or release the commitment to pay the Sanitation Fund loan as set forth in Resolution 2011-101. Additionally, a 4/5 vote of the City Council is required to amend or abolish this Council policy. The 4/5 vote requirement is not necessary if the proposed change would expedite the repayment of the Sanitation Fund loan.

The City elected to borrow funds from its Sanitation Fund to pay its CalPERS Side fund obligation in full. Repayment to the Sanitation Fund over the remaining four years of the loan will be as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 501,099	\$ 15,805	\$ 516,904
2019	164,365	3,904	168,269
Total	<u>\$ 665,464</u>	<u>\$ 19,709</u>	<u>\$ 685,173</u>

Since the PERS Side Fund Prepayment fund made the payment to CalPERS in the amount of \$3,132,587 in fiscal year 2010-11, the fund reported a deficit fund balance of \$665,464 for fiscal year 2016-17 and the deficit fund balance was reported as an unassigned fund balance per the requirements of GASB 54. In each succeeding fiscal year, as the Sanitation Fund is repaid, the deficit fund balance will be reduced by that fiscal year's principle payment, and the fund balance will be increased to zero by fiscal year 2018-19. Note 12 provides additional information regarding the fund balance classification for the PERS Side Fund Prepayment fund.

Note 11: Commitments and Contingencies

a. Litigation

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

b. Construction Commitments

Various construction projects were in progress at June 30, 2017, with an estimated cost to complete of approximately \$364,902 in all fund types.

c. Sales Tax – Transnet Debt Commitment

On November 10, 2010, Solana Beach executed an agreement with The San Diego Association of Governments (SANDAG) relating to the 2010 Series A Bonds Build American Bonds (BABs) for the completion of several projects including the Highway 101 streetscape and traffic calming project and other eligible projects. In the agreement, SANDAG withholds one-sixth of the interest due each month when Sales Tax is sent from the Board of Equalization (BOE) in an effort to have the full amount with the Trustee by the 1st of April and 1st of October.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 12: Classification of Fund Balances

The City has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

	General Fund	TransNet	Low and Moderate Income Housing Asset Fund	City CIP	Non-Major Governmental Funds	Total
Nonspendable						
Prepays	\$ 20,164	\$ -	\$ -	\$ -	\$ -	\$ 20,164
Total nonspendable	<u>20,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,164</u>
Restricted						
Gas Tax	-	-	-	-	498,911	498,911
Municipal Improvement Districts	-	-	-	-	837,495	837,495
Lighting District	-	-	-	-	1,935,320	1,935,320
TransNet	-	38,518	-	-	-	38,518
COPS	-	-	-	-	164,866	164,866
Public Safety	-	-	-	-	137,115	137,115
CALTRANS	-	-	-	-	59,619	59,619
Coastal Area Business/ Visitor Assistance & Enhancement	-	-	-	-	513,238	513,238
Boating & Waterways	-	-	-	-	59,910	59,910
Miscellaneous Grants	-	-	-	-	6,098	6,098
Housing	-	-	-	-	358,427	358,427
Camp Programs	-	-	-	-	175,631	175,631
Assessment Districts CIP	-	-	-	-	159,587	159,587
Sand Replenish/ Retention and Coastal Access CIP	-	-	-	-	705,773	705,773
Public Improvement Grant	-	-	-	-	51,233	51,233
City Debt Service	-	-	-	-	24,927	24,927
Pensions	893,185	-	-	-	-	893,185
Total restricted	<u>893,185</u>	<u>38,518</u>	<u>-</u>	<u>-</u>	<u>5,688,150</u>	<u>6,619,853</u>
Committed						
Public Facilities	320,308	-	-	-	-	320,308
OPEB	92,434	-	-	-	-	92,434
Pensions	342,935	-	-	-	-	342,935
In-Lieu Housing	100,786	-	-	-	-	100,786
Public Art	30,431	-	-	-	-	30,431
Parks & Recreation	27,952	-	-	-	-	27,952
Total committed	<u>914,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>914,846</u>
Assigned						
General Fund	5,690,381	-	-	-	-	5,690,381
City CIP	-	-	-	1,385,099	-	1,385,099
Total assigned	<u>5,690,381</u>	<u>-</u>	<u>-</u>	<u>1,385,099</u>	<u>-</u>	<u>7,075,480</u>
Unassigned						
	6,805,201	-	-	-	(336,475)	6,468,726
Total fund balances	<u>\$14,323,777</u>	<u>\$38,518</u>	<u>\$ -</u>	<u>\$1,385,099</u>	<u>\$ 5,351,675</u>	<u>\$ 21,099,069</u>

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 12: Classification of Fund Balances (Continued)

Fund Name	General Fund							Total Classification
	General Fund	Self Insurance	Worker's Compensation	Asset Replacement	Facilities Replacement	OPEB/Pensions	PERS Side Fund Prepayment	
Non-Spendable								
Prepays	\$ 20,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,164
Total Non-Spendable	<u>20,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,164</u>
Restricted								
Pensions	-	-	-	-	-	893,185	-	893,185
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>893,185</u>	<u>-</u>	<u>893,185</u>
Committed								
Public Facilities	320,308	-	-	-	-	-	-	320,308
Public Art	30,431	-	-	-	-	-	-	30,431
OPEB	-	-	-	-	-	92,434	-	92,434
Pensions	-	-	-	-	-	342,935	-	342,935
In-Lieu Housing	100,786	-	-	-	-	-	-	100,786
Parks & Recreation	27,952	-	-	-	-	-	-	27,952
Total Committed	<u>479,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,369</u>	<u>-</u>	<u>914,846</u>
Assigned								
Park Fee	33,303	-	-	-	-	-	-	33,303
Community Television	41,278	-	-	-	-	-	-	41,278
Street Sweeping	126,404	-	-	-	-	-	-	126,404
Housing	1,499,500	-	-	-	-	-	-	1,499,500
Self-Insurance	-	700,284	-	-	-	-	-	700,284
Worker's Comp	-	-	632,343	-	-	-	-	632,343
Asset Replacement	-	-	-	2,298,615	-	-	-	2,298,615
Facilities Replacement	-	-	-	-	358,654	-	-	358,654
Total Assigned	<u>1,700,485</u>	<u>700,284</u>	<u>632,343</u>	<u>2,298,615</u>	<u>358,654</u>	<u>-</u>	<u>-</u>	<u>5,690,381</u>
Unassigned	<u>7,470,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(665,464)</u>	<u>6,805,201</u>
Total fund balances (deficit)	<u>\$ 9,670,791</u>	<u>\$ 700,284</u>	<u>\$ 632,343</u>	<u>\$ 2,298,615</u>	<u>\$ 358,654</u>	<u>\$ 1,328,554</u>	<u>\$ (665,464)</u>	<u>\$ 14,323,777</u>

The General Fund for financial reporting purposes consists of the General Fund and the following funds that act as internal funds: Self Insurance Liability, Worker's Compensation, Asset Replacement, Facilities Replacement, OPEB/Pensions, and the PERS Side Fund Prepayment (Prepayment).

The fund balances for the internal service funds are classified as Assigned with the exception of the Prepayment fund. This fund has a deficit fund balance of \$665,464 and because the fund balance amount is a deficit, GASB 54 requires this amount to be classified as Unassigned instead of Assigned.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 12: Classification of Fund Balances (Continued)

As described in Note 10, the City made a decision to borrow \$3,132,587 from its Sanitation Fund to pay in full the City's pension side fund obligation. This will save the City \$970,462 in interest costs over twelve years. The Sanitation funds were transferred to the Prepayment fund, and since the issuance of a long-term interfund loan is recorded as a balance sheet item (advances payable) rather than in the operating statement (other financing sources), the transfer was reported as an Advance to other funds (Prepayment fund) on the Sanitation fund's balance sheet, and as an Advance from other funds (Sanitation fund) on the Prepayment fund's balance sheet. When the payment was made to CalPERS to pay the City's pension side fund obligation, the payment was recorded as an expense in the Prepayment fund for the fiscal year ended June 30, 2011.

The loan from the Sanitation Fund will be repaid over eight years. In each succeeding fiscal year, the deficit fund balance will be reduced by that fiscal year's principle payment made to the Sanitation Fund, and the fund balance for the Prepayment fund will be increased to zero by FY 2019.

Note 10 provides additional information regarding the loan made by the Sanitation Fund to the General Fund, the terms of the repayment, and the amortization schedule that lists for each fiscal year the principle amount that will reduce deficit fund balance for PERS Side Fund Prepayment fund.

Note 13: Deficit Fund Balances

At June 30, 2017, the following funds had deficit fund balances:

Fund	Deficit
Special Revenue Funds:	
TEA 21/TEA	\$ 168,970
Fire Mitigation	2,881
Transportation Development Act	146,013
CDBG	18,611

The deficits will be resolved through future fund revenue sources.

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Solana Beach that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

a. Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 416,131
Cash and investments with fiscal agent	<u>236,063</u>
	<u><u>\$ 652,194</u></u>

b. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency as of February 1, 2012, as a result of the dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2017, follows:

	Balance July 1, 2016	Additions	Repayments	Balance June 30, 2017	Due Within One Year
Fiduciary Funds:					
2006 Tax Allocation Bonds	\$ 2,910,000	\$ -	\$ 90,000	\$ 2,820,000	\$ 95,000
Total Fiduciary Funds	<u>\$ 2,910,000</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 2,820,000</u>	<u>\$ 95,000</u>

2006 Tax Allocation Bonds

On June 8, 2006, the Agency issued the Solana Beach Redevelopment Project 2006 Tax Allocation Bonds to be used for capital projects to alleviate blight in the project area. These bonds have a 30 year maturity with the final maturity paid on June 1, 2036 and interest rates ranging from 3.6% to 5.1 %. Interest on the bonds is payable semi-annually on June 1 and December 1, commencing December 1, 2007.

The amount on deposit in the Reserve Fund is maintained at the reserve requirement at all times prior to the payment in full of the Bonds, except to the extent required for the purposes set forth in the Indenture. As defined in the Indenture, "reserve requirement" means, excluding there from in the case of the Bonds an amount equal to the amount then on deposit in the Escrow Fund and in the case of any Parity Bonds an amount equal to the amount then on deposit in any escrow fund created with respect to such Parity Bonds created pursuant to the Indenture, as of the date of calculation an amount equal to the lesser of (i) 10% of the initial outstanding principal amount of such Bonds; (ii) Maximum Annual Debt Service on such Bonds; or (iii) 125% of average Annual Debt Service on such Bonds. As of June 30, 2017, \$235,815 was held in reserve.

CITY OF SOLANA BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 14: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 95,000	\$ 139,755	\$ 234,755
2019	100,000	135,385	235,385
2020	105,000	130,735	235,735
2021	105,000	125,800	230,800
2022	115,000	120,813	235,813
2023 - 2017	655,000	515,550	1,170,550
2028 - 2032	825,000	337,750	1,162,750
2033 - 2037	820,000	107,100	927,100
Total	<u>\$ 2,820,000</u>	<u>\$ 1,612,888</u>	<u>\$ 4,432,888</u>

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$4,432,888 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City for the payment of indebtedness incurred by the dissolved redevelopment agency was \$522,092 and the debt service obligation on the bonds was \$233,850.

c. Insurance

The Successor Agency is covered under the City of Solana Beach's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 6.

Note 15: Subsequent Events

Wastewater Revenue Refunding Bonds, Series (2017)

In August 2017, the City of Solana Beach issued \$6,865,000 Wastewater Revenue Refunding Bond, Series 2017 to refund the outstanding Solana Beach Public Financing Authority Subordinate Wastewater Revenue Bonds, Series 2006 which were issued to finance the improvement, betterment, renovation and expansion of certain facilities within the City's municipal wastewater enterprise, and pay the costs of issuing the 2017 Bonds.

Notes Payable

On June 21, 2017, San Elijo Joint Powers Authority (joint venture) issued the \$22,115,000 2017 Revenue Bonds for the purpose of funding facilities and improvements as part of the Authority's capital improvement plan and certain costs of issuance of the Series 2017 Bonds. The SEJPA entered into Series 2017 Loan Agreements with the City of Encinitas and the City of Solana Beach (together the "Cities") to assist in the financing of the Cities' respective shares of the Bonds. Each Series 2017 Loan Agreement is an absolute and unconditional obligation of the City of Solana Beach, respectively, to make payments from and secured by a pledge of System Revenues and other funds of each respective City lawfully available therefor and does not constitute an obligation of the other City. Each of the Cities has agreed to pay its respective Loan Installments from its System Revenues comprised of gross revenues derived from its respective wastewater collection and disposal system (including the SEJPA's treatment of wastewater collected by its system) after the deduction of operation and maintenance expenses, in an amount sufficient to pay the annul principal and interest due under its respective Series 2017 Loan Agreement. The Loan Installments paid by Solana Beach would pay approximately 50% of the debt service on the Bonds.

Successor Agency for the Solana Beach Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017

On November 22, 2017, the Successor Agency to the Solana Beach Redevelopment Agency issued the Successor Agency for the Solana Beach Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017 in the amount of \$2,694,100 to refund on a current basis the outstanding balance of the Solana beach Redevelopment Agency Tax Allocation Bonds, Series 2006

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOLANA BEACH

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Budgetary Information

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. From the effective date of the budget adoption, the amounts budgeted become the "annual appropriated budget." Annual appropriated budget are adopted for the General Fund, special revenue funds, capital projects funds and debt service funds.

The City Council may amend the budget by motion during the fiscal year. The appropriations constitute the budget for the 2016-2017 fiscal year and the City Manager is authorized to transfer monies between accounts within a department, provided that the total budget for the department is not exceeded. Transfer of monies from one department of the City to another, or from one fund to another, shall be approved by the City Council. However, any revisions that alter total expenditures of any fund must be approved by the City Council.

Expenditure may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year. Selected appropriations are carried over. Project-length financial plans are adopted for the City capital projects. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

CITY OF SOLANA BEACH

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)**

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balance, July 1	\$ 13,025,292	\$ 13,025,292	\$ 13,025,292	\$ -	\$ 11,368,164
Resources (Inflows):					
Taxes					
Property	6,911,500	7,020,000	7,041,240	21,240	6,683,638
Transient occupancy	1,175,000	1,315,000	1,339,453	24,453	1,235,142
Sales	3,184,600	3,184,600	3,127,803	(56,797)	3,255,104
Franchise and other	1,683,000	1,753,000	1,790,265	37,265	1,783,564
Licenses and permits	421,400	526,400	527,146	746	471,581
Intergovernmental	1,718,100	1,775,100	1,771,840	(3,260)	1,802,620
Charges for services	630,000	780,000	944,111	164,111	844,947
Use of money and property	133,300	186,300	262,094	75,794	228,811
Fines and forfeitures	463,800	463,800	495,885	32,085	502,921
Miscellaneous	458,500	408,833	738,652	329,819	587,522
Amounts Available for Appropriations	29,804,492	30,438,325	31,063,781	625,456	28,764,014
Charges to Appropriation (Outflow):					
General government					
City Council	288,500	288,500	288,831	(331)	351,850
City Clerk	403,200	369,700	355,581	14,119	324,461
Legal services	524,200	524,200	501,423	22,777	490,003
City Manager	318,700	343,700	261,906	81,794	298,918
Finance	785,000	728,520	694,375	34,145	692,566
Personnel	433,200	360,700	311,846	48,854	253,481
Information systems	302,200	360,400	325,164	35,236	265,420
Support services	1,105,200	1,149,790	1,037,543	112,247	958,592
Total general government	<u>4,160,200</u>	<u>4,125,510</u>	<u>3,776,669</u>	<u>348,841</u>	<u>3,635,291</u>
Public safety					
Marine safety	726,900	736,439	719,889	16,550	723,545
Law enforcement	3,634,400	3,634,400	3,631,835	2,565	3,484,434
Code & parking enforcement	223,400	223,400	167,626	55,774	207,501
Fire department	3,675,500	3,853,697	3,731,811	121,886	3,633,465
Animal regulation	96,000	96,000	93,530	2,470	98,610
Civil defense	28,500	28,500	27,878	622	27,412
Environmental services	1,100	1,100	1,000	100	1,500
Total public safety	<u>8,385,800</u>	<u>8,573,536</u>	<u>8,373,569</u>	<u>199,967</u>	<u>8,176,467</u>
Public works					
Street and other	1,259,000	1,229,000	1,107,287	121,713	1,063,896
Engineering	350,200	350,200	327,657	22,543	264,009
Public Facilities	431,700	406,700	237,122	169,578	319,167
Total public works	<u>2,040,900</u>	<u>1,985,900</u>	<u>1,672,066</u>	<u>313,834</u>	<u>1,647,072</u>
Community development					
Planning	664,800	636,900	607,461	29,439	588,337
Building services	315,300	473,800	473,795	5	355,436
Total community development	<u>980,100</u>	<u>1,110,700</u>	<u>1,081,256</u>	<u>29,444</u>	<u>943,773</u>
Community Services					
Community services	109,500	109,500	92,239	17,261	96,517
Recreation programs	183,100	183,100	171,558	11,542	155,681
Total community services	<u>292,600</u>	<u>292,600</u>	<u>263,797</u>	<u>28,803</u>	<u>252,198</u>
Capital outlay	328,000	383,400	66,247	317,153	778,680
Total Charges to Appropriations	16,187,600	16,471,646	15,233,604	1,238,042	15,433,481
Other Financing Sources (Uses):					
Other debt issued	-	-	-	-	614,759
Transfers out	(437,800)	(1,506,400)	(1,506,400)	-	(920,000)
Total Financing Sources	<u>(437,800)</u>	<u>(1,506,400)</u>	<u>(1,506,400)</u>	<u>-</u>	<u>(305,241)</u>
Budgetary Fund Balance, June 30	\$ 13,179,092	\$ 12,460,279	\$ 14,323,777	\$ 1,863,498	\$ 13,025,292

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE

TRANSNET FUND

YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balance, July 1	\$ 43,917	\$ 43,917	\$ 43,917	\$ -	\$ 51,640
Resources (Inflows):					
Intergovernmental	403,100	403,100	429,525	26,425	684,105
Use of money and property	-	-	115	115	123
Miscellaneous	-	-	29,714	29,714	19,566
Amounts Available for Appropriations	447,017	447,017	503,271	56,254	755,434
Charges to Appropriation (Outflow):					
Public works	-	874	874	-	-
Capital outlay	350,000	350,000	138,774	211,226	386,412
Debt service:					
Interest and fiscal charges	-	-	325,105	(325,105)	325,105
Total Charges to Appropriations	350,000	350,874	464,753	(113,879)	711,517
Budgetary Fund Balance, June 30	\$ 97,017	\$ 96,143	\$ 38,518	\$ (57,625)	\$ 43,917

CITY OF SOLANA BEACH

**BUDGETARY COMPARISON SCHEDULE
 LOW AND MODERATE INCOME HOUSING ASSET FUND
 YEAR ENDED JUNE 30, 2017
 (With comparative totals for the year ended June 30, 2016)**

	2017			Variance with Final Budget Positive (Negative)	2016
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balance, July 1	\$ 161,317	\$ 161,317	\$ 161,317	\$ -	\$265,164
Resources (Inflows):					
Use of money and property	300	300	402	102	1,135
Amounts Available for Appropriations	161,617	161,617	161,719	102	266,299
Charges to Appropriation (Outflow):					
Community development	-	170,656	161,719	8,937	104,982
Total Charges to Appropriations	-	170,656	161,719	8,937	104,982
Budgetary Fund Balance, June 30	\$ 161,617	\$ (9,039)	\$ -	\$ 9,039	\$161,317

CITY OF SOLANA BEACH

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous Plan			
Proportion of the Net Pension Liability	0.05241%	0.05706%	0.04245%
Proportionate Share of the Net Pension Liability	\$ 4,534,940	\$ 3,550,604	\$ 2,651,591
Covered-Employee Payroll	\$ 2,589,500	\$ 2,973,891	\$ 2,601,948
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	175.13%	119.39%	101.91%
Plan Proportionate Share of Fiduciary Net Position as a Percentage of the Total Plans Pension Liability	75.87%	79.82%	78.40%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

CITY OF SOLANA BEACH

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous Plan			
Actuarially Determined Contribution	\$ 417,318	\$ 385,634	\$ 330,415
Contribution in Relation to the Actuarially Determined Contribution	<u>(417,318)</u>	<u>(385,634)</u>	<u>(330,415)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,716,098	\$ 2,589,500	\$ 2,411,476
Contributions as a Percentage of Covered-Employee Payroll	15.36%	14.89%	13.70%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

Note to Schedule:

Valuation Date:	June 30, 2014
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry Age Normal Cost Method
Amortization method	Level Percent of Payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	RP-2000 Heath Annuitant Mortality Table

CITY OF SOLANA BEACH

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Safety Fire First Tier			
Proportion of the Net Pension Liability	0.08774%	0.09490%	0.07208%
Proportionate Share of the Net Pension Liability	\$ 7,592,101	\$ 5,905,301	\$ 4,940,589
Covered-Employee Payroll	\$ 1,296,346	\$ 1,402,991	\$ 1,469,495
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	585.65%	420.91%	336.21%
Plan Proportionate Share of Fiduciary Net Position as a Percentage of the Total Plans Pension Liability	75.87%	79.82%	78.40%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

CITY OF SOLANA BEACH

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Safety Fire First Tier			
Actuarially Determined Contribution	\$ 673,212	\$ 619,022	\$ 519,933
Contribution in Relation to the Actuarially Determined Contribution	(673,212)	(619,022)	(519,933)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,114,766	\$ 1,296,346	\$ 1,402,991
Contributions as a Percentage of Covered-Employee Payroll	31.83%	47.75%	37.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only three years are shown.

Note to Schedule:

Valuation Date:

June 30, 2014

Methods and assumptions used to determine contribution rates:

Single and Agent Employers
Amortization method
Assets valuation method
Inflation
Salary Increases
Investment rate of return

Entry Age Normal Cost Method
Level Percent of Payroll, closed
Market Value
2.75%
Varies by Entry Age and Service
7.5% net of pension plan investment and administrative
expense, including inflation
55 years
RP-2000 Heath Annuitant Mortality Table

Retirement age
Mortality

CITY OF SOLANA BEACH

OPEB PLAN
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2017</u>
TOTAL OPEB LIABILITY	
Service Cost	\$ 225,000
Interest	164,000
Difference Between expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments, Including Refunds of employee Contributions	(148,000)
Net Change in Total OPEB Liability	<u>241,000</u>
Total OPEB Liability - Beginning	<u>4,623,000</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 4,864,000</u></u>
PLAN FIDUCIARY NET POSITION	
Contribution - Employer	\$ 233,000
Net Investment Income	17,000
Benefit Payments, Including Refunds of Employee Contributions	(148,000)
Administrative Expense	-
Net Change in Plan Fiduciary Net Position	<u>102,000</u>
Plan Fiduciary Net Position - Beginning	<u>139,000</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 241,000</u></u>
Plan Net OPEB Liability/(Assets) - Ending (a) - (b)	<u><u>\$ 4,623,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.95%
Covered-Employee Payroll	\$ 3,885,846
Plan Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll	118.97%

(1) Historical information is required only for years for which GASB 74 is applicable. Fiscal Year 2017 was the first year of implementation; therefore, only one year is shown.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Changes of Assumptions: There were no changes of assumptions.

CITY OF SOLANA BEACH

OPEB PLAN
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2017
Actuarially Determined Contribution	\$ 531,000
Contribution in Relation to the Actuarially Determined Contribution	<u>(233,000)</u>
Contribution Deficiency (Excess)	<u>\$ 298,000</u>
Covered-Employee Payroll	\$ 4,830,864
Contributions as a Percentage of Covered-Employee Payroll	4.82%

(1) Historical information is required only for years for which GASB 74 is applicable. Fiscal Year 2017 was the first year of implementation; therefore, only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.75%
Merit payroll increases	CalPERS 1997-2011
Payroll increases	3.00%
Investment rate of return	5.70% net of pension investment and administrative expenses, including
Retirement age	The probabilities of retirement are based on the 2011 CalPERS
Mortality	Based on the MP-2016 mortality improvement scale.

CITY OF SOLANA BEACH

OPEB PLAN
SCHEDULE OF INVESTMENT RETURNS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	10.55%

(1) Historical information is required only for years for which GASB 74 is applicable. Fiscal Year 2017 was the first year of implementation, therefore only one year is shown.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Gas Tax Fund - accounts for revenues received and expenditures made for street related activities. Revenues are received from the State of California for the City's share of gasoline taxes pursuant to California Streets and Highways Code Sections 2105, 2106, 2107 and 2107.5.

Municipal Improvement Districts Fund - accounts for receipts and expenditure related to landscape maintenance within the various improvement districts. Budgets for maintenance cost are determined by property owners who are then assessed on a per parcel basis. The assessments are collected via the County tax roll.

Lighting District Fund - accounts for the revenues received and expenditures made related to street lights on the City's streets. The City determines the yearly budget and property owners are charged their proportionate share based on a per unit basis. The assessments are collected via the County tax roll.

TEA 21 / TEA Fund - the Intermodal Surface Transportation Enhancement Act (ISTEA) and Transportation Enhancement Act (TEA) fund accounts for the transportation grant related receipts and expenditures.

COPS Fund - accounts for federal and state grants received for police services.

Public Safety Fund - accounts for federal and state grants received for public safety.

Fire Mitigation Fund - accounts for fire mitigation fees collected during new structural development based on construction type and size. The fees are restricted to equipment purchases only.

Transportation Development Act - accounts for the revenues and expenditures of the Transportation Development Act.

CDBG Fund - accounts for the revenues and expenditures of the Community Development Block Grant program.

CALTRANS Fund - these monies are derived from Congestion Mitigation and Air Quality funds. CALTRANS is responsible for distributing these funds as well as Intermodal Surface Transportation Efficiency Act (ISTEA) funds from the federal government to local agencies.

Coastal Area Business/Visitor Assistance and Enhancement Fund - this fund is for expenditures that include local visitor and business promotion such as assistance to the Chamber of Commerce and North County Convention and Visitor's Bureau, special events such as the Fiesta Del Sol, public art, and visitor enhancements to the Highway 101 business corridor or the Cedros Design District.

NON-MAJOR GOVERNMENTAL FUNDS

Boating and Waterways Fund - accounts for grants received from the Department of Boating and Waterways. These funds are being used to fund the US Army Corps of Engineers beach replenishment study.

Miscellaneous Grants Fund - accounts for grant received to fund various ongoing capital projects.

Developer Pass-Thru Fund - accounts for resources reserved to developer deposits.

Housing Fund - accounts for resources reserved to provide for low and moderate income housing.

Camp Programs Fund - accounts for camp programs in the City

Assessment Districts CIP Fund - accounts for capital projects in the assessment districts.

Sand Replenish / Retention and Coastal CIP - is limited to sand replenishment, sand retention, and coastal improvement project. Seawall expenditures are excluded from this CIP fund.

Public Improvement Grant - accounts for public improvements in the City

City Debt Service Fund - accounts for debt service in the City

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Special Revenue Funds		Capital Projects Funds	
	2017	2016	2017	2016
Assets:				
Cash and investments	\$ 5,167,769	\$ 4,750,412	\$ 1,015,832	\$ 1,913,627
Receivables:				
Accounts	55,359	17,925	-	-
Taxes	7,721	9,195	-	-
Interest	10,552	5,931	2,068	3,356
Due from other governments	215,863	133,771	-	-
Total Assets	\$ 5,457,264	\$ 4,917,234	\$ 1,017,900	\$ 1,916,983
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 249,875	\$ 126,417	\$ 32,081	\$ 121,794
Accrued liabilities	17,959	64,094	-	50,013
Unearned revenues	394,482	428,658	-	-
Deposits payable	-	575	69,226	69,226
Due to other funds	384,793	221,431	-	-
Total Liabilities	1,047,109	841,175	101,307	241,033
Fund Balances:				
Restricted	4,746,630	4,254,974	916,593	831,662
Assigned	-	5,629	-	844,288
Unassigned	(336,475)	(184,544)	-	-
Total Fund Balances	4,410,155	4,076,059	916,593	1,675,950
Total Liabilities and Fund Balances	\$ 5,457,264	\$ 4,917,234	\$ 1,017,900	\$ 1,916,983

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Debt Service Funds		Total Nonmajor Governmental Funds	
	2017	2016	2017	2016
Assets:				
Cash and investments	\$ 24,927	\$ 24,828	\$ 6,208,528	\$ 6,688,867
Receivables:				
Accounts	-	-	55,359	17,925
Taxes	-	-	7,721	9,195
Interest	-	-	12,620	9,287
Due from other governments	-	-	215,863	133,771
Total Assets	\$ 24,927	\$ 24,828	\$ 6,500,091	\$ 6,859,045
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 281,956	\$ 248,211
Accrued liabilities	-	-	17,959	114,107
Unearned revenues	-	-	394,482	428,658
Deposits payable	-	-	69,226	69,801
Due to other funds	-	-	384,793	221,431
Total Liabilities	-	-	1,148,416	1,082,208
Fund Balances:				
Restricted	24,927	24,828	5,688,150	5,111,464
Assigned	-	-	-	849,917
Unassigned	-	-	(336,475)	(184,544)
Total Fund Balances	24,927	24,828	5,351,675	5,776,837
Total Liabilities and Fund Balances	\$ 24,927	\$ 24,828	\$ 6,500,091	\$ 6,859,045

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Special Revenue Funds			
	Gas Tax	Municipal Improvement Districts	Lighting District	TEA 21 / TEA
Assets:				
Cash and investments	\$ 497,585	\$ 883,911	\$ 1,935,195	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	3,805	3,916	-
Interest	1,326	1,859	6,215	-
Due from other governments	-	-	-	-
Total Assets	\$ 498,911	\$ 889,575	\$ 1,945,326	\$ -
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 51,773	\$ 8,320	\$ -
Accrued liabilities	-	307	1,686	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	168,970
Total Liabilities	-	52,080	10,006	168,970
Fund Balances:				
Restricted	498,911	837,495	1,935,320	-
Assigned	-	-	-	-
Unassigned	-	-	-	(168,970)
Total Fund Balances	498,911	837,495	1,935,320	(168,970)
Total Liabilities and Fund Balances	\$ 498,911	\$ 889,575	\$ 1,945,326	\$ -

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

(CONTINUED)

	Special Revenue Funds			
	COPS	Public Safety	Fire Mitigation	Transportation Development Act
Assets:				
Cash and investments	\$ 189,648	\$ 96,309	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	224	-	-	-
Due from other governments	-	43,560	-	166,757
Total Assets	\$ 189,872	\$ 139,869	\$ -	\$ 166,757
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 25,006	\$ 240	\$ 2,257	\$ 113,144
Accrued liabilities	-	2,514	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	624	199,626
Total Liabilities	25,006	2,754	2,881	312,770
Fund Balances:				
Restricted	164,866	137,115	-	-
Assigned	-	-	-	-
Unassigned	-	-	(2,881)	(146,013)
Total Fund Balances	164,866	137,115	(2,881)	(146,013)
Total Liabilities and Fund Balances	\$ 189,872	\$ 139,869	\$ -	\$ 166,757

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Special Revenue Funds			
	CDBG	CALTRANS	Coastal Area Business / Visitor Assistance &	Boating & Waterways
Assets:				
Cash and investments	\$ -	\$ 54,073	\$ 516,598	\$ 59,876
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	399	34
Due from other governments	-	5,546	-	-
Total Assets	\$ -	\$ 59,619	\$ 516,997	\$ 59,910
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,038	\$ -	\$ 3,759	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	15,573	-	-	-
Total Liabilities	18,611	-	3,759	-
Fund Balances:				
Restricted	-	59,619	513,238	59,910
Assigned	-	-	-	-
Unassigned	(18,611)	-	-	-
Total Fund Balances	(18,611)	59,619	513,238	59,910
Total Liabilities and Fund Balances	\$ -	\$ 59,619	\$ 516,997	\$ 59,910

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Grants	Developer Pass- Thru	Housing	Camp Programs
Assets:				
Cash and investments	\$ 6,098	\$ 427,276	\$ 358,393	\$ 142,807
Receivables:				
Accounts	-	-	-	55,359
Taxes	-	-	-	-
Interest	-	-	34	461
Due from other governments	-	-	-	-
Total Assets	\$ 6,098	\$ 427,276	\$ 358,427	\$ 198,627
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 32,794	\$ -	\$ 9,544
Accrued liabilities	-	-	-	13,452
Unearned revenues	-	394,482	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	427,276	-	22,996
Fund Balances:				
Restricted	6,098	-	358,427	175,631
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,098	-	358,427	175,631
Total Liabilities and Fund Balances	\$ 6,098	\$ 427,276	\$ 358,427	\$ 198,627

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

(CONTINUED)

	Capital Projects Funds		
	Assessment Districts CIP	Sand Replenish/ Retention and Coastal Access CIP	Public Improvement Grant
Assets:			
Cash and investments	\$ 245,457	\$ 710,916	\$ 59,459
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Interest	-	2,068	-
Due from other governments	-	-	-
Total Assets	\$ 245,457	\$ 712,984	\$ 59,459
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 16,644	\$ 7,211	\$ 8,226
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	69,226	-	-
Due to other funds	-	-	-
Total Liabilities	85,870	7,211	8,226
Fund Balances:			
Restricted	159,587	705,773	51,233
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	159,587	705,773	51,233
Total Liabilities and Fund Balances	\$ 245,457	\$ 712,984	\$ 59,459

CITY OF SOLANA BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Debt Service Funds	Total Nonmajor Governmental Funds	
	City Debt Service	2017	2016
Assets:			
Cash and investments	\$ 24,927	\$ 6,208,528	\$ 6,688,867
Receivables:			
Accounts	-	55,359	17,925
Taxes	-	7,721	9,195
Interest	-	12,620	9,287
Due from other governments	-	215,863	133,771
Total Assets	\$ 24,927	\$ 6,500,091	\$ 6,859,045
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 281,956	\$ 248,211
Accrued liabilities	-	17,959	114,107
Unearned revenues	-	394,482	428,658
Deposits payable	-	69,226	69,801
Due to other funds	-	384,793	221,431
Total Liabilities	-	1,148,416	1,082,208
Fund Balances:			
Restricted	24,927	5,688,150	5,111,464
Assigned	-	-	849,917
Unassigned	-	(336,475)	(184,544)
Total Fund Balances	24,927	5,351,675	5,776,837
 Total Liabilities and Fund Balances	\$ 24,927	\$ 6,500,091	\$ 6,859,045

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

	Special Revenue Funds		Capital Projects Funds	
	2017	2016	2017	2016
Revenues:				
Taxes and assessments	\$ 1,543,122	\$ 1,514,752	\$ 267,170	\$ 247,029
Intergovernmental	513,907	422,841	-	160,107
Charges for services	696,646	368,711	-	100,000
Use of money and property	12,275	21,746	2,538	9,651
Other revenues	8,458	82,433	2,600	46,000
Total Revenues	2,774,408	2,410,483	272,308	562,787
Expenditures:				
Current:				
General government	50	152	529	-
Public safety	550,415	608,274	95,688	128,001
Public works	813,285	716,057	-	100,313
Community development	391,737	331,639	-	540
Community services	26,678	26,283	-	-
Capital outlay	587,747	437,695	86,160	587,529
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,369,912	2,120,100	182,377	816,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	404,496	290,383	89,931	(253,596)
Other Financing Sources (Uses):				
Transfers in	-	-	-	824,000
Transfers out	(70,400)	(123,400)	-	-
Total Other Financing Sources (Uses)	(70,400)	(123,400)	-	824,000
Net Change in Fund Balances	334,096	166,983	89,931	570,404
Fund Balances:				
Beginning of year	4,076,059	3,461,184	826,662	1,471,686
End of Year	\$ 4,410,155	\$ 4,076,059	\$ 916,593	\$ 1,675,950

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Debt Service Funds		Total Nonmajor Governmental Funds	
	2017	2016	2017	2016
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ 1,810,292	\$ 1,761,781
Intergovernmental	-	-	513,907	582,948
Charges for services	-	-	696,646	468,711
Use of money and property	-	-	14,813	31,397
Other revenues	-	-	11,058	128,433
Total Revenues	-	-	3,046,716	2,973,270
Expenditures:				
Current:				
General government	-	-	579	152
Public safety	-	-	646,103	736,275
Public works	-	-	813,285	816,370
Community development	-	-	391,737	332,179
Community services	-	-	26,678	26,283
Capital outlay	-	-	673,907	1,025,224
Debt service:				
Principal retirement	288,487	161,086	288,487	161,086
Interest and fiscal charges	67,114	58,025	67,114	58,025
Total Expenditures	355,601	219,111	2,907,890	3,155,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(355,601)	(219,111)	138,826	(182,324)
Other Financing Sources (Uses):				
Transfers in	355,700	219,400	355,700	1,043,400
Transfers out	-	-	(70,400)	(123,400)
Total Other Financing Sources (Uses)	355,700	219,400	285,300	920,000
Net Change in Fund Balances	99	289	424,126	737,676
Fund Balances:				
Beginning of year	24,828	24,539	4,927,549	5,039,161
End of Year	\$ 24,927	\$ 24,828	\$ 5,351,675	\$ 5,776,837

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Special Revenue Funds			
	Gas Tax	Municipal Improvement Districts	Lighting District	TEA 21 / TEA
Revenues:				
Taxes and assessments	\$ 265,326	\$ 608,887	\$ 535,324	\$ -
Intergovernmental	-	2,782	3,265	-
Charges for services	-	-	-	-
Use of money and property	2,595	2,152	8,675	-
Other revenues	-	-	-	-
Total Revenues	267,921	613,821	547,264	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,600	563,771	229,447	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	224,604	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	227,204	563,771	229,447	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,717	50,050	317,817	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(70,400)	-
Total Other Financing Sources (Uses)	-	-	(70,400)	-
Net Change in Fund Balances	40,717	50,050	247,417	-
Fund Balances:				
Beginning of year	458,194	787,445	1,687,903	(168,970)
End of Year	\$ 498,911	\$ 837,495	\$ 1,935,320	\$ (168,970)

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

(CONTINUED)

	Special Revenue Funds			
	COPS	Public Safety	Fire Mitigation	Transportation Development Act
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	129,324	158,370	1,260	176,140
Charges for services	-	-	4,030	-
Use of money and property	189	-	-	-
Other revenues	-	2,503	-	-
Total Revenues	129,513	160,873	5,290	176,140
Expenditures:				
Current:				
General government	-	50	-	-
Public safety	100,036	98,757	8,275	-
Public works	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	322,153
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	100,036	98,807	8,275	322,153
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,477	62,066	(2,985)	(146,013)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	29,477	62,066	(2,985)	\$ (146,013)
Fund Balances:				
Beginning of year	135,389	75,049	104	\$ -
End of Year	\$ 164,866	\$ 137,115	\$ (2,881)	\$ (146,013)

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

(CONTINUED)

	Special Revenue Funds			
	CDBG	CALTRANS	Coastal Area Business / Visitor Assistance & Enhancement	Boating & Waterways
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ 133,585	\$ -
Intergovernmental	37,953	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	(15)	10	(138)
Other revenues	-	-	5,455	-
Total Revenues	37,953	(15)	139,050	(138)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	30,000	-
Community services	-	-	-	-
Capital outlay	40,990	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	40,990	-	30,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,037)	(15)	109,050	(138)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(3,037)	(15)	109,050	(138)
Fund Balances:				
Beginning of year	(15,574)	59,634	404,188	60,048
End of Year	\$ (18,611)	\$ 59,619	\$ 513,238	\$ 59,910

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

(CONTINUED)

	Special Revenue Funds			
	Miscellaneous Grants	Developer Pass-Thru	Housing	Camp Programs
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,813	-	-	-
Charges for services	-	301,373	-	391,243
Use of money and property	-	(1,347)	653	(499)
Other revenues	-	-	-	500
Total Revenues	4,813	300,026	653	391,244
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	343,347
Public works	-	17,467	-	-
Community development	-	288,188	73,549	-
Community services	-	-	-	26,678
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	305,655	73,549	370,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,813	(5,629)	(72,896)	21,219
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	4,813	(5,629)	(72,896)	21,219
Fund Balances:				
Beginning of year	1,285	5,629	431,323	154,412
End of Year	\$ 6,098	\$ -	\$ 358,427	\$ 175,631

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

(With comparative totals for the year ended June 30, 2016)

(CONTINUED)

	Capital Projects Funds		
	Assessment Districts CIP	Sand Replenish/ Retention and Coastal Access CIP	Public Improvement Grant
Revenues:			
Taxes and assessments	\$ -	\$ 267,170	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	130	2,100	308
Other revenues	-	-	2,600
Total Revenues	130	269,270	2,908
Expenditures:			
Current:			
General government	-	529	-
Public safety	-	95,688	-
Public works	-	-	-
Community development	-	-	-
Community services	-	-	-
Capital outlay	-	19,369	66,791
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	-	115,586	66,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	130	153,684	(63,883)
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	130	153,684	(63,883)
Fund Balances:			
Beginning of year	159,457	552,089	115,116
End of Year	\$ 159,587	\$ 705,773	\$ 51,233

CITY OF SOLANA BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(With comparative totals for the year ended June 30, 2016)

	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>City Debt Service</u>	<u>2017</u>	<u>2016</u>
Revenues:			
Taxes and assessments	\$ -	\$ 1,810,292	\$ 1,761,781
Intergovernmental	-	513,907	582,948
Charges for services	-	696,646	468,711
Use of money and property	-	14,813	31,397
Other revenues	-	11,058	128,433
Total Revenues	-	3,046,716	2,973,270
Expenditures:			
Current:			
General government	-	579	152
Public safety	-	646,103	736,275
Public works	-	813,285	816,370
Community development	-	391,737	332,179
Community services	-	26,678	26,283
Capital outlay	-	673,907	1,025,224
Debt service:			
Principal retirement	288,487	288,487	161,086
Interest and fiscal charges	67,114	67,114	58,025
Total Expenditures	355,601	2,907,890	3,155,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(355,601)	138,826	(182,324)
Other Financing Sources (Uses):			
Transfers in	355,700	355,700	1,043,400
Transfers out	-	(70,400)	(123,400)
Total Other Financing Sources (Uses)	355,700	285,300	920,000
Net Change in Fund Balances	99	424,126	737,676
Fund Balances:			
Beginning of year	24,828	4,927,549	5,039,161
End of Year	\$ 24,927	\$ 5,351,675	\$ 5,776,837

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 GAS TAX FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 458,194	\$ 458,194	\$ 458,194	\$ -
Resources (Inflows):				
Taxes	274,200	274,200	265,326	(8,874)
Use of money and property	700	700	2,595	1,895
Amounts Available for Appropriations	733,094	733,094	726,115	(6,979)
Charges to Appropriation (Outflow):				
Public works	2,100	2,600	2,600	-
Capital outlay	400,000	400,000	224,604	175,396
Total Charges to Appropriations	402,100	402,600	227,204	175,396
Budgetary Fund Balance, June 30	\$ 330,994	\$ 330,494	\$ 498,911	\$ 168,417

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
MUNICIPAL IMPROVEMENT DISTRICTS FUND
YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 787,445	\$ 787,445	\$ 787,445	\$ -
Resources (Inflows):				
Taxes	561,700	561,700	608,887	47,187
Intergovernmental	2,500	2,500	2,782	282
Use of money and property	600	600	2,152	1,552
Amounts Available for Appropriations	1,352,245	1,352,245	1,401,266	49,021
Charges to Appropriation (Outflow):				
Public works	516,200	718,263	563,771	154,492
Total Charges to Appropriations	516,200	718,263	563,771	154,492
Budgetary Fund Balance, June 30	\$ 836,045	\$ 633,983	\$ 837,495	\$ 203,513

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 LIGHTING DISTRICT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,687,903	\$ 1,687,903	\$ 1,687,903	\$ -
Resources (Inflows):				
Taxes	466,700	466,700	535,324	68,624
Intergovernmental	3,200	3,200	3,265	65
Use of money and property	1,500	1,500	8,675	7,175
Amounts Available for Appropriations	2,159,303	2,159,303	2,235,167	75,864
Charges to Appropriation (Outflow):				
Public works	282,400	288,004	229,447	58,557
Transfers out	70,400	70,400	70,400	-
Total Charges to Appropriations	352,800	358,404	299,847	58,557
Budgetary Fund Balance, June 30	\$ 1,806,503	\$ 1,800,899	\$ 1,935,320	\$ 134,421

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 COPS FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 135,389	\$ 135,389	\$ 135,389	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	129,324	29,324
Use of money and property	100	100	189	89
Amounts Available for Appropriations	235,489	235,489	264,902	29,413
Charges to Appropriation (Outflow):				
Public safety	100,000	101,000	100,036	964
Total Charges to Appropriations	100,000	101,000	100,036	964
Budgetary Fund Balance, June 30	\$ 135,489	\$ 134,489	\$ 164,866	\$ 30,377

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 75,049	\$ 75,049	\$ 75,049	\$ -
Resources (Inflows):				
Intergovernmental	49,500	49,500	158,370	108,870
Miscellaneous	-	-	2,503	2,503
Amounts Available for Appropriations	124,549	124,549	235,922	111,373
Charges to Appropriation (Outflow):				
General government	-	-	50	(50)
Public safety	24,000	100,000	98,757	1,243
Total Charges to Appropriations	24,000	100,000	98,807	1,193
Budgetary Fund Balance, June 30	\$ 100,549	\$ 24,549	\$ 137,115	\$ 112,566

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 FIRE MITIGATION FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 104	\$ 104	\$ 104	\$ -
Resources (Inflows):				
Intergovernmental	-	-	1,260	1,260
Charges for services	4,000	4,000	4,030	30
Amounts Available for Appropriations	4,104	4,104	5,394	1,290
Charges to Appropriation (Outflow):				
Public safety	5,000	8,300	8,275	25
Total Charges to Appropriations	5,000	8,300	8,275	25
Budgetary Fund Balance, June 30	\$ (896)	\$ (4,196)	\$ (2,881)	\$ 1,315

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION DEVELOPMENT ACT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	500,000	500,000	176,140	(323,860)
Amounts Available for Appropriation	500,000	500,000	176,140	(323,860)
Charges to Appropriation (Outflow):				
Capital outlay	500,000	500,000	322,153	177,847
Total Charges to Appropriations	500,000	500,000	322,153	177,847
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (146,013)	\$ (146,013)

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 CDBG FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (15,574)	\$ (15,574)	\$ (15,574)	\$ -
Resources (Inflows):				
Intergovernmental	-	53,399	37,953	(15,446)
Amounts Available for Appropriations	(15,574)	37,825	22,379	(15,446)
Charges to Appropriation (Outflow):				
Capital outlay	-	53,399	40,990	12,409
Total Charges to Appropriations	-	53,399	40,990	12,409
Budgetary Fund Balance, June 30	\$ (15,574)	\$ (15,574)	\$ (18,611)	\$ (3,037)

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 COASTAL AREA BUSINESS / VISITOR ASSISTANCE AND ENHANCEMENT FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 404,188	\$ 404,188	\$ 404,188	\$ -
Resources (Inflows):				
Taxes	117,500	117,500	133,585	16,085
Use of money and property	1,000	1,000	10	(990)
Miscellaneous	-	-	5,455	5,455
Amounts Available for Appropriations	522,688	522,688	543,238	20,550
Charges to Appropriation (Outflow):				
Community development	44,500	114,500	30,000	84,500
Total Charges to Appropriations	44,500	114,500	30,000	84,500
Budgetary Fund Balance, June 30	\$ 478,188	\$ 408,188	\$ 513,238	\$ 105,050

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 BOATING AND WATERWAYS FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 60,048	\$ 60,048	\$ 60,048	\$ -
Resources (Inflows):				
Use of money and property	-	-	(138)	(138)
Amounts Available for Appropriations	510,048	510,048	59,910	(450,138)
Charges to Appropriation (Outflow):				
Public safety	450,000	450,000	-	450,000
Total Charges to Appropriations	450,000	450,000	-	450,000
Budgetary Fund Balance, June 30	\$ 60,048	\$ 60,048	\$ 59,910	\$ (138)

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 DEVELOPER PASS-THRU FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,629	\$ 5,629	\$ 5,629	\$ -
Resources (Inflows):				
Charges for services	100,000	159,290	301,373	142,083
Use of money and property	-	-	(1,347)	(1,347)
Amounts Available for Appropriations	105,629	164,919	305,655	140,736
Charges to Appropriation (Outflow):				
Community development	100,000	437,700	288,188	149,512
Public works	-	38,437	17,467	20,970
Total Charges to Appropriations	100,000	476,137	305,655	170,482
Budgetary Fund Balance, June 30	\$ 5,629	\$ (311,218)	\$ -	\$ 311,218

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 HOUSING FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 431,323	\$ 431,323	\$ 431,323	\$ -
Resources (Inflows):				
Use of money and property	500	500	653	153
Amounts Available for Appropriations	431,823	431,823	431,976	153
Charges to Appropriation (Outflow):				
Community development	-	188,000	73,549	114,451
Total Charges to Appropriations	-	188,000	73,549	114,451
Budgetary Fund Balance, June 30	\$ 431,823	\$ 243,823	\$ 358,427	\$ 114,604

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 CAMP PROGRAMS FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 154,412	\$ 154,412	\$ 154,412	\$ -
Resources (Inflows):				
Charges for services	323,000	323,000	391,243	68,243
Use of money and property	-	-	(499)	(499)
Miscellaneous	-	-	500	500
Amounts Available for Appropriations	477,412	477,412	545,656	68,244
Charges to Appropriation (Outflow):				
Public safety	282,200	353,752	343,347	10,405
Parks and recreation	29,500	29,500	26,678	2,822
Total Charges to Appropriations	311,700	383,252	370,025	13,227
Budgetary Fund Balance, June 30	\$ 165,712	\$ 94,160	\$ 175,631	\$ 81,471

CITY OF SOLANA BEACH

**BUDGETARY COMPARISON SCHEDULE
CITY CIP CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 849,288	\$ 849,288	\$ 849,288	\$ -
Resources (Inflows):				
Intergovernmental	-	470,000	470,000	-
Charges for services	-	58,383	58,383	-
Use of money and property	500	500	6,404	5,904
Miscellaneous	-	345,000	6,448	(338,552)
Transfers in	152,500	1,221,100	1,221,100	-
Amounts Available for Appropriations	1,002,288	2,944,271	2,611,623	(332,648)
Charges to Appropriation (Outflow):				
General government	-	-	571	(571)
Public safety	80,100	80,100	51,074	29,026
Community development	25,000	122,260	87,003	35,257
Parks and recreation	-	470,000	470,000	-
Public works	70,000	35,000	22,969	12,031
Capital outlay	350,200	906,707	594,907	311,800
Total Charges to Appropriations	525,300	1,614,067	1,226,524	387,543
Budgetary Fund Balance, June 30	\$ 476,988	\$ 1,330,204	\$ 1,385,099	\$ 54,895

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 ASSESSMENT DISTRICT CIP CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 159,457	\$ 159,457	\$ 159,457	\$ -
Resources (Inflows):				
Use of money and property	100	100	130	30
Amounts Available for Appropriations	159,557	159,557	159,587	30
Budgetary Fund Balance, June 30	\$ 159,557	\$ 159,557	\$ 159,587	\$ 30

CITY OF SOLANA BEACH

**BUDGETARY COMPARISON SCHEDULE
SAND REPLENISHMENT / RETENTION AND COASTAL ACCESS CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 552,089	\$ 552,089	\$ 552,089	\$ -
Resources (Inflows):				
Taxes	235,000	235,000	267,170	32,170
Use of money and property	400	400	2,100	1,700
Amounts Available for Appropriations	787,489	787,489	821,359	33,870
Charges to Appropriation (Outflow):				
General government	-	-	529	(529)
Public safety	185,600	185,600	95,688	89,912
Capital outlay	215,000	253,382	19,369	234,013
Total Charges to Appropriations	400,600	438,982	115,586	323,396
Budgetary Fund Balance, June 30	\$ 386,889	\$ 348,507	\$ 705,773	\$ 357,266

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 PUBLIC IMPROVEMENT GRANT CAPITAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 115,116	\$ 115,116	\$ 115,116	\$ -
Resources (Inflows):				
Use of money and property	-	-	308	308
Miscellaneous	-	-	2,600	2,600
Amounts Available for Appropriations	115,116	115,116	118,024	2,908
Charges to Appropriation (Outflow):				
Capital outlay	98,100	143,100	66,791	76,309
Total Charges to Appropriations	98,100	143,100	66,791	76,309
Budgetary Fund Balance, June 30	\$ 17,016	\$ (27,984)	\$ 51,233	\$ 79,217

CITY OF SOLANA BEACH

BUDGETARY COMPARISON SCHEDULE
 CITY DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,828	\$ 24,828	\$ 24,828	\$ -
Resources (Inflows):				
Transfers in	355,700	355,700	355,700	-
Amounts Available for Appropriations	380,528	380,528	380,528	-
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	288,500	288,500	288,487	13
Interest and fiscal charges	67,200	67,200	67,114	86
Total Charges to Appropriations	355,700	355,700	355,601	99
Budgetary Fund Balance, June 30	\$ 24,828	\$ 24,828	\$ 24,927	\$ 99

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FIDUCIARY FUNDS

Cedros Avenue Assessment District Fund - accounts for payments from property owners as well as debt service on bonds which were issued to pay for the improvements within the assessment district. This is accounted for as an agency fund because the City has no responsibility for the debt service on the bonds.

Undergrounding District Funds - the Barbara/Granados Avenue, Pacific Avenue/East and West Circle Drive, and Marsalan Avenue Utility Underground Assessment Districts are utility districts created to finance the undergrounding of utility lines. These funds account for payments from property owners as well as debt service on bonds that were issued to pay for the undergrounding improvements within the assessment districts. This is accounted for as an agency fund because the City has no responsibility for the debt service on the bonds.

South Solana Sewer District Fund - this fund was formed to finance the construction of sewer improvements to connect the 51 properties of the assessment district to the City's sewer system. This fund accounts for payments from property owners as well as debt service on the bonds that were issued to pay for the sewer improvements. This is accounted as an agency fund because the City has no responsibility for the debt service on the bonds.

CITY OF SOLANA BEACH

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2017
 (With comparative totals for June 30, 2016)

	Cedros Avenue Assessment District	Undergrounding Districts	South Solana Sewer District	Total Agency Funds	
				2017	2016
Assets:					
Pooled cash and investments	\$ 13,199	\$ 411,542	\$ 76,880	\$ 501,621	\$ 488,999
Receivables:					
Accounts	-	459	-	459	266
Taxes	-	4	-	4	1,779
Total Assets	\$ 13,199	\$ 412,005	\$ 76,880	\$ 502,084	\$ 491,044
Liabilities:					
Due to bondholders	\$ 13,199	\$ 412,005	\$ 76,880	\$ 502,084	\$ 491,044
Total Liabilities	\$ 13,199	\$ 412,005	\$ 76,880	\$ 502,084	\$ 491,044

CITY OF SOLANA BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Cedros Avenue Assessment District</u>				
Assets:				
Cash and investments	\$ 13,199	\$ -	\$ -	\$ 13,199
Total Assets	\$ 13,199	\$ -	\$ -	\$ 13,199
Liabilities:				
Due to bondholders	\$ 13,199	\$ -	\$ -	\$ 13,199
Total Liabilities	\$ 13,199	\$ -	\$ -	\$ 13,199
<u>Undergrounding Districts</u>				
Assets:				
Cash and investments	\$ 397,353	\$ 189,836	\$ 175,647	\$ 411,542
Receivables:				
Accounts	266	463	270	459
Taxes	1,779	-	1,775	4
Total Assets	\$ 399,398	\$ 190,299	\$ 177,692	\$ 412,005
Liabilities:				
Due to bondholders	\$ 399,398	\$ 190,299	\$ 177,692	\$ 412,005
Total Liabilities	\$ 399,398	\$ 190,299	\$ 177,692	\$ 412,005
<u>South Solana Sewer District</u>				
Assets:				
Cash and investments	\$ 78,447	\$ 41,348	\$ 42,915	\$ 76,880
Total Assets	\$ 78,447	\$ 41,348	\$ 42,915	\$ 76,880
Liabilities:				
Due to bondholders	\$ 78,447	\$ 41,348	\$ 42,915	\$ 76,880
Total Liabilities	\$ 78,447	\$ 41,348	\$ 42,915	\$ 76,880
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 488,999	\$ 231,184	\$ 218,562	\$ 501,621
Receivables:				
Accounts	266	463	270	459
Taxes	1,779	-	1,775	4
Total Assets	\$ 491,044	\$ 231,647	\$ 220,607	\$ 502,084
Liabilities:				
Due to bondholders	\$ 491,044	\$ 231,647	\$ 220,607	\$ 502,084
Total Liabilities	\$ 491,044	\$ 231,647	\$ 220,607	\$ 502,084

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**STATISTICAL SECTION
(UNAUDITED)**

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Statistical Section

This part of the City of Solana Beach's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

- * **Net Position by Component**
- * **Changes in Net Position**
- * **Fund Balances of Governmental Funds**
- * **Changes in Fund Balances of Governmental Funds**

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property taxes.

- * **Assessed Value and Estimated Actual Value of Taxable Property**
- * **Direct and Overlapping Property Tax Rates**
- * **Principal Property Tax Payers**
- * **Property Tax Levies and Collections**

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

- * **Ratios of Outstanding Debt by Type**
- * **Direct and Overlapping Debt**
- * **Legal Debt Margin Information**
- * **Pledged-Revenue Coverage**

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

- * **Demographic and Economic Statistics**
- * **Principal Employers**

Operating Information

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

- * **Full-time Equivalent City Government Employees by Function/Program**
- * **Operating Indicators by Function/Program**
- * **Capital Assets Statistics by Function/Program**

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

CITY OF SOLANA BEACH

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Government activities					
Net Investment in Capital					
Assets					
Restricted	\$ 508,786,944	\$ 506,384,350	\$ 33,268,562	\$ 32,138,178	\$ 34,301,049
Unrestricted	5,634,827	6,227,639	7,086,145	6,747,340	6,370,933
	9,696,117	9,168,682	7,537,582	4,479,958	5,275,012
Total governmental activities net position	\$ 524,117,888	\$ 521,780,671	\$ 47,892,289	\$ 43,365,476	\$ 45,946,994
Business-type activities					
Net Investment in Capital					
Assets					
Restricted	\$ 5,300,163	\$ 9,451,570	10,679,302	6,389,844	5,470,469
Unrestricted	1,021,293	1,021,293	-	-	-
	19,961,200	16,768,741	17,901,556	22,974,310	24,794,121
Total governmental activities net position	\$ 26,282,656	\$ 27,241,604	\$ 28,580,858	\$ 29,364,154	\$ 30,264,590
Primary government					
Net Investment in Capital					
Assets					
Restricted	\$ 514,087,107	\$ 515,835,920	\$ 43,947,864	\$ 38,528,022	\$ 39,771,518
Unrestricted	6,656,120	7,248,932	7,086,145	6,747,340	6,370,933
	29,657,317	25,937,423	25,439,138	27,454,268	30,069,133
Total governmental activities net position	\$ 550,400,544	\$ 549,022,275	\$ 76,473,147	\$ 72,729,630	\$ 76,211,584

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

		Fiscal Year				
2013	2014	2015	2016	2017		
\$ 39,384,623	\$ 34,095,894	\$ 32,415,836	\$ 30,365,711	\$ 28,412,121		
4,688,776	5,183,814	4,979,850	5,825,595	6,619,853		
1,418,151	6,871,872	(85,816)	1,230,929	1,795,456		
\$ 45,491,550	46,151,580	37,309,870	37,422,235	36,827,430		
5,682,518	6,324,862	6,798,584	5,594,350	6,195,352		
-	-	-	-	-		
25,769,871	27,155,489	26,759,779	29,711,194	32,866,729		
\$ 31,452,389	33,480,351	33,558,363	35,305,544	39,062,081		
\$ 45,067,141	\$ 40,420,756	\$ 39,214,420	\$ 35,960,061	\$ 34,607,473		
4,688,776	5,183,814	4,979,850	5,825,595	6,619,853		
27,188,022	34,027,361	26,673,963	30,942,123	34,662,185		
\$ 76,943,939	79,631,931	70,868,233	72,727,779	75,889,511		

CITY OF SOLANA BEACH

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental Activities:					
General government	\$ 3,937,478	3,518,394	4,680,495	4,943,119	3,509,970
Public safety	7,295,541	7,543,706	8,066,129	9,730,398	7,801,875
Public works	3,983,378	6,254,133	4,350,781	4,207,981	4,499,601
Community development	1,318,105	1,115,746	1,055,575	1,078,141	957,995
Community services	3,662,205	862,778	526,188	569,907	561,563
Interest on long-term debt	464,713	523,536	738,430	543,852	139,345
Total Governmental Activities expenses	<u>20,661,420</u>	<u>19,818,293</u>	<u>19,417,598</u>	<u>21,073,398</u>	<u>17,470,349</u>
Business-Type Activities:					
Sanitation	3,284,109	3,599,496	3,654,076	3,942,484	4,038,404
Total Business-Type Activities Expenses	<u>3,284,109</u>	<u>3,599,496</u>	<u>3,654,076</u>	<u>3,942,484</u>	<u>4,038,404</u>
Total Primary Government Expenses	<u>\$ 23,945,529</u>	<u>\$ 23,417,789</u>	<u>\$ 23,071,674</u>	<u>\$ 25,015,882</u>	<u>21,508,753</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 21,370
Public safety	685,091	804,810	397,971	471,722	439,523
Public works	992,150	923,315	571,933	689,658	251,766
Community development	718,504	508,514	447,581	506,927	796,475
Community services	102,620	105,511	248,803	151,189	229,571
Operating Contributions:					
General government	-	-	-	14,213	-
Public safety	-	-	181,174	251,237	273,048
Public works	267,943	318,590	1,000	1,351	173,664
Community development	-	31,725	-	-	-
Community services	48,393	-	76,250	13,500	30,331
Capital Contributions and Grants:					
Public safety	184,866	109,194	-	65,696	78,590
Public works	3,152,793	1,039,257	25,500	414,003	25,000
Community services	-	-	-	21,001	-
Total Governmental Activities Program Revenues	<u>6,152,360</u>	<u>3,840,916</u>	<u>1,950,212</u>	<u>2,600,497</u>	<u>2,319,338</u>
Business-Type Activities:					
Charges for services:					
Sanitation	5,920,865	4,296,890	4,498,181	4,501,364	4,517,005
Total Business-Type Activities Program Revenues	<u>5,920,865</u>	<u>4,296,890</u>	<u>4,498,181</u>	<u>4,501,364</u>	<u>4,517,005</u>
Total Primary Government Program Revenues	<u>\$ 12,073,225</u>	<u>\$ 8,137,806</u>	<u>\$ 6,448,393</u>	<u>\$ 7,101,861</u>	<u>\$ 6,836,343</u>
Net (Expense)/Revenue					
Governmental Activities	(14,509,060)	(15,977,377)	(17,467,386)	(18,472,901)	(15,151,011)
Business-Type Activities	2,636,756	697,394	844,105	558,880	478,601
Total primary Government Net Expense	<u>(11,872,304)</u>	<u>(15,279,983)</u>	<u>(16,623,281)</u>	<u>(17,914,021)</u>	<u>(14,672,410)</u>
General Revenues and Other Charges in Net Position					
Governmental Activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 5,954,582	\$ 6,291,314	\$ 6,880,563	\$ 6,813,559	\$ 6,597,393
Transient occupancy taxes	1,020,184	1,015,007	929,836	978,840	1,118,592
Sales taxes	3,041,726	2,682,769	2,515,183	2,813,228	2,963,507
Intergovernmental, unrestricted:	-	-	-	-	52,084
Franchise taxes	624,153	652,107	652,485	663,660	685,336
Other taxes	1,905,408	2,016,476	2,228,379	2,353,883	2,670,333
Investment income	776,033	401,668	175,659	161,701	-
Use of money and property	56,849	87,154	-	-	102,469
Other	553,666	493,665	345,098	218,377	494,008
Loss on sale of property	-	-	-	(57,159)	-
Extraordinary Gain/(Loss) on dissolution on redevelopment agency	-	-	-	-	2,933,995
Total Governmental Activities	<u>13,932,601</u>	<u>13,640,160</u>	<u>13,727,203</u>	<u>13,946,089</u>	<u>17,617,717</u>
Business-Type Activities:					
Investment income	488,749	261,554	73,634	51,294	-
Use of money and property	-	-	-	-	152,477
Share in joint venture net loss	-	-	-	-	-
Other	-	-	-	-	269,358
Miscellaneous	-	-	421,515	173,122	-
Total Business-Type Activities	<u>488,749</u>	<u>261,554</u>	<u>495,149</u>	<u>224,416</u>	<u>421,835</u>
Total Primary Government	<u>14,421,350</u>	<u>13,901,714</u>	<u>14,222,352</u>	<u>14,170,505</u>	<u>18,039,552</u>
Changes in Net Position					
Governmental Activities	(576,459)	(2,337,217)	(3,740,183)	(4,526,812)	2,466,706
Business-Type Activities	3,125,505	958,948	1,339,254	783,296	900,436
Total Primary Government	<u>\$ 2,549,046</u>	<u>\$ (1,378,269)</u>	<u>\$ (2,400,929)</u>	<u>\$ (3,743,516)</u>	<u>\$ 3,367,142</u>

Fiscal Year				
2013	2014	2015	2016	2017
3,521,929	3,712,734	3,344,429	3,944,303	4,309,372
8,177,235	8,416,330	8,441,144	9,162,345	9,628,140
5,070,916	5,008,665	5,181,223	5,438,407	5,487,183
957,303	1,361,588	1,281,059	1,378,130	1,745,101
604,445	579,088	622,608	627,748	1,122,128
78,156	439,918	388,144	398,408	389,077
<u>18,409,984</u>	<u>19,518,323</u>	<u>19,258,607</u>	<u>20,949,341</u>	<u>22,681,001</u>
3,456,455	2,855,368	4,566,357	3,568,901	1,602,359
<u>3,456,455</u>	<u>2,855,368</u>	<u>4,566,357</u>	<u>3,568,901</u>	<u>1,602,359</u>
<u>21,866,439</u>	<u>22,373,691</u>	<u>23,824,964</u>	<u>24,518,242</u>	<u>24,283,360</u>

\$ -	\$ -	\$ -	\$ -	\$ -
376,156	402,670	464,533	578,282	620,990
511,843	743,210	238,587	416,524	449,962
648,280	830,429	852,578	928,065	1,252,126
357,877	303,070	347,698	365,289	400,353
-	-	-	-	-
270,428	286,687	285,399	270,152	198,615
583,136	1,577,961	920,807	1,045,301	1,241,379
-	-	109,689	200,388	-
-	-	-	-	129,324
162,672	129,740	53,091	160,372	158,370
-	-	-	-	-
-	-	-	-	-
<u>2,910,392</u>	<u>4,273,767</u>	<u>3,272,382</u>	<u>3,964,373</u>	<u>4,451,119</u>
4,708,765	4,775,489	4,949,069	5,151,671	5,255,483
<u>4,708,765</u>	<u>4,775,489</u>	<u>4,949,069</u>	<u>5,151,671</u>	<u>5,255,483</u>
\$ 7,619,157	\$ 9,049,256	\$ 8,221,451	\$ 9,116,044	\$ 9,706,602
(15,499,592)	(15,244,556)	(15,986,225)	(16,984,968)	(18,229,882)
1,252,310	1,920,121	382,712	1,582,770	3,653,124
<u>(14,247,282)</u>	<u>(13,324,435)</u>	<u>(15,603,513)</u>	<u>(15,402,198)</u>	<u>(14,576,758)</u>

\$ 6,655,138	\$ 6,880,916	\$ 7,247,202	\$ 7,705,956	\$ 8,095,383
1,186,197	1,220,075	1,467,373	1,605,685	1,740,208
3,077,691	2,814,702	2,808,203	3,255,104	3,127,803
-	-	-	-	-
698,672	714,991	765,995	736,042	733,354
2,643,515	2,736,146	2,747,073	2,797,559	2,868,629
-	-	-	-	-
84,903	137,906	136,763	261,446	283,828
722,094	1,399,850	914,672	735,521	785,872
-	-	-	-	-
-	-	-	-	-
<u>15,068,210</u>	<u>15,904,586</u>	<u>16,087,281</u>	<u>17,097,313</u>	<u>17,635,077</u>
-	-	-	-	-
78,615	71,541	71,973	115,321	88,940
-	-	-	-	-
46,470	36,300	28,939	49,090	14,473
-	-	-	-	-
<u>125,085</u>	<u>107,841</u>	<u>100,912</u>	<u>164,411</u>	<u>103,413</u>
<u>15,193,295</u>	<u>16,012,427</u>	<u>16,188,193</u>	<u>17,261,724</u>	<u>17,738,490</u>
(431,382)	660,030	101,056	112,345	(594,805)
1,377,395	2,027,962	483,624	1,747,181	3,756,537
<u>\$ 946,013</u>	<u>\$ 2,687,992</u>	<u>\$ 584,680</u>	<u>\$ 1,859,526</u>	<u>\$ 3,161,732</u>

CITY OF SOLANA BEACH

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis Of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Reserved	\$ 702,183	\$ 678,179	\$ 590,395	\$ -	\$ -
Unreserved	9,349,667	9,315,645	8,836,776	-	-
Nonspendable	-	-	-	32,550	6,482
Restricted	-	-	-	-	-
Committed	-	-	-	346,990	264,534
Assigned	-	-	-	4,553,037	4,486,177
Unassigned	-	-	-	1,600,449	2,573,592
Total General Fund	<u>\$ 10,051,850</u>	<u>\$ 9,993,824</u>	<u>\$ 9,427,171</u>	<u>\$ 6,533,026</u>	<u>\$ 7,330,785</u>
All Other Governmental Funds					
Reserved	\$ 2,478,756	\$ 3,297,975	\$ 2,039,729	\$ -	\$ -
Unreserved, reported in nonmajor,					
Special revenue funds	2,944,672	2,785,157	3,883,762	-	-
Capital Projects funds	2,108,813	1,662,537	630,964	-	-
Debt service funds	-	-	531,690	-	-
Nonspendable	-	-	-	69,226	-
Restricted	-	-	-	6,169,355	6,241,182
Committed	-	-	-	-	-
Assigned	-	-	-	782,116	539,450
Unassigned	-	-	-	(273,357)	(315,857)
Total all other Governmental Funds	<u>\$ 7,532,241</u>	<u>\$ 7,745,669</u>	<u>\$ 7,086,145</u>	<u>\$ 6,747,340</u>	<u>\$ 6,464,775</u>

Fiscal Year				
2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
9,276	7,523	9,382	7,471	20,164
-	-	-	508,897	893,185
278,377	324,083	454,048	787,790	914,846
4,579,527	5,102,543	5,324,048	5,520,890	5,690,381
4,014,144	4,369,152	5,580,686	6,200,244	6,805,201
<u>\$ 8,881,324</u>	<u>\$ 9,803,301</u>	<u>\$ 11,368,164</u>	<u>\$ 13,025,292</u>	<u>\$ 14,323,777</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,588,670	5,107,900	4,979,850	5,316,698	5,726,668
-	-	-	-	-
525,735	425,416	589,120	849,917	1,385,099
(5,333,420)	(222,713)	(213,005)	(184,544)	(336,475)
<u>\$ (219,015)</u>	<u>\$ 5,310,603</u>	<u>\$ 5,355,965</u>	<u>\$ 5,982,071</u>	<u>\$ 6,775,292</u>

CITY OF SOLANA BEACH

Changes In Fund Balances Of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues:					
Taxes and assessments	\$ 12,459,651	\$ 12,299,829	\$ 12,299,501	\$ 12,700,086	\$ 12,881,767
Intergovernmental	4,945,419	2,310,147	1,700,918	1,623,918	1,822,705
Licenses and permits	397,846	329,118	308,284	323,091	420,339
Charges for services	673,668	573,179	678,188	607,354	799,836
Fines and forfeitures	348,272	322,777	349,291	385,394	342,136
Contributions from property owners	-	732,846	-	-	-
Investment income	781,475	404,348	-	-	-
Use of money and property	46,849	87,154	176,320	162,086	102,469
Other	596,889	593,334	421,595	1,132,388	604,953
Total revenues	20,250,069	17,652,732	15,934,097	16,934,317	16,974,205
Expenditures:					
General government	3,562,602	3,373,964	3,433,354	4,363,499	3,230,362
Public safety	7,126,476	8,236,116	7,848,577	9,531,715	7,614,262
Public works	2,537,019	2,471,621	2,278,876	2,263,950	2,301,953
Community development	1,312,496	1,108,727	1,079,651	1,103,618	953,383
Community services	288,019	295,651	224,884	268,603	244,955
Capital outlay	5,208,933	1,751,802	1,134,878	1,644,750	2,048,301
Debt service:					
Principal retirement	235,000	415,000	424,079	444,385	239,900
Interest	289,795	292,415	282,725	265,360	155,519
Payment to refunded bond escrow agent	-	-	-	-	1,545,000
Pass-through payments	214,200	256,033	453,250	281,387	7,147
Total expenses	20,774,540	18,201,329	17,160,274	20,167,267	18,340,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	(524,471)	(548,597)	(1,226,177)	(3,232,950)	(1,366,577)
Other financing sources (uses):					
Transfers in	905,588	946,080	857,227	874,996	2,560,970
Transfers out	(905,588)	(946,080)	(857,227)	(874,996)	(2,560,970)
Contributions to Successor Agency	-	-	-	-	-
Refunding Bonds issued	-	-	-	-	1,388,300
Other Debts Issued	-	-	-	-	818,696
Bond Discount	-	-	-	-	(10,650)
Contributions to OPEB Trust Fund	-	-	-	-	-
Long-term debt issued	-	-	-	-	(24,062)
Capital leases	-	703,999	-	-	-
Total other financing sources (uses)	-	703,999	-	-	2,172,284
Extraordinary Gain/(Loss) on dissolution of Redevelopment Agency (Note 16)	-	-	-	-	\$ (366,005)
Net change in fund balances/ net position	\$ (524,471)	\$ 155,402	\$ (1,226,177)	\$ (3,232,950)	\$ 439,702
Capital assets used in debt service calculation*	\$ 2,730,022	\$ 390,039	\$ 963,854	\$ 1,364,025	\$ 2,055,611
Debt service as a percentage of noncapital expenditures	2.9%	4.0%	4.4%	3.8%	2.4%

* The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures is the same as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures and changes in fund balance.

		Fiscal Year							
		2013	2014	2015	2016	2017			
\$	13,046,917	\$	13,135,199	\$	13,727,132	\$	14,719,229	\$	15,109,053
	2,230,532		3,217,319		2,674,057		3,069,673		3,185,272
	361,573		429,464		461,687		471,581		527,146
	830,907		959,935		1,001,943		1,313,658		1,699,140
	323,961		348,337		392,683		502,921		495,885
	-		-		-		-		-
	-		-		-		-		-
	84,903		137,906		136,763		261,466		283,828
	1,099,809		1,941,493		961,755		735,521		785,872
	17,978,602		20,169,653		19,356,020		21,074,049		22,086,196
	3,057,761		3,085,499		3,222,933		3,500,443		3,777,819
	7,945,912		8,238,659		8,315,766		8,912,742		9,070,746
	2,075,777		2,215,596		2,322,090		2,463,442		2,509,194
	955,907		1,360,192		1,291,073		1,380,934		1,721,715
	284,884		259,809		275,790		278,481		760,475
	7,638,942		3,452,914		1,773,690		2,190,316		1,473,835
	280,700		155,925		155,930		161,086		288,487
	77,283		439,464		388,523		383,130		392,219
	-		-		-		-		-
	-		-		-		-		-
	22,317,166		19,208,058		17,745,795		19,270,574		19,994,490
	(4,338,564)		961,595		1,610,225		1,803,475		2,091,706
	742,322		1,319,473		446,865		743,400		1,576,800
	(742,322)		(1,319,473)		(446,865)		(743,400)		(1,576,800)
	(834,007)		(10,000)		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		(135,000)		-
	-		5,500,000		-		614,759		-
	-		-		-		-		-
	(834,007)		5,490,000		-		479,759		-
\$	-	\$	-	\$	-	\$	-	\$	-
\$	(5,172,571)	\$	6,451,595	\$	1,610,225	\$	2,283,234	\$	2,091,706
\$	7,859,585	\$	3,527,607	\$	1,764,750	\$	2,194,361	\$	1,440,550
	2.5%		3.8%		3.4%		3.2%		3.7%

CITY OF SOLANA BEACH

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Year	Residential Property	Commercial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2008	2,724,080	299,804	155,109	-	3,178,993
2009	2,873,115	344,271	167,089	-	3,384,475
2010	2,919,582	352,525	168,139	-	3,440,246
2011	2,925,829	343,837	158,782	-	3,428,448
2012	2,990,970	352,417	158,210	-	3,501,597
2013	3,053,864	459,003	156,019	-	3,668,886
2014	3,150,064	457,092	154,207	-	3,761,363
2015	3,350,756	472,921	208,735	-	4,032,412
2016	3,550,845	492,062	213,785	-	4,256,692
2017	3,752,545	506,123	226,535	-	4,485,203

(a) The County of San Diego does not compile Estimated Actual Valuations

N/A - Data not available

Source: San Diego County Assessor 2007/08 - 2016/17 Combined Tax Rolls
HdL Coren & Cone.
City of Solana Beach Finance Department

Total Direct Tax Rate	Estimated Actual Taxable Value ^a	Taxable Assessed Value as a Percentage of Actual Taxable Value
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A
0.1735%	N/A	N/A

CITY OF SOLANA BEACH

**Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of taxable value)**

City Direct Rates

Fiscal Year	General Basic Tax Levy	Municipal Improvement District	Lighting District	Total Direct Rate
2008	0.1602	0.0037	0.0096	0.1735
2009	0.1602	0.0037	0.0096	0.1735
2010	0.1602	0.0037	0.0096	0.1735
2011	0.1602	0.0037	0.0096	0.1735
2012	0.1602	0.0037	0.0096	0.1735
2013	0.1602	0.0037	0.0096	0.1735
2014	0.1602	0.0037	0.0096	0.1735
2015	0.1602	0.0037	0.0960	0.1735
2016	0.1602	0.0037	0.0960	0.1735
2017	0.1602	0.0037	0.0960	0.1735

Overlapping Rates

Fiscal Year	San Diego County (1)	Carlsbad/Oceanside/Vista Projects	School Districts	Community College	Santa Fe Irrigation District (2)
2008	0.167550	0.0004	0.402810	0.10486	0.025340
2009	0.167550	0.0004	0.402810	0.10486	0.025340
2010	0.167550	0.0004	0.402810	0.10486	0.025340
2011	0.167550	0.0004	0.402810	0.10486	0.025340
2012	0.167550	0.0004	0.402810	0.10486	0.025340
2013	0.167550	0.0004	0.402810	0.10486	0.025340
2014	0.167550	0.0004	0.402810	0.10486	0.025340
2015	0.167550	0.0004	0.402810	0.10486	0.025340
2016	0.167550	0.0004	0.402810	0.10486	0.025340
2017	0.167550	0.0004	0.402810	0.10486	0.025340

- (1) Includes County School Services, Library, Childrens Institution Tuition, and Regional Occupational Centers.
- (2) Includes Cwa Santa Fe Irrigation District (.00423) and Santa Fe Irrigation (.02111)
- (3) Includes only rate(s) from indebtedness adopted prior to 1989 per California State Statute

Source:

San Diego County Assessor 2007/08 - 2016/17 Tax Rate Table and HdL Coren and Cone.

Overlapping Rates

Educational Revenue Augmentation	Voter Approved (3)					Total Tax Rate
	CWA Santa Fe Irrigation Debt Service	Metropolitan Water District Debt Service	Santa Fe Irrigation Tax Rate Reduction	Vista Project	San Dieguito Prop Aa 11/6/2013 2013A A1	
0.12551	-	0.0045	-	-	-	1.004490
0.12551	-	0.0043	-	-	-	1.004290
0.12551	-	0.0043	-	-	-	1.004290
0.12551	-	0.0037	-	-	-	1.003690
0.12551	-	0.0037	-	-	-	1.003690
0.12551	-	0.0035	-	-	-	1.003490
0.12551	-	0.0035	-	-	0.0378	1.041300
0.12551	-	0.0035	-	-	0.0215	1.024970
0.12551	-	0.0035	-	-	0.0227	1.026220
0.12551	-	0.0035	-	-	0.0228	1.026250

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CITY OF SOLANA BEACH

Principal Property Tax Payers,
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total City Taxable Assessed Value</u>
<u>For the Fiscal Year Ended June 30, 2017</u>		
S B T C Holdings LLC	\$ 117,923,951	2.69%
Pacific Solana Beach Holdings LP	66,389,597	1.51%
SB Coporate Centre III-IV LLC	32,924,091	0.75%
Sanyo Foods Corporation of America	31,372,635	0.72%
Fenton Solana Highlands LLC	29,880,494	0.68%
GRE Beachwalk LLC	21,000,000	0.48%
E R P Operating LP	19,128,871	0.44%
Lavida Delmar Asscs LP	17,048,691	0.39%
Hankey Investment Company LP	14,667,325	0.33%
Solana Mar LLC	13,878,584	0.32%
Total	<u>\$ 364,214,239</u>	<u>8.31%</u>
<u>For the Fiscal Year Ended June 30, 2008</u>		
SB Towne Centre LLC	\$ 30,481,606	0.97%
Sanyo Foods Corporation of America	28,496,398	0.91%
Pacific Solana Beach Holdings LP	27,899,199	0.89%
Fenton Solana Highlands LLC	26,155,878	0.83%
SB Corporate Centre III-IV LLC	22,933,588	0.73%
E R P Operating LP	16,953,500	0.54%
Lavida Delmar Asscs LP	14,888,167	0.47%
445 Marine View LLC	13,716,113	0.44%
Urschel Laboratories INC	12,278,180	0.39%
Price Self Storage Solan Beach LLC	11,947,993	0.38%
Total	<u>\$ 205,750,622</u>	<u>6.56%</u>

Source: HdL Coren & Cone and San Diego County Assessor
2007/08 & 2016/17 Combined Tax Rolls

CITY OF SOLANA BEACH

**Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2008	5,209,273	4,900,178	94.1%
2009	5,380,394	5,109,936	95.0%
2010	5,781,014	5,407,172	93.5%
2011	5,741,547	5,440,612	94.8%
2012	5,770,042	5,489,946	95.1%
2013	6,110,404	5,832,325	95.4%
2014	6,303,038	6,033,082	95.7%
2015	6,576,197	6,257,093	95.1%
2016	6,931,466	6,635,180	95.7%
2017	7,300,293	7,017,400	96.1%

Sources:

City of Solana Beach Finance Department, County of San Diego Office of Auditor-Controller.

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
291,016	5,191,194	100%
221,201	5,331,137	99%
206,031	5,613,203	97%
-	5,440,612	95%
-	5,489,946	95%
258,145	6,090,470	100%
252,973	6,286,055	100%
215,422	6,472,515	98%
80,163	6,715,343	97%
27,141	7,044,541	96%

CITY OF SOLANA BEACH

Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Government Activities				Business-type Activities	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	2002 ABAG Lease Revenue Bonds	Refunding Lease ABAG	Bonds	Capital Leases	Loans			
2008*	2,320,000	-	3,495,000	-	17,305,000	23,120,000	3.55%	0.0026
2009*	2,100,000	-	3,435,000	568,999	16,620,000	22,723,999	3.66%	0.0027
2010*	1,875,000	-	3,370,000	434,920	15,915,000	21,594,920	3.78%	0.0028
2011**	1,640,000	-	3,300,000	295,535	15,409,277	20,644,812	3.20%	0.0023
2012*	-	1,388,300	-	958,681	14,132,771	16,479,752	4.20%	0.0032
2013*	-	1,279,300	-	787,950	13,095,631	15,162,881	4.58%	0.0035
2014*	-	1,166,600	5,500,000	745,693	12,175,456	19,587,749	3.56%	0.0027
2015*	-	1,055,400	5,500,000	701,931	11,273,883	18,531,214	3.95%	0.0030
2016	-	940,600	5,500,000	1,271,372	10,339,405	18,051,377	4.05%	0.0031
2017	-	817,200	5,500,000	1,113,062	9,373,587	16,803,849	4.85%	0.0036

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

^a See Demographic and Economic Statistics schedule for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

* Prior years adjusted to comply with GASB comment Q&A 9.24- Included the Premiums/Discounts and Bonds

** Prior year adjusted to comply with GFOA comment GASB-S44 23- included bonds to schedule

CITY OF SOLANA BEACH

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2017**

Fiscal Year 2016-17 Assessed Valuation : \$4,429,757,720

<u>Direct Debt:</u>	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City (1)</u>	<u>Net Bonded Debt</u>
City of Solana Beach Lease Agreement	\$ 817,200	100.000% (3)	\$ 817,200
City of Solana Beach Capital Lease			-
Total Direct Debt			<u>\$ 817,200</u>
 <u>Overlapping Debt:</u>			
Metropolitan Water District	\$ 74,905,000	0.171%	\$ 128,088
San Dieguito Union High School District	316,250,000	7.534%	23,826,275
San Dieguito Union High School District Community Facilities District No. 95-1	26,622,933	3.274%	871,635
Solana Beach School District School Facilities Improvement District No. 2016-1	50,000,000	27.786%	13,893,000
City of Solana Beach 1915 Act Bonds	2,550,000	100.000%	2,550,000
Olivenhain Municipal Water District, Assessment District No. 96-1	11,675,000	0.591%	68,999
San Diego County General Fund Obligations	291,180,000	0.948%	2,760,386
San Diego County Pension Obligations	605,520,000	0.948%	5,740,330
San Diego County Superintendent of Schools General Fund Obligations	11,460,000	0.948%	108,641
Mira Costa Community College District Certificates of Participation	12,265,000	4.623%	567,011
San Dieguito Union High School District Certificates of Participation	12,730,000	7.534%	959,078
Overlapping Tax Increment Debt	2,820,000	100.000%	2,820,000
Total Overlapping Debt			<u>\$ 54,293,443</u>
Total Direct and Overlapping Debt			<u>(2) \$ 55,110,643</u>

Debt to Assessed Valuation Ratios :

Direct Debt	0.02%
Overlapping Debt	1.23%
Total Debt	1.24%

Note:

(1) - Percentage of overlapping agency's assess valuation located within the boundaries of the city.

(2) - Excludes tax and revenue anticipation notes, enterprise revenues, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

(3) Includes the Unamortized Bond Discount

Source: California Municipal Statistics, Inc.

CITY OF SOLANA BEACH

**Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 4,429,757
Debt limit (15% of assessed value)	664,464
Debt applicable to limit:	
General obligation bonds	<u> -</u>
Total net debt applicable to limit	<u> -</u>
Legal debt margin	<u><u>\$ 664,464</u></u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin Percentage of Debt Limit</u>
2007	443,421	-	443,421	100.00%
2008	476,921	-	476,921	100.00%
2009	495,650	-	495,650	100.00%
2010	504,121	-	504,121	100.00%
2011	502,577	-	502,577	100.00%
2012	513,291	-	513,291	100.00%
2013	550,417	-	550,417	100.00%
2014	564,290	-	564,290	100.00%
2015	597,013	-	597,013	100.00%
2016	630,359	-	630,359	100.00%
2017	664,464	-	664,464	100.00%

CITY OF SOLANA BEACH

Pledged-Revenue Coverage
Last Ten Fiscal Years

2011 ABAG Refunded Lease Revenue Bonds

<u>Fiscal Year</u>	<u>Use of Money & Property</u>	<u>Lease/Rents</u>	<u>Less: Expenditures</u>	<u>Net Available Revenue</u>
2008*	11,488	319,181	1,764	328,905
2009*	9,362	324,656	240	333,778
2010*	8,291	320,756	1,676	327,371
2011*	8,210	321,263	1,627	327,846
2012*	4,122	154,349	-	158,471
2013*	-	154,280	-	154,280
2014*	-	148,974	-	148,974
2015*	-	148,732	-	148,732
2016*	-	153,283	-	153,283
2017*	-	152,429	-	152,429

<u>Fiscal Year</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Principal</u>	<u>Interest</u>	
2008*	205,000	114,181	1.03
2009*	220,000	104,656	1.03
2010*	225,000	95,756	1.02
2011*	235,000	86,263	1.00
2012*	109,000	45,349	1.03
2013*	112,700	41,580	1.00
2014*	111,200	37,774	1.00
2015*	114,800	33,932	1.00
2016*	123,400	29,883	1.00
2017*	126,800	25,629	1.00

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Expenditures do not include interest, depreciation, or amortization expenses.

* 2002 ABAG Lease Revenue Bonds

CITY OF SOLANA BEACH

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	13,426	819,685	61,052	3.0%
2008	13,492	830,704	61,570	4.0%
2009	13,600	815,227	59,947	6.6%
2010	13,783	659,875	47,876	7.2%
2011	13,000	691,899	53,223	6.8%
2012	12,987	695,142	53,526	4.7%
2013	13,099	697,561	53,253	4.1%
2014	13,059	731,200	55,992	6.0%
2015	13,494	778,568	57,697	4.8%
2016	13,527	815,210	60,265	4.3%

Sources: HdL Coren & Cone report prepared on 07/19/17

CITY OF SOLANA BEACH

25 MAJOR EMPLOYERS - SAN DIEGO COUNTY
AS OF 2016

Employer	Category	Business category
Scripps Clinic	3	Clinics
UCSD All Campus Dept Listings	3	College & University Placement Svc
DJO Finance LLC	2	Surgical Appliances-Manufacturers
Kaiser Permanente Vandever Med	2	Physicians & Surgeons
Naval Medical Center San Diego	2	Hospitals
UC San Diego Health	2	Hospitals
Barona Resort & Casino	1	Casinos
Cesar Entertainment	1	Amusement & Recreation NEC
General Dynamics Nassco	1	Ship Builders & Repairers (Mfrs)
Kaiser Permanente Palomar	1	Health Services
Kaiser Permanente San Diego Medical	1	Foundation-Educ Philanthropic Research
Kyocera Communications Inc	1	Electronic Equipment & Supplies-Mfrs
Merchants Building Maintenance	1	Janitor Service
Palomar Pomerado Health Rehab	1	Rehabilitation Services
Rady's Children's Hospital	1	Hospitals
San Diego County Sheriff	1	Police Departments
Scripps Mercy Hospital	1	Hospitals
Scripps Research Institute	1	Laboratories- R&D
Sea World-San Diego	1	Amusement & Theme Parks
Sharp Grossmont Hospital	1	Hospitals
Sharp Grossmont Rehab Center	1	Rehabilitation Services
Sharp Mary Birch Hosp-Women	1	Hospitals
Sharp Memorial Hospital	1	Hospitals
Sony Electronics Inc	1	Electronic Equipment & Supplies-Retail
Tyco Health Care	1	Manufacturers

Source:

State of California- Employee Development Department- Major Employers in San Diego for 2017

Categories

1	1,000-4,999 Employees
2	5,000-9,999 Employees
3	10,000+ Employees

Employer information specific to the City of Solana Beach is not readily available*

NA: The data for ten and five years ago is not available

* Due to unreliable data, the Top Employer Report is no longer offered by HdL Coren & Cone

CITY OF SOLANA BEACH

Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Fiscal Years:	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Function/Program</u>				
General government				
City Council	0.20	0.20	0.20	0.20
City Clerk	3.00	3.00	2.75	2.75
City Manager	1.99	1.99	2.24	1.92
Legal Services	0.25	0.25	0.25	0.25
Finance	4.55	4.25	4.25	3.40
Non Deptmental	-	-	-	-
Personnel	1.20	1.20	1.20	1.10
Info/Communication Systems	1.10	1.05	1.05	1.00
Community Development	7.25	6.25	6.00	5.50
Public Safety				
Fire	20.01	20.01	19.25	19.22
Code Enforcement	2.13	2.33	2.00	1.78
Marine Safety	8.67	8.67	8.39	8.08
Junior Lifeguards	1.84	1.84	1.84	3.73
Public Works				
Engineering	4.08	3.59	2.84	2.31
Environmental/Flood Control	1.69	1.65	1.13	1.10
Street Maintenance	3.10	2.95	2.93	2.90
Park Maintenance	1.14	1.40	1.38	1.35
Recreation & Community Services				
Community Services	0.83	0.88	0.88	0.95
Recreation	2.40	2.52	2.52	2.59
Sanitation	2.00	3.01	2.86	2.93
Improvement Districts	1.64	1.64	0.99	0.95
Redevelopment Agency	0.36	0.41	0.45	0.50
Total Personnel	<u>69.43</u>	<u>69.08</u>	<u>65.39</u>	<u>64.51</u>

N/A - Data Not Available

Notes: A full-time employee is scheduled to work 2,080 hours per Full-time equivalent employment is calculated by dividing total labor

Source: City of Solana Beach's Annual Budget

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
0.20	0.20	0.20	0.20	0.20	0.20
2.75	2.65	2.60	3.10	3.10	3.10
1.92	1.84	1.74	2.05	2.05	1.80
0.25	0.25	0.25	0.25	0.25	0.25
3.40	3.35	3.80	3.55	3.55	3.55
-	-	-	-	-	-
1.10	0.98	0.95	1.00	1.00	1.15
1.00	1.00	1.00	1.00	1.00	1.00
5.50	5.50	5.40	6.00	6.00	5.80
19.22	19.95	19.95	19.95	19.95	19.95
1.78	1.75	1.75	1.80	1.80	1.80
8.08	8.06	8.06	8.06	9.49	9.49
3.73	3.73	3.73	3.73	3.53	4.03
2.31	2.48	2.41	2.28	2.13	2.73
1.10	1.10	1.10	1.10	1.10	1.05
2.90	2.90	2.90	2.95	2.95	2.95
1.35	1.35	1.35	1.35	1.35	1.35
0.95	0.95	0.95	0.95	0.95	0.90
2.59	2.59	1.49	1.85	1.85	1.80
2.93	2.93	2.98	2.93	3.22	3.12
0.95	0.95	0.95	0.9	0.9	0.9
<u>0.50</u>	<u>0.60</u>	<u>1.05</u>	<u>0.90</u>	<u>0.90</u>	<u>1.10</u>
<u><u>64.51</u></u>	<u><u>65.11</u></u>	<u><u>64.61</u></u>	<u><u>65.90</u></u>	<u><u>67.27</u></u>	<u><u>68.02</u></u>

CITY OF SOLANA BEACH

Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Community development					
Number of:					
Business licenses (A)	1786	1634	1641	1943	1877
Plan checks (B)	380	391	322	125	211
Code violations (calendar basis)	1142	821	510	1184	1277
Police (Calendar basis)					
Number of calls for service (C):					
Priority 1	11	13	11	11	12
Priority 2	527	490	504	426	501
Priority 3	1925	1879	1836	1777	1689
Priority 4	1361	1370	1259	1110	1199
FBI Index Crimes	297	352	265	276	337
Fire					
Emergency Responses	1563	1105	1438	1588	1093
Training Hours	3693	4102	2634	5304	n/a
Plan Checks	159	89	101	62	161
Public works					
Miles of:					
Street resurfacing/repair	8*	N/A	60000**	60000**	180000**
Street sweeping	900	900	900	900	900
Number of:					
Street signal maintained	180	180	168	168	168
Trees pruned per year	40	250	287	10	158
Recreation & community services					
Number of enrollees:					
Day camp (Calendar basis)	192	171	212	271	315
Classes (classes offered to san diego adult school)	217	161	78	48	35
Special events (attendees)	4300	9452	8200	10200	11250

N/A - Data not available

(A) - Includes new & renewal licenses, excludes temporary licenses

(B) - Excludes temporary plan checks.

(C) - Numbers adjusted and updated on CAFR FY16-17 for FY08-FY17 numbers to count only complete calls for service.

Sources: Various city departments.

* Street Repair in Miles

** Street repair in Square Feet (SF)

*** Classes offered by Mira Costa College

Fiscal Year

2013	2014	2015	2016	2017
2023	2147	1957	2068	2007
225	276	275	304	284
1458	1467	1016	1240	1124
11	27	12	13	7
480	498	467	437	343
1711	1624	1712	1740	1141
1156	1037	1225	1110	826
321	210	305	240	173
1736	1702	1798	1810	1883
5090	7079.67	6178	5997	4695.6
335	92	289	380	390
150000**	150000**	550000**	5.3*	1.7*
900	900	900*	900*	900*
168	192	192	192	192
500	158	40	40	500
385	280	329	266	315
35	N/A	144	***N/A	***N/A
N/A	7350	10600	7800	8300

CITY OF SOLANA BEACH

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Safety					
Code enforcement vehicles	2	2	2	2	2
Fire					
Stations	1	1	1	1	1
Fire Engines	4	4	4	4	4
Other vehicles	2	2	2	2	2
Public works					
Streets (miles)	46	46	46	46	46
Street lights (city-owned)	748	748	748	748	748
Traffic signals	13	13	13	13	13
Public works vehicles	7	7	7	7	7
Public works Corporation Yard	1	1	1	1	1
Recreation & community service					
Community centers	2	2	2	2	2
Parks	3	3	3	3	3
Marine Safety					
Lifeguard Stations*	3	3	3	3	3
Vehicles	5	5	5	5	5

Notes: No capital asset indicators are available for the general government.

Sources: Various city departments.

* Both Fixed and Portable Towers

Fiscal Year

2013	2014	2015	2016	2017
2	2	2	2	2
1	1	1	1	1
4	4	3	3	3
2	1	2	2	2
46	46	42	42	42
748	748	527	527	527
16	18	16	16	16
7	8	11	11	12
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
3	3	3	3	6
5	4	4	4	5

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The City of Solana Beach
GASB 54 Fund Balance Classifications (General Fund)
FYE 06/30/17

Fund #	General Fund							Total	
	001	120	125	135	140	150	16X	Detail	Category
Fund Name	GF	Self Insurance	Worker's Comp	Asset Replacement	Facilities Replacement	PERS SideFund	OPEB/ Pensions		
Non-Spendable									
Prepays	20,164							20,164	20,164
Restricted									
Pensions							893,185	893,185	893,185
Committed:									
Public Facilities	320,308							320,308	
Public Art	30,431							30,431	
OPEB							92,434	92,434	
Pensions							342,935	342,935	
In-Lieu Housing	100,786							100,786	
Parks & Recreation	27,952							27,952	914,846
Assigned to:									
Park Fee	33,303							33,303	
Community Television	41,278							41,278	
Street Sweeping	126,404							126,404	
Housing	1,499,500							1,499,500	
Self-Insurance		700,284						700,284	
Worker's Comp			632,343					632,343	
Asset Replacement				2,298,615				2,298,615	
Facilities Replacement					358,654			358,654	5,690,381
Unassigned	7,470,665					(665,464)		6,805,201	6,805,201
Total Fund Balance at 06/30/16	9,670,791	700,284	632,343	2,298,615	358,654	(665,464)	1,328,554	14,323,777	14,323,777
Fund Balance at 06/30/16	9,455,150	779,858	600,735	2,166,660	251,452	(1,139,045)	910,482	13,025,292	
Change in fund balance	215,641	(79,574)	31,608	131,955	107,202	473,581	418,072	1,298,485	



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 24, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California
November 24, 2017

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON
PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation) of the City of Solana Beach, California, for the year ended June 30, 2017. These procedures, which were agreed to by the City of Solana Beach and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution), were performed solely to assist the City of Solana Beach in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of Solana Beach's management is responsible for the Appropriations Limit Worksheet No. 6 (or other alternative computation).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheets No. 1 through No. 7 (or other alternative computations) and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet No. 6, we multiplied line A, last year's limit, by line D, ratio of change, and agreed the resulting amount to line E, this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet No. 6 to the other worksheets described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.



To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled Article XIII B Appropriations Limitation Uniform Guidelines.

This report is intended solely for the use of the City of Solana Beach and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Lance, Soll & Lughard, LLP

June 26, 2017
Brea, California

CITY OF SOLANA BEACH
2016 - 2017
APPROPRIATIONS LIMIT CALCULATION

A. 2015-2016 APPROPRIATIONS LIMIT:	\$	31,908,601	
B. 2016-2017 CHANGE IN PER CAPITA PERSONAL INCOME:			5.37%
C. 2016-2017 CHANGE IN POPULATION:			0.78%
D. RATIO OF CHANGE (1.0537 x 1.0078):	X	<u>1.06191886</u>	
E. 2016-2017 APPROPRIATIONS LIMIT: ($\$31,908,601 \times 1.06191886$)	\$	<u>33,884,345</u>	



November 24, 2017

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Solana Beach (City) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements were:

Management's estimate of its net pension liability is based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the proportionate share of the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of its Other Post-Employment Benefit Annual Required Contribution is based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the Other Post-Employment Benefit Annual Required Contribution in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.





To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 24, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, budgetary information for the General Fund, Housing Authority Fund, and the the Special Mining Tax Fund, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in net pension liability and related ratios, and the schedule of investment returns which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements.



To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

New Auditing Standard No. 130

This new auditing standard is effective for financial periods ending on or after December 15, 2017; for most California municipalities it is effective for the period July 1, 2016 through June 30, 2017 and future periods thereafter. The standard allows CPA firms to issue an opinion on the financial statements conformity with generally accepted accounting principles, as well as an opinion on the operating effectiveness of internal controls over financial reporting through an integrated audit. This standard does not change the objectives of a financial statement audit, it only enhances the value and scope of a financial statement audit and increases the level of assurance provided by CPA firms on financial controls. Municipalities should look to perform an integrated audit for more assurance on the operating effectiveness of internal controls over financial reporting.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2016-2017 audit:

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68.

GASB Statement No. 74, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans.

GASB Statement No. 77, Tax Abatement Disclosures.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.

GASB Statement No. 80, Blending Requirements for Certain Component Units-an Amendment of GASB Statement No. 14.

GASB Statement No. 82, Pension Issues an Amendment of GASB Statements No. 67, No. 68, and No. 73.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2017-2018

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

GASB Statement No. 81, Irrevocable Split Interest Agreements.

GASB Statement No. 85, Omnibus 2017.

GASB Statement No. 86, Certain Debt Extinguishment Issues.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Fiscal year 2018-2019

GASB Statement No. 83, *Certain Assets Retirement Obligations*.

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities*.

Restriction on Use

This information is intended solely for the use of City Council and management of the City of Solana Beach and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Solt & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Report on Compliance for the Housing Successor

We have audited the City of Solana Beach Housing Successor's Housing Successor's (Housing Successor) compliance with the type of compliance requirements described in the California Health and Safety Code sections applicable to California Housing Successor Agencies for the year ending June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies.

Auditor's Responsibility

Our responsibility is to express an opinion on the Housing Successor's compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred above that could have a direct and material effect on Housing Successor occurred. An audit includes examining, on a test basis, evidence about the Housing Successor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Housing Successor. However, our audit does not provide a legal determination of the Housing Successor's compliance with those requirements.

Opinion

In our opinion, the Housing Successor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Housing Successor for the year ending June 30, 2017.



To the Honorable Mayor and Members of the City Council
City of Solana Beach, California

Report on Internal Control over Compliance

Management of the Housing Successor is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Successor's internal control over compliance with the types of requirements that could have a direct and material effect on the Housing Successor to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal controls over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the Housing Successor's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance of California Health and Safety Code sections applicable to California Housing Successor Agencies on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of California Health and Safety Code sections applicable to California Housing Successor Agencies will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Excess/Surplus Calculation

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solana Beach as of and for the year ended June 30, 2017, and have issued our report thereon dated November 24, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of California Health and Safety Code sections applicable to California Housing Successor Agencies. Accordingly, this communication is not suitable for any other purpose.

Brea, California
November 24, 2017

CITY OF SOLANA BEACH HOUSING SUCCESSOR

COMPUTATION OF HOUSING SUCCESSOR
EXCESS/SURPLUS (HSC 34176.1)

	Low and Moderate Housing Funds All Project Area July 1, 2016	Low and Moderate Housing Funds All Project Area July 1, 2017
Opening Fund Balance	\$ 161,317	\$ -
Available Housing Successor Funds	161,317	-
Limitation (greater of \$1,000,000 or four years deposits)		
Aggregate amount deposited for last four years:		
2016 - 2017	N/A	\$ 402
2015 - 2016	\$ 1,135	1,135
2014 - 2015	664	664
2013 - 2014	1,146	1,146
2012 - 2013	1,161	N/A
Total	\$ 4,106	\$ 3,347
Base Limitation	\$ 1,000,000	\$ 1,000,000
Greater amount	1,000,000	1,000,000
Computed Excess/Surplus	None	None



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Engineering Department
SUBJECT: **Consideration of Resolution No. 2017-159 Authorizing the City Engineer to Advertise the La Colonia Skate Park for Construction Bids**

BACKGROUND:

At the November 9, 2016 City Council meeting, the City Council approved the establishment of a La Colonia Park Master Plan Reserve (Reserve) in the City Capital Improvement Program Fund by allocating \$300,000 of the projected Fiscal Year (FY) 2015/16 General Fund surplus to this Reserve that was specifically designated to be used for the Skate Park element of the Master Plan. The Reserve would then be established and available for funding future Master Plan improvements. The funds were subsequently appropriated to the Reserve at the December 14, 2016 City Council meeting.

At the March 22, 2017 City Council meeting, the City Council approved a Professional Services Agreement with Van Dyke Landscape Architects and Site Design Group for final design services for a skate park at La Colonia Park. At the September 27, 2017 City Council meeting the design team presented the concept plans for the proposed Skate Park, the basketball court and the associated site improvements. After receiving comments from the community members and interested parties, City Council provided direction to staff for refining the proposed design.

This item is before the City Council to provide an update on the design of the La Colonia Skate Park and for the consideration of Resolution 2017-159 (Attachment 1) authorizing the City Engineer to advertise for construction bids.

COUNCIL ACTION:

DISCUSSION:

In 2010, Van Dyke Landscape Architects (VDLA) developed preliminary design plans for the redevelopment of La Colonia Park, including the community center and surrounding park. Those plans included a Skate Park and a courtyard area. The courtyard area was later developed into the Veterans' Honor Courtyard which was constructed following the general guidance of the La Colonia Park Master Plan. This construction was done in a way that still allows for other elements of the Master Plan to be constructed at a later date. Similar to the example established by the Veterans' Honor Courtyard, there is a desire to construct the Skate Park element of the master plan. Since the proposed Skate Park location would be on the northern edge of the La Colonia Park Master Plan, it could easily be constructed to be incorporated into the remainder of the Master Plan when other elements move forward for construction.

Updated Design Concepts

As part of the original Master Plan for La Colonia Park, the preliminary design of the Skate Park was developed by Site Design Group (SDG) as a sub-consultant to VDLA. VDLA included SDG on their team to design the Skate Park portion of this project which also includes landscaping, site furnishings, grading, electrical and other items ancillary to the Skate Park. During the negotiations for the scope of work for this project, SDG stated that the majority of the original Skate Park design could be incorporated into the new project (Project).

Since approval of the PSA with VDLA, Staff has been working with VDLA/SDG on various design alternatives for the proposed La Colonia Skate Park. During the public input process, the design team (which consists of Staff and VDLA/SDG) has held two public workshops to gather community input on the design of a proposed skate park. At the first workshop that was held in late April 2017, SDG engaged the attendees, many of whom were youth skaters, to determine what features they would like to be included as part of the Skate Park.

After the first community workshop, VDLA/SDG took the feedback obtained and developed two concept design plans for a proposed skate park layout. These two concept design plans were presented at a second community workshop that was held in early June 2017. During the discussions that followed the presentation of the two concept plans to the workshop attendees, a request was made to combine the various elements of the two concept plans into one hybrid design concept plan. The "Hybrid" Design Concept was presented to the City Council at the September 27, 2017 Council meeting. The "Hybrid" Design Concept was generally accepted by the City Council but direction was provided to arrange for more color in the overall Project design. The "Hybrid" Design Concept shown in Attachment 2 has incorporated color into several features including the metal railings, the center red brick feature and the donor walls to make the Skate Park more visually attractive without compromising the functionality of the Skate Park.

Noise Study Requirements

The Project may be categorically exempt from the provisions of the California Environmental Quality Act (CEQA) as an In-Fill project. This exemption, however, requires that the Project not result in any significant impacts to traffic, noise, air quality, or water quality. These required environmental studies have been completed and, with the exception of the noise study, no significant impacts were identified. Using the design-specific elements of the Project, the City's environmental consultant, HELIX Environmental Planning, Inc. (Helix), determined that mitigation would be required to reduce anticipated noise levels at the northern property line to an acceptable level. One way to reduce the noise levels would be to shift the entire Skate Park an additional 10 feet to the south. This would result in the northern edge of the Skate Park to be 13 feet south of the northern property line. This mitigation measure is not recommended, however, since it would result in the Skate Park encroaching an additional 10 feet into the grass sports field to the south. Additionally, this concept would result in creation of a narrow strip of land between the Park's northerly property line and Skate Park which would be of no viable use, would be difficult to maintain and may also lead to public safety concerns in this area.

Staff and its consultants have identified two other options to mitigate the noise along the northern boundary of the Skate Park that would allow the Skate Park to remain along the northern property line. The first option would be to construct a 2 ½ foot high sound wall along the northern edge of the Skate Park with a railing on top. Since the current design already includes a six inch high curb with a railing, an additional two-foot high sound wall on top of the curb would be required. A second option would be to relocate the proposed monument sign presented to the Council on September 27th and incorporate it into a sound wall at the northern boundary of the Skate Park (see attachment 3). This proposed design would construct the front monument signage "wave wall" with its colorful tiles originally planned for the southern entrance plaza to the Skate Park along the north side of the Skate Park which would effectively create the required sound wall/monument wall along with colorful graphics and signage. The top of this wall would undulate but would maintain a minimum 42-inch height for required safety purposes.

Each of these two options will add cost to the Project. The design team will present the corresponding construction costs for a 2 ½ foot sound wall with railing and the proposed artistic sound wall and signage element at the December 13th Council meeting.

Basketball Court

Also at the September 27th Council meeting, Staff was directed to research the possibility of providing a non-regulation sized full basketball court (herein referred to as mini full court) instead of a full-sized half court. The mini full court could be modeled after other urban basketball courts where some of which include chain-link fencing

surrounding the entire court. An example of such a court is as “The Cage” in New York City.

When laying out the mini full court, both a north/south alignment and an east/west alignment were analyzed. The dimensions for the mini full court were derived from “The Cage” facility in New York City which was specifically mentioned during public testimony at the September 27th Council meeting. Because of the extremely limited dimensions of a mini full court, such a court is typically enclosed by a chain link fence to avoid stray balls from entering pedestrian areas. With both alignments, there is approximately five feet left between the edge of the mini full court and the stepped spectator area just east of the Skate Park to allow for a gated entry into the basketball court. The entire area between the Skate Park and the basketball court could be redesigned if desired.

There are physical constraints with each of the two possible alignments. An east/west alignment would encroach into an adjacent sewer easement and existing walkway and would span across the underground concrete drainage box culvert that carries Stevens Creek. One benefit of this alignment is that it would have minimum impacts on the grass sports field. A north/south alignment would push the proposed pedestrian walkway much farther south and encroach considerably into the grass sports field. However, this alignment would not impact the existing pedestrian walkway to the east of the court and would not span across the Stevens Creek box culvert.

As seen in the drawings for the mini full court (Attachment 4), both alignments are workable but would have some impacts and direction on surrounding park area. Before detailed designs are developed, Staff is requesting input from the City Council on a preferred alignment of the mini full court or if Council desires to proceed with this concept. In terms of construction costs, it is estimated that a full-sized half court would cost approximately \$61,000 and a mini full court would cost approximately \$75,000. These are rough numbers assuming the same construction methods and slab costs for the courts. The biggest difference in cost is the amount of concrete required and, if desired, the potential chain link fencing surrounding a mini full court.

Fund Raising

Since the beginning of this Project, there has been a very active fundraising campaign to help fund the construction of the proposed Skate Park. As part of the first community workshop, a pancake breakfast was held to solicit donations for the Skate Park. Other fundraising efforts have included an event at the Belly Up Tavern and a booth at Fiesta del Sol where t-shirts were sold and a raffle was held. In addition, the Solana Beach Skate Park Fund has been established by community residents through the Coastal Communities Foundation to accept private donations for the Skate Park.

Another potential way to raise funds would be to sell donor tiles similar to what was done at Fletcher Cove Park and the Honor Courtyard in La Colonia Park. VDLA has designed a donor tile wall along the south-facing wall that leads to the entrance of the

Skate Park for Council's consideration. This is located adjacent to the wall that could be moved to the north side of the Skate Park to double as a sound wall.

Grant Applications

To date, Staff has submitted grant applications for the Skate Park to two separate organizations. The first grant request was submitted to the Solana Beach and Del Mar Chapter of the Lions Clubs International Foundation, but the grant request was denied. A second grant application was submitted to the County of San Diego as part of the Neighborhood Reinvestment Program (NRP). The City is still awaiting word as to whether we will receive this funding. While the City has requested \$270,000 in NRP funding, given the demand for these funds, Staff does not anticipate that the City will receive the full amount of this funding request if grant funding is approved.

CEQA COMPLIANCE STATEMENT:

The Project, as currently designed, is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 (In-fill Development Projects) of the State CEQA Guidelines. Class 32 consists of projects characterized as in-fill developed meeting the conditions described below.

1. The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with the applicable zoning designations and regulations.
2. The proposed development occurs within City limits on a project site of no more than five acres substantially surrounded by urban uses.
3. The project site has no value as habitat for endangered, rare or threatened species.
4. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
5. The site can be adequately served by all required utilities and public services.

The Project meets the above criteria for a Class 32 CEQA exemption. A traffic study was prepared by Chen-Ryan Associates showing no significant traffic impact; a noise study was prepared by Helix Environmental Planning, Inc. that shows no significant noise impacts if mitigated as discussed above; an air quality study was prepared by Helix Environmental Planning, Inc. that shows no significant air quality impact; and a hydrology study was prepared by Pasco Engineering showing no significant water quality impact.

Should the City Council decide to incorporate additional design features to the Project, such revisions will be further evaluated as may be needed.

FISCAL IMPACT:

To date, including the donations from various special events and the Tony Hawk grant of \$5,000, the City Council has allocated a total of \$541,000 for the design and construction of the Skate Park and private fundraising efforts and donations have raised an additional \$10,000 for a total of \$551,000. The most current construction cost estimate projects the total cost of the Skate Park at approximately \$821,000. This includes the skate area, lighting, landscaping, hardscape, drainage improvements, the half basketball court and contingency funds. As noted above, Staff has submitted a NRP grant application to the County. The requested amount of NRP grant funding is \$270,000, which would close the funding gap if the grant is awarded in the full amount.

After construction bids are received, Staff will have a much better idea of the projected construction costs so adjustments to the Project funding can be made at that time if necessary. The City Council has the option to potentially bid the project with alternate bid items, including the basketball court and/or the sound wall options. However Staff recommends that alternate bid items, if included, be minimized to optimize the competitive bidding process.

WORK PLAN:

The Skate Park at La Colonia Park is consistent with Item B.2 (La Colonia Park Improvements) of the Community Character Priorities section of the FY 2017/18 Work Plan.

OPTIONS:

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments/modifications.
- Provide direction.

DEPARTMENT RECOMMENDATION:

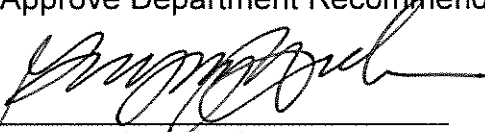
Staff recommends that the City Council:

1. Provide feedback on the various design elements including:
 - a. The updated Skate Park design including signage and the donor wall;

- b. The options for the sound wall and/or noise attenuation barrier along the northern boundary of the Skate Park;
 - c. The full mini full basketball court concepts and alignments; and
2. Adopts Resolution 2017-159:
- a. Finding that the Project is exempt from CEQA pursuant to Section 15332 (In-fill Development Projects) of the State CEQA Guidelines.
 - b. Authorizing the City Engineer to complete the design plans and specifications package and advertise for construction bids.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution 2017-159
2. "Hybrid" Design Concept
3. Art/Sound Wall & signage
4. Basketball court design alternatives

RESOLUTION 2017-159

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY ENGINEER TO ADVERTISE THE LA COLONIA SKATE PARK FOR CONSTRUCTION BIDS

WHEREAS, at the November 9, 2016 City Council meeting, the City Council approved the establishment of a La Colonia Park Master Plan Reserve (Reserve) in the City CIP Fund by allocating \$300,000 of the projected Fiscal Year (FY) 2015/16 General Fund surplus to this Reserve specifically to be used for the Skate Park element of the Master Plan. The Reserve would then be established and available for funding future Master Plan improvements. The funds were subsequently appropriated to the Reserve at the December 14, 2016 City Council meeting; and

WHEREAS, at the March 22, 2017 City Council meeting, the City Council approved a Professional Services Agreement with Van Dyke Landscape Architects/Site Design Group (VDLA/SDG) for final design services for a skate park at La Colonia Park. Updates on the status of the project were provided at the September 27, 2017 City Council meeting; and

WHEREAS, VDLA/SDG has developed preliminary design plans for the hybrid design concept plan that includes grading, site lighting, the hybrid skate park design concept, various basketball court alternatives and surrounding landscaping and hardscaping.

WHEREAS, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 (In-fill Development Projects) of the State CEQA Guidelines.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That the City Council adopts Resolution 2017-159:
 - a. Finding that the project is exempt from CEQA pursuant to Section 15332 (In-fill Development Projects) of the State CEQA Guidelines.
 - b. Authorizing the City Engineer to complete the design plans and specifications package and advertise for construction bids.

PASSED AND ADOPTED this 13th day of December, 2017, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

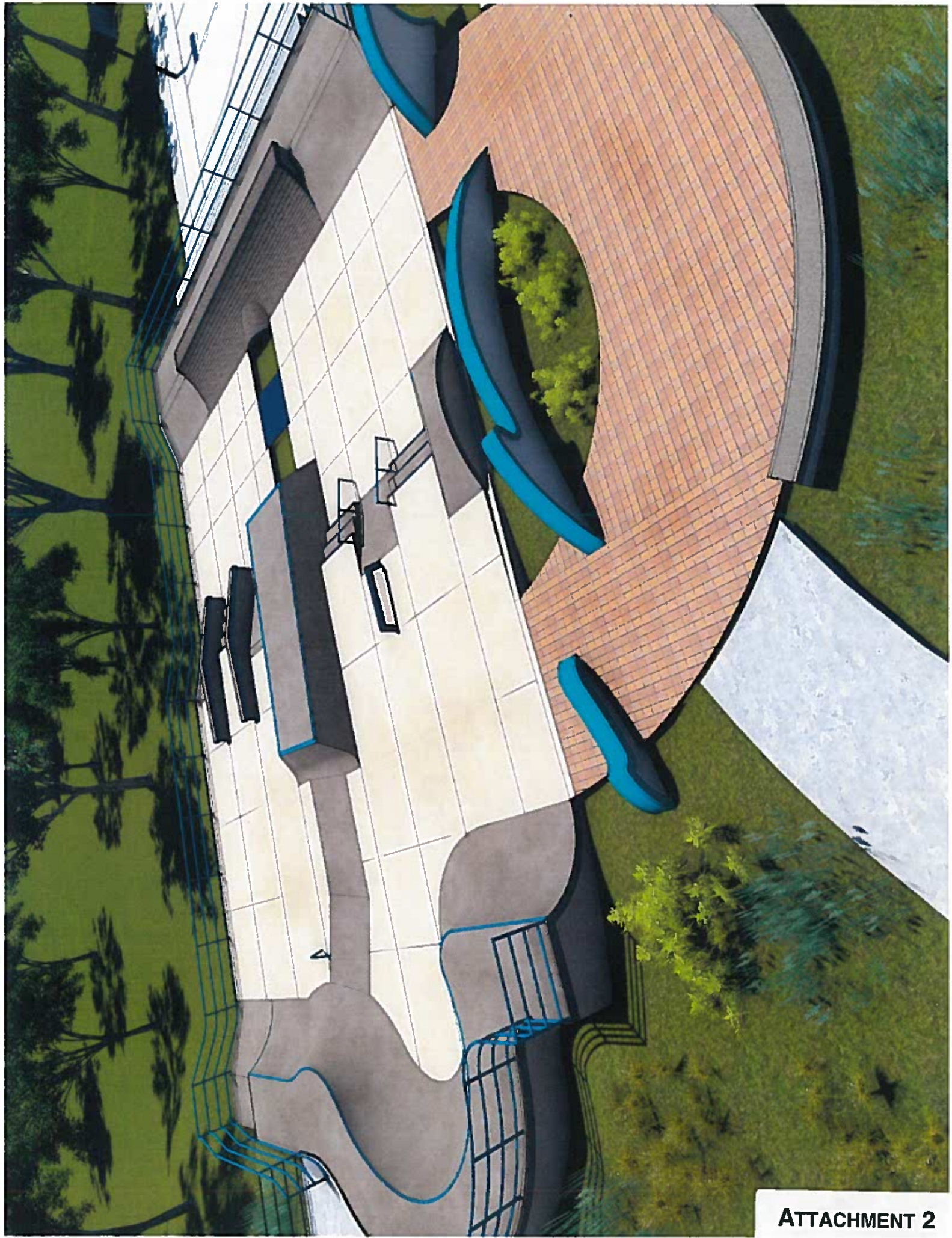
MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

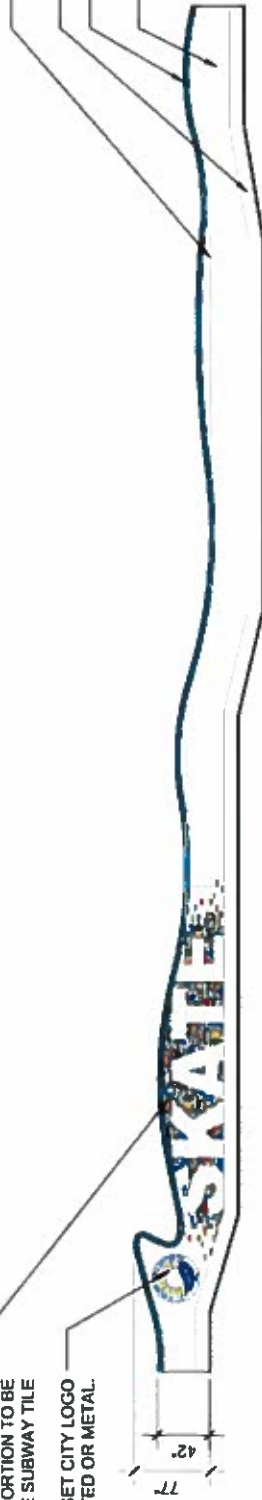
ANGELA IVEY, City Clerk



3"x8" CERAMIC TILE SKATEBOARD GRAPHICS. WHITE PORTION TO BE WHITE SUBWAY TILE

INSET CITY LOGO PAINTED OR METAL.

42" RAILING HEIGHT PER CODE. (LINE SHOWN FOR REFERENCE ONLY)
 PROTECTIVE CURB, 12" HIGH
 CAST-IN-PLACE CAP,
 PAINTED BLUE.
 CAST-IN-PLACE SOUND WALL,
 PAINTED WHITE.



SOUND WALL ELEVATION

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

DONOR 'THANK YOU' SKATEBOARD PLAQUE MOUNTED TO WALL

WHITE DONOR TILES QTY TBD.

CURVED WALL INTEGRATED WITH SKATE FEATURE. BLUE PAINTED INSET LETTERING.

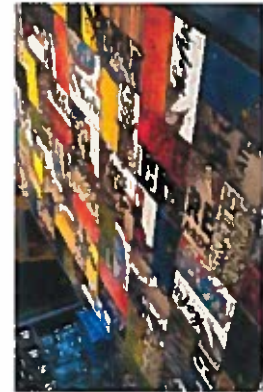
LA COLONIA PLAZA

CAST-IN-PLACE CONCRETE SEATWALL.



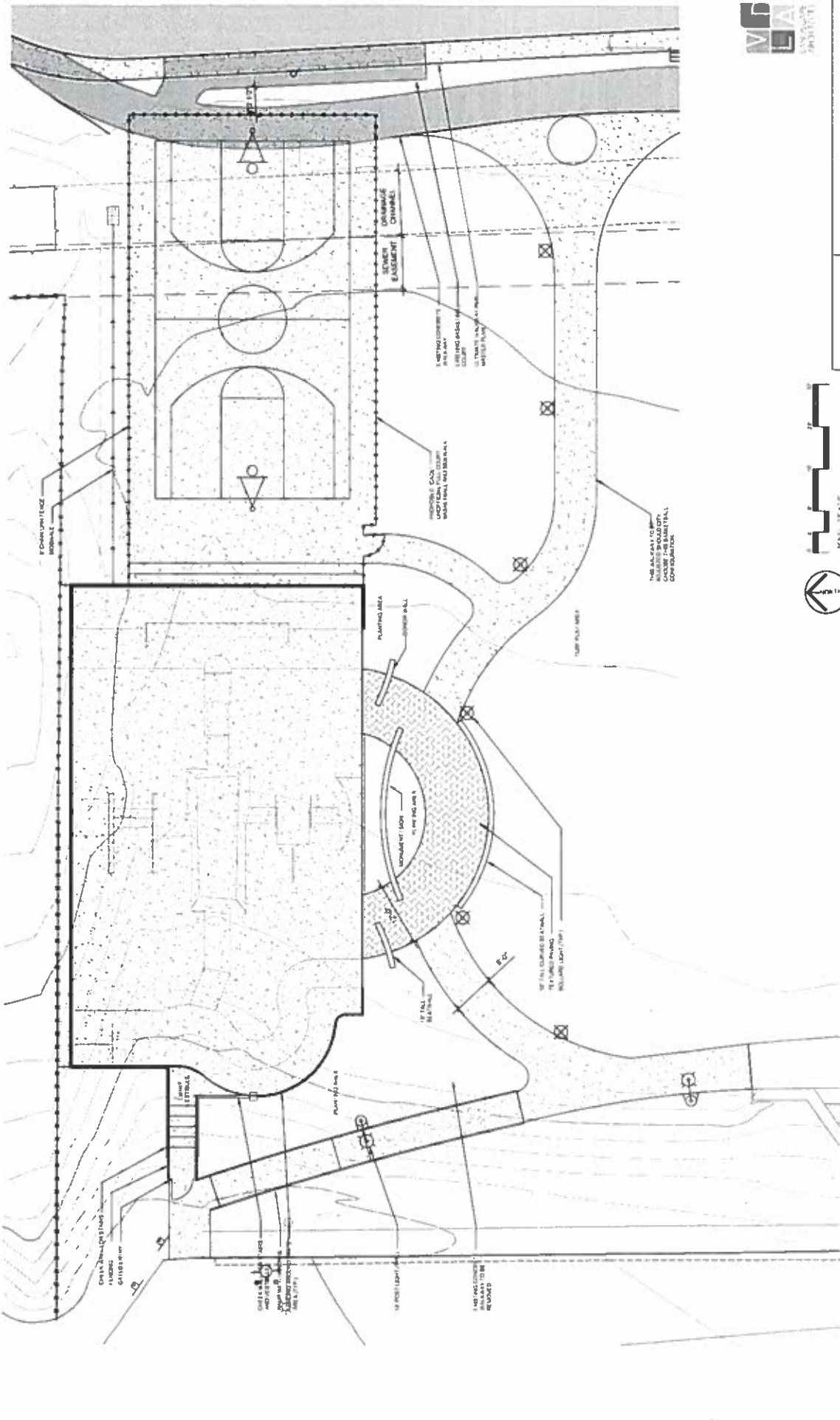
SKATE PLAZA ELEVATION

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



CITY OF SOLANA BEACH
LA COLONIA SKATE PARK
 712 STEVENS AVE, SOLANA BEACH, CALIFORNIA 92075
 11/27/17

SOUND WALL CONCEPT



CITY OF SOLANA BEACH
 COASTAL COMMISSION PERMIT NO. _____

ROTATED WHEEL COURT EXHIBIT AS OF 10-8-07
LA COLONIA SKATE PARK
 1712 STEVENS AVE., SOLANA BEACH, CALIFORNIA 92075

SOLANA BEACH FIRE DEPARTMENT	CITY APPROVED CHANGES	RECOMMENDED FOR APPROVAL	APPROVED FOR CONSTRUCTION
Approved By: _____ District Representative Date: _____	City Engineer: _____ Date: _____	By: _____ Date: _____ City Engineer	By: _____ Date: _____ City Engineer

SHEET NO. _____ OF _____
 DRAWING NO. _____



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: City Manager's Department
SUBJECT: Adoption (2nd Reading) of Ordinance 483 Establishing a Community Choice Aggregation Program

BACKGROUND:

Community Choice Aggregation (CCA), authorized by Assembly Bill 117, is a state law that allows cities, counties and other authorized entities to aggregate electricity demand within their jurisdictions in order to purchase and/or generate alternative energy supplies for residents and businesses within their jurisdiction while maintaining the existing electricity provider for transmission and distribution services. The goal of a CCA is to provide a higher percentage of renewable energy electricity at competitive and potentially cheaper rates than existing Investor Owned Utilities (IOUs), while giving consumers local choices and promoting the development of renewable power sources and programs and local job growth. Under Public Utilities Code section 366.2, customers have the right to opt out of a CCA Program and continue to receive service from the IOUs. Since 2011, City Staff has been tasked by the City Council to research and analyze the possibility of developing a viable CCA for Solana Beach.

On October 11, 2017, the City Council authorized the City to move into Phases 2 and 3 of CCA development and implementation. One of the required steps for establishing a CCA program is to adopt an Ordinance setting the intent to establish a CCA, and to approve the Implementation Plan and Statement of Intent. There are very clear requirements established by the California Public Utilities Commission (CPUC) on what is to be included in the Implementation Plan. These plans are meant to lay out the general operating principles and goals for the CCA. Once adopted, the Implementation Plan is submitted to the CPUC for certification. After submittal, the CPUC has 90 days within which to certify the Implementation Plan.

On November 15, 2017, after conducting a public hearing and having considered the staff presentation and all written materials and oral testimonies, the City Council

CITY COUNCIL ACTION:

adopted Resolution 2017-163 approving the Implementation Plan and Statement of Intent and authorizing the City Manager to submit to the CPUC for certification and introduced Ordinance 483 (Attachment 1) establishing a CCA in Solana Beach.

This item is before the City Council to conduct the 2nd Reading and adopt Ordinance 483.

DISCUSSION:

The development and potential launch of the Solana Beach CCA is separated into three (3) phases with a goal for program launch within the first year followed by provision of two to five years of power supply and all CCA operational services. The phases are broken up as follows:

Phase 1	Phase 2	Phase 3
Program Development	Program Launch	Operations
0-6 Months	6-12 Months	Years 2-5
<ul style="list-style-type: none"> • Technical study completed • Community and local government outreach • Implementation Plan drafted • Operations, budget, and staffing plan developed 	<ul style="list-style-type: none"> • Implementation Plan certified • Data management, accounting, and back office functions established • Utility service agreement, regulatory registrations, bond posting • Power procurement and contracting • Rate design/rate setting • Public outreach and marketing campaign • Customer notifications/enrollment period 	<ul style="list-style-type: none"> • Ongoing power supply services (scheduling, etc.) • Customer account management • Community outreach and marketing • Regulatory and legislative affairs • Net energy metering and feed-in tariff • Enrollment of additional communities

Ordinance 483 is required to establish a CCA in Solana Beach. It is the necessary next step as the City progresses through the phases of CCA development and potential launch. The adoption of Ordinance 483 would not commit the City to launching a CCA but is required to adopt an implementation plan at this point in the process. The City is still committed to conducting additional public outreach, including workshops, to educate the community on the potential impacts of the implementation of the CCA.

Additionally, submittal of the Implementation Plan to the CPUC initiates the timeframe under San Diego Gas and Electric's (SDG&E) Rule 27 which requires SDG&E to be ready to successfully manage a CCA launch for Solana Beach within six (6) months. Primarily, this consists of being ready for the required data management tasks with respect to billing and call center coordination with the City's data management consultant, Calpine Energy Solutions (Calpine). City Staff, Calpine and SDG&E have all been meeting since August to coordinate the potential roll-out of the region's first CCA.

The City submitted the Implementation Plan to the CPUC on November 20, 2017. The City is still anticipating a potential launch date of June 1, 2018.

It is again important to emphasize that the adoption of Ordinance 483 does not commit the City to launching a CCA. The City Council can, at any point, stop the development and launch of the program. These are just the next required steps as the City moves through the process of launching a CCA. As mentioned previously in this Staff Report, the City will continue to conduct public outreach on the rate comparisons, renewable energy percentage content scenarios, financial safeguards and potential local programs based on community feedback.

CEQA COMPLIANCE STATEMENT:

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment because energy will be transported through existing infrastructure. (14 Cal. Code Regs. section 15378(a).) Further, this ordinance is exempt from CEQA as there is no possibility that this ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. section 15061(b)(3).) This ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. section 15308.)

FISCAL IMPACT:

There is no fiscal impact as a result of the actions discussed in this Staff Report. The certification of the Implementation Plan is part of the tasks included in Phase 2 of the agreement with The Energy Authority (TEA). Minimal additional consultant services continue for assistance in the ongoing development and implementation of Phases 2 and 3 tasks. These costs can be reimbursed through CCA program revenue if or when the City launches a CCA.

WORK PLAN:

Environmental Sustainability – "Policy Development" – Priority Item 2) Develop and Implement a Community Choice Aggregation (CCA) Program.

OPTIONS:


- Approve Staff recommendation and adopt Ordinance 483 to establish the Solana Beach CCA program.
- Do not approve the Staff recommendations.
- Provide further direction to Staff.

DEPARTMENT RECOMMENDATION:

Staff recommends the City Council adopt Ordinance 483 to establish the Solana Beach CCA program.

CITY MANAGER RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Ordinance 483

ORDINANCE NO. 483

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ESTABLISHING A COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City of Solana Beach (City) is pursuing alternative energy solutions in hopes of improving the current and future environmental and economic conditions of its community and region; and

WHEREAS, the City has been actively investigating options to procure and provide electric power to its citizens with the intent of achieving greater local involvement over the provision of electric services, the development of clean, local, renewable energy projects, reduced greenhouse gas emissions and the wider implementation of energy conservation and efficiency projects and programs, increasing the renewable energy percentage content and promoting competitively priced renewable energy and competitive electric rates; and

WHEREAS, Assembly Bill 117 and California Public Utilities Code Sections 218.3, 331.1, 366, 366.2, 381.1, 394 and 394.25 of the allow City to establish a Community Choice Aggregation (CCA); and

WHEREAS, an initial technical study and analysis concluded that a CCA program would serve the City and provide benefits to include the use of renewable energy at or above the required Renewable Portfolio Standard level while providing competitive rates and economic benefits to the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt out of a CCA Program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so; and

WHEREAS, on November 15, 2017, the City Council held a public hearing at which time interested persons had an opportunity to testify either in support or opposition to implementation of a CCA program in the City; and

WHEREAS, the City Council has determined that it is in the public interest and welfare to establish a CCA program and has adopted Resolution No. 2017-163 and approved the Implementation Plan and Statement of Intent attached hereto as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1.

The City of Solana Beach has been actively investigating options to procure and provide electric power to citizens with the intent of achieving greater local

involvement over the provision of electric services and promoting competitively priced renewable energy.

Section 2.

On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA).

Section 3.

The Act expressly authorizes participation in a CCA program through and by local city government.

Section 4.

Through Docket No. R.03-10-003, the California Public Utilities Commission has issued various decisions and rulings addressing the implementation of CCA programs, including the issuance of a procedure by which the California Public Utilities Commission will review "Implementation Plans," which are required for submittal under the Act as the means of describing the CCA program and assuring compliance with various elements contained in the Act.

Section 5.

On November 15, 2017, the City passed Resolution 2017-163 adopting the Implementation Plan and Statement of Intent attached hereto as Exhibit A, which describes the formation of CCA program to be implemented by the City, and directing the City Manager to file the Implementation Plan and Statement of Intent with the California Public Utilities Commission for certification.

Section 6.

As described in the Implementation Plan, CCA by and through the City appears to provide a reasonable opportunity to accomplish all of the following:

- (a) To provide greater levels of local involvement in and collaboration on energy decisions;
- (b) To increase the amount of locally supplied renewable energy available to Solana Beach citizens; and
- (c) To provide initial price stability, long-term electricity cost savings and other benefits for the community.

Section 7.

The Act requires CCA program participants to adopt an ordinance electing to implement a CCA program within the jurisdiction of the local government agency.

Section 8.

Based upon all of the above, the City Council hereby approves the City proceeding with the implementation of a CCA program within the City's jurisdiction, as described in Resolution 2017-163 and the Implementation Plan and Statement of Intent in the form attached hereto as Exhibit A.

Section 9. SEVERABILITY

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

Section 10. REPEAL OF CONFLICTING PROVISIONS

All the provisions of any of the City's ordinances as heretofore adopted by the City that are in conflict with the provisions of this ordinance are hereby repealed.

Section 11. ENVIRONMENTAL DETERMINATION

This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment because energy will be transported through existing infrastructure. (14 Cal. Code Regs. section 15378(a).) Further, this ordinance is exempt from CEQA as there is no possibility that this ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. section 15061(b)(3).) This ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. section 15308.) The City Manager's Office shall cause a Notice of Exemption to be filed as authorized by CEQA and the CEQA guidelines.

Section 12. EFFECTIVE DATE

This ordinance shall take effect and be in force thirty (30) days after its final adoption.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 15th day of November, 2017; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the 13th day of December, 2017, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk

EXHIBIT A
IMPLEMENTATION PLAN AND STATEMENT OF INTENT

CITY OF SOLANA BEACH

COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

November 2017

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1 INTRODUCTION

The City of Solana Beach (“City” or “Solana Beach”), located within San Diego County, is pursuing the implementation of a community choice aggregation program (“CCA”), which has been temporarily named Solana Beach CCA (the “Program” or “SBCCA”). SBCCA will offer service to all eligible customers within the City’s geographic boundaries.

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes the City’s plans to implement a voluntary CCA program for electric customers within the jurisdictional boundaries of Solana Beach that currently take bundled electric service from San Diego Gas and Electric (“SDGE”). The Program will provide electricity customers the opportunity to jointly procure electricity from competitive suppliers, with such electricity being delivered over SDGE’s transmission and distribution system. The planned start date for the Program is June 1, 2018. All current SDGE customers within the City’s service area will receive information describing the SBCCA Program and will have multiple opportunities to opt out and choose to remain full requirement (“bundled”) customers of SDGE, in which case they will not be enrolled. Thus, participation in the SBCCA Program is completely voluntary. However, customers, as provided by law, will be automatically enrolled according to the anticipated schedule later described in Chapter 5 unless they affirmatively elect to opt-out.

Implementation of SBCCA will enable customers within Solana Beach’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. Solana Beach’s primary objectives in implementing this Program are to procure an electric supply portfolio with higher renewable content than SDGE; to provide cost competitive electric services; and to sustain long-term rate stability for residents and businesses through local control. The prospective benefits to consumers include increased renewable energy options, stable and competitive electric rates, and the opportunity for public participation in determining which technologies are utilized to meet local electricity needs.

To ensure successful operation of the Program, the City has contracted with a not-for-profit energy services company that will procure SBCCA’s initial supply portfolio in the open market. Information regarding the procurement process is contained in Chapter 10.

The California Public Utilities Code provides the relevant legal authority for the City to become a Community Choice Aggregator and invests the California Public Utilities Commission (“CPUC” or “Commission”) with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the SBCCA Program. The CPUC also has responsibility for registering the City as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires adoption of an Implementation Plan at a duly noticed public hearing. The plan must then be filed with the Commission.

On November 15, 2017 the City, at a duly noticed public hearing, introduced and adopted this Implementation Plan, through Resolution No. 2017-163 (a copy of which is included as part of Appendix A).

The Commission has established the methodology to use to determine the cost recovery mechanism, and SDGE has approved tariffs for imposition of the cost recovery mechanism. Having accomplished this

SBCCA Implementation Plan

milestone, the City submits this Implementation Plan to the CPUC. Following the CPUC's certification of its receipt of this Implementation Plan and resolution of any outstanding issues, the City will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

1.1 STATEMENT OF INTENT

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by Public Utilities Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides the City's statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

1.2 ORGANIZATION OF THIS IMPLEMENTATION PLAN

The remainder of this Implementation Plan is organized as follows:

Chapter 2: Aggregation Process

Chapter 3: Organizational Structure

Chapter 4: Startup Plan & Funding

Chapter 5: Program Phase-In

Chapter 6: Load Forecast & Resource Plan

Chapter 7: Financial Plan

Chapter 8: Rate setting

Chapter 9: Customer Rights and Responsibilities

Chapter 10: Procurement Process

Chapter 11: Contingency Plan for Program Termination

Appendix A: City of Solana Beach Resolution No. 2017-163 (Adopting Implementation Plan)

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

2 AGGREGATION PROCESS

2.1 INTRODUCTION

This Chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

SBCCA Implementation Plan

In early 2016 Solana Beach engaged the assistance of California Clean Power to evaluate the feasibility of Solana Beach operating a standalone CCA program. The initial study revealed that a CCA program was viable, offering customers rates competitive with SDGE. The City has subsequently contracted with EES to validate the results of the initial feasibility study as some time had passed. EES also found a Solana Beach CCA to be viable. Finally, in 2017, the City contracted with The Energy Authority (TEA) to be its wholesale services provider. TEA has refreshed the feasibility analysis and finds SBCCA to be feasible as reflected in this implementation plan.

The City created SBCCA with the following objectives: 1) procure a power supply with greater renewable content than SDGE; 2) help meet the goals of the Climate Action Plan to reduce GHG emissions; 3) provide cost-competitive electric services to the residents of Solana Beach; 4) gain local control of the City's energy procurement needs; and 5) provide local clean energy programs and benefits.

The City released a draft Implementation Plan in September 2017, which described the planned organization, governance and operation of the CCA Program. Following consideration of comments related to the draft document, a final Implementation Plan was prepared and duly adopted by the Solana Beach City Council.

The SBCCA Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the residents and business community within Solana Beach. The City plans to expand the energy choices available to eligible customers through creation of innovative new programs for voluntary purchases of renewable energy and net energy metering to promote customer-owned renewable generation.

2.2 PROCESS OF AGGREGATION

Before they are enrolled in the Program, prospective SBCCA customers will receive two written notices in the mail, from Solana Beach, that will provide information needed to understand the Program's terms and conditions of service and explain how customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to customers in March, 2018, with a second notice being provided in April, 2018.

Customers enrolled in the SBCCA Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (SDGE). The electric bill for Program customers will show separate charges for generation procured by SBCCA as well as other charges related to electricity delivery and other utility charges assessed by SDGE.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of the SBCCA Program without penalty and return to the distribution utility (SDGE). SBCCA customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by SBCCA but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have

SBCCA Implementation Plan

elected to become a participant in the SBCCA Program and to have agreed to the SBCCA Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

2.3 CONSEQUENCES OF AGGREGATION

2.3.1 Rate Impacts

SBCCA Customers will pay the generation charges set by the City and no longer pay the costs of SDGE generation. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

The City's rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent distribution utility (SDGE). The City will establish rates sufficient to recover all costs related to operation of the Program, and the Solana Beach City Council will adopt actual rates.

Initial SBCCA Program rates will be established following approval of the City's inaugural program budget, reflecting final costs from the SBCCA Program's energy procurement. The City's rate policies and procedures are detailed in Chapter 7. Information regarding final SBCCA Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.

Once Solana Beach gives definitive notice to SDGE that it will commence service, SBCCA customers will generally not be responsible for costs associated with SDGE's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by SDGE to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in SDGE's electric service tariffs, which can be accessed from the utility's website, and the costs are included in charges paid by both SDGE bundled customers as well as CCA and Direct Access customers.¹

2.3.2 Renewable Energy Impacts

A second consequence of the Program will be an increase in the proportion of energy generated and supplied by renewable resources. The resource plan includes procurement of renewable energy in excess of California's renewable energy procurement mandate, and SDGE's forecast renewable percentage, for all enrolled customers. SBCCA customers may also voluntarily participate in a higher renewable supply option, potentially up to 100%. To the extent that customers choose SBCCA's voluntary renewable energy option, the renewable content of SBCCA's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through over-the-counter energy transactions. Over time, however, the City will consider independent development of new renewable generation resources.

¹ For SDGE bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the CCA-CRS rate tariff.

SBCCA Implementation Plan

2.3.3 Greenhouse Gas Reduction

A third consequence of the Program will be an anticipated reduction in the greenhouse gas emissions attributed to the SBCCA supply portfolio. An important objective of the SBCCA formation is to support the City's Climate Action Plan. Therefore, SBCCA will set aggressive GHG-emissions reduction targets and acquire zero or low GHG emitting supply to achieve those targets.

3 ORGANIZATION AND GOVERNANCE STRUCTURE

This section provides an overview of the organizational structure of SBCCA and its proposed implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of SBCCA are outlined and discussed below.

3.1 ORGANIZATIONAL OVERVIEW

The Solana Beach City Council is responsible for establishing SBCCA Program policies and objectives and overseeing SBCCA's operation. The Solana Beach City Manager will serve as the SBCCA Executive Director to manage the operations of SBCCA in accordance with policies adopted by the City Council.

3.2 GOVERNANCE

The SBCCA Program will be governed by the Solana Beach City Council. SBCCA is the CCA entity that will register with the CPUC, and it is responsible for implementing and managing the program pursuant to the City Council's direction. The City Council is comprised of five councilmembers, one of which, the Mayor, serves as the presiding officer at all meetings. The SBCCA Program will be operated under the direction of an Executive Director (City Manager) appointed by the City Council.

The City Council's primary duties are to establish program policies, approve rates and provide policy direction to the Executive Director, who has general responsibility for program operations, consistent with the policies established by the City Council. The City may form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect the City and its customers, including rate-related and power contracting issues, and would provide analytical support and recommendations to the City Council in these regards.

3.3 MANAGEMENT

The SBCCA Executive Director has management responsibilities over the functional areas of Administration & Finance, Marketing & Public Affairs, Power Resources & Energy Programs, and Government Affairs. In performing the defined obligations to SBCCA, the Executive Director may utilize a combination of internal staff, partnerships with other CCA agencies, and/or contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, will be performed by experienced third-party contractors.

Major functions of SBCCA that will be managed by the Executive Director are summarized below.

3.4 ADMINISTRATION

SBCCA's Executive Director will be responsible for managing the organization's human resources and administrative functions and will coordinate with the City Council, as necessary, with regard to these functions. The functional area of administration will include oversight of any employee hiring and termination, compensation and benefits management, identification and procurement of requisite office space and various other issues. It is likely that existing City staff will assist with this function.

3.5 FINANCE

The Executive Director is also responsible for managing the financial affairs of SBCCA, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging potential bridge loans as necessary; and other financial tools.

Revenues via rates and other funding sources (such as a rate stabilization fund, when necessary) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. The City will have the flexibility to consider rate adjustments, administer a standardized set of electric rates, and may offer optional rates to encourage policy goals such as encouraging renewable generation and incentivizing peak demand reduction, provided that the overall revenue requirement is achieved.

In conjunction with the City's Finance Manager, SBCCA's finance function will be responsible for preparing the annual budget, arranging financing necessary for any capital projects, preparing financial reports, managing required audits and ensuring sufficient cash flow for successful operation of the SBCCA Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, the City will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

3.6 MARKETING & PUBLIC AFFAIRS

The marketing and public affairs functions include general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. The City will conduct program marketing to raise consumer awareness of the SBCCA Program and to establish the SBCCA "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the SBCCA Program. Communications will also be directed at key policy-makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance the SBCCA's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of the community. SBCCA, through its data services provider, will also establish a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests and administers customer enrollments and departures from the SBCCA Program, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data with the distribution utility and SBCCA, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices (which would return affected customers to bundled service), and administration of customer deposits in accordance with credit policies of the City.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. The City has contracted with an experienced third party to perform the customer account and billing services functions.

3.7 POWER RESOURCES & ENERGY PROGRAMS

Solana Beach must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and/or regulatory mandates. SBCCA's long-term resource plans (addressing the 10-20 year planning horizon) will comply with California Law and other pertinent requirements of California regulatory bodies. The City may develop and administer complementary energy programs that may be offered to SBCCA customers, including green pricing, energy efficiency, net energy metering and various other programs that may be identified to support the overarching goals and objectives of the City.

SBCCA will develop integrated resource plans that meet program supply objectives and balance cost, risk and environmental considerations. Such integrated resource plans will also conform to applicable requirements imposed by the State of California. Integrated resource planning efforts of SBCCA will make use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. Integrated resource plans will be updated and adopted by the City Council on an annual basis.

3.7.1 Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop load forecasts, both long-term for resource planning, short-term for the electricity purchases, and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the California Independent System Operator (“CAISO”).

The City has contracted with a third party not-for-profit wholesale energy services firm to perform most of the electric supply operations for the SBCCA Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting and day-ahead and real-time electricity trading.

3.8 GOVERNMENTAL AFFAIRS & LEGAL SUPPORT

The SBCCA Program will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s Renewables Portfolio Standard (“RPS”), and overall representation on issues that will impact the City and SBCCA customers. The City will maintain an active role at the CPUC, the California Energy Commission, the California Independent System Operator, the California legislature and, as necessary, the Federal Energy Regulatory Commission.

The City may retain outside legal services, as necessary, to administer SBCCA, review contracts, and provide overall legal support related to activities of the SBCCA Program. In addition, SBCCA’s wholesale services provider will assist with regulatory filings related to wholesale procurement.

4 STARTUP PLAN AND FUNDING

This Chapter presents the City's plans for the start-up period, including necessary expenses and capital outlays. As described in the previous Chapter, Solana Beach will utilize a mix of internal staff and contractors in its CCA Program implementation and operation.

4.1 STARTUP ACTIVITIES

The initial program startup activities include the following:

- Hire staff and/or contractors to manage implementation
- Identify qualified suppliers (of requisite energy products and related services) and negotiate supplier contracts
 - Electric supplier and scheduling coordinator
 - Data management provider (if separate from energy supply)
- Define and execute communications plan
 - Customer research/information gathering
 - Media campaign
 - Key customer/stakeholder outreach
 - Informational materials and customer notices
 - Customer call center
- Post CCA bond and complete requisite registration requirements
- Pay utility service initiation, notification and switching fees
- Perform customer notification, opt-out and transfers
- Conduct load forecasting
- Establish rates
- Legal and regulatory support
- Financial management and reporting

Other costs related to starting up the SBCCA Program will be the responsibility of the SBCCA Program's contractors (and are assumed to be covered by any fees/charges imposed by such contractors). These may include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

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4.2 STAFFING AND CONTRACT SERVICES

Personnel in the form of City staff or contractors will be utilized as needed to match workloads involved in forming SBCCA, managing contracts, and initiating customer outreach/marketing during the pre-operations period. During the startup period, minimal personnel requirements would include an Executive Director, legal support, and other personnel needed to support regulatory, procurement, finance, legal, and communications activities. This support will come from using existing city staff and contractors. Following this period, additional staff and/or contractors may be retained, as needed, to support the rollout of additional value-added services (e.g., efficiency projects) and local generation projects and programs.

4.3 CAPITAL REQUIREMENTS

The start-up of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) operating cash flow. Based on the City's anticipated start-up activities and implementation schedule, a total need of \$1,350,000 has been identified to support the aforementioned functions. Out of the \$1,350,000 in capital requirements, \$225,000 is related to the implementation/startup efforts (i.e., rate setting, power procurement and contract negotiations, marketing and communications, regulatory compliance, CPUC bond, SDGE security deposit, etc.) in order to serve customers by June 2018. \$500,000 may be required as collateral for CAISO. The remaining \$625,000 is the "float" required for SBCCA to pay its monthly bills before the program generates enough internal cash to self-fund its working capital needs.

The finance plan in Chapter 7 provides additional detail regarding the City's expected capital requirements and general Program finances. All the capital required for start-up is provided through SBCCA's contracts with its service providers – through deferred fees and direct loans.

Related to the City's initial capital requirement, this amount is expected to cover staffing and contractor costs during startup and pre-startup activities, including direct costs related to public relations support, technical support, and customer communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations; 2) deposit with the CAISO prior to commencing market operations (if required); 3) CCA bond (posted with the CPUC); and 4) SDGE service fee deposit, if required.

Operating revenues from sales of electricity will be remitted to SBCCA beginning approximately sixty days after the initial customer enrollments. This lag is due to the distribution utility's standard meter reading cycle of 30 days and a 30-day payment/collections cycle. SBCCA will need working capital to support electricity procurement and costs related to program management, which is included in the SBCCA's initial \$1,350 thousand capital requirement.

4.4 FINANCING PLAN

SBCCA's initial capital requirement will be met through credit supplied by the wholesale energy management services and data management services vendors. Solana Beach will pay back the principal and interest costs associated with the start-up funding via retail generation rates charged to SBCCA customers. It is anticipated that the start-up costs will be fully recovered through such customer

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generation rates within the first several years of operations. Other needs will be met using existing city staff and resources.

5 PROGRAM PHASE-IN

The plan is for Solana Beach will roll out its service offering to all eligible customers in a single phase at start-up. Given that there are only about 7200 eligible customer accounts within the City's boundaries, a one phase roll-out is reasonable and the most efficient way for SBCCA to serve customers beginning in June 2018. It is possible that NEM customers may be enrolled over multiple periods to mitigate the impact of SDGE NEM true-up treatment.

6 LOAD FORECAST & RESOURCE PLAN

6.1 INTRODUCTION

This Chapter describes the planned mix of electric resources that will meet the energy demands of SBCCA customers using a diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- Develop a portfolio with more renewables and lower greenhouse gas emissions than SDGE
- Manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.

The plan described in this section would accomplish the following:

- **Procure Competitive Supply:** Procure energy, RA, renewables and low-GHG supply through competitive processes in the open market using the enabling agreements and credit supplied by the City's wholesale services adviser.
- **Use Best Practices Risk Management:** Maintain rate competitiveness by using a dollar-cost-averaging approach with particular attention to the methodology used in the power charge indifference adjustment calculation. Use stochastic modeling to measure and achieve risk management objectives.
- **Achieve Environmental Objectives:** Procure supply to offer two distinct generation rate tariffs: 1) a voluntary 100% renewable energy offered to SBCCA customers on a price premium basis relative to the SBCCA default retail option; and 2) a default SBCCA service option that includes a proportion of renewable energy greater than SDGE.
- **Provide NEM Tariff:** Encourage distributed renewable generation in the local area through the offering of a net energy metering tariff that is more remunerative than SDGE's NEM tariff.

SBCCA will comply with regulatory rules applicable to California load serving entities. SBCCA will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. Solana Beach will adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve SBCCA's customers, even if there were a need for the SBCCA Program to cease operations and return customers to SDGE. In addition, the City will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS mandate (33 percent renewable energy by 2020, increasing to 50 percent by 2030). The resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

6.2 RESOURCE PLAN OVERVIEW

To meet the aforementioned objectives and satisfy the applicable regulatory requirements pertaining to SBCCA's status as a California load serving entity, Solana Beach's resource plan includes a diverse mix of power purchases, renewable energy, and potentially, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The planned power supply is initially comprised of power purchases from third party electric suppliers and, in the longer-term, may include renewable generation assets owned and/or controlled by SBCCA.

Once the SBCCA Program demonstrates it can operate successfully, Solana Beach may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by SBCCA or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of Solana Beach's electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement can be more cost-effective than purchasing renewable energy from third party developers, which will allow the SBCCA Program to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

As an alternative to direct investment, Solana Beach may consider partnering with an experienced public power developer and could enter into a long-term (15-to-30 year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the SBCCA Program's operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract.

Solana Beach's indicative resource plan for the years 2017 through 2026 is summarized in the following table. Note that SBCCA's projections reflect a portfolio mix of renewable energy compliant with the annual RPS requirement and all other supply coming in the form of conventional resources or CAISO system power.

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Table 1: Proposed Resource Plan

City of Solana Beach Proposed Resource Plan (MWh) 2018-2027										
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Demand (MWh)										
Retail Demand	44,239	65,941	66,600	67,266	67,939	68,619	69,305	69,998	70,698	71,405
Losses	2,079	3,099	3,130	3,162	3,193	3,225	3,257	3,290	3,323	3,356
Wholesale	46,319	69,040	69,731	70,428	71,132	71,844	72,562	73,288	74,021	74,761
Supply (MWh)										
Renewable	22,120	32,971	33,300	33,633	33,970	34,309	34,652	34,999	35,349	35,702
System	24,199	36,070	36,430	36,795	37,163	37,534	37,910	38,289	38,672	39,058
Total Supply	46,319	69,040	69,731	70,428	71,132	71,844	72,562	73,288	74,021	74,761
Net Position (MWh)	0	0	0	0	0	0	0	0	0	0

6.3 SUPPLY REQUIREMENTS

The starting point for Solana Beach’s resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program’s “load profile.” The electric sales forecast and load profile will be affected by Solana Beach’s plan to introduce the SBCCA Program to customers in one single phase and the degree to which customers choose to remain with SDGE during the customer enrollment and opt-out period. The City’s rollout plan and assumptions regarding customer participation rates are discussed below.

6.4 CUSTOMER PARTICIPATION RATES

Customers will be automatically enrolled in the SBCCA Program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. The City anticipates an overall customer participation rate of approximately 90 percent of eligible SDGE bundled service customers, based on reported opt-out rates for already operating CCAs. It is assumed that customers taking direct access service from a competitive electricity provider will continue to remain with their current supplier.

The participation rate is not expected to vary significantly among customer classes, in part because the City will offer two distinct rate tariffs that will address the needs of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly renewable energy product. The assumed participation rates will be refined as Solana Beach’s public outreach and market research efforts continue to develop.

6.5 CUSTOMER FORECAST

Once customers enroll, they will be transferred to service by SBCCA on their regularly scheduled meter read date over an approximately thirty-day period. Approximately 240 service accounts per day will be

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transferred during the first month of service. The number of accounts anticipated to be served by Solana Beach at the end of the enrollment period is shown in Table 2.

Table 2: Total Customer Counts at the end of First Month of Operation, here presuming enrollment occurs in June, 2018.

	<u>Jun-18</u>
Residential	6,140
Commercial & Agriculture	1,116
Street Lighting & Traffic	9
Total	7,266

The City assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base (1% annual growth) over the noted planning horizon. While the successful operating track record of California CCA programs continues to grow, there is a relatively short history with regard to CCA operations, which makes it difficult to anticipate the actual levels of customer participation within the SBCCA Program. The City believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within the City and the potential for continuing customer opt-outs following mandatory customer notification periods. The following table shows the forecast of service accounts (customers) served by Solana Beach for each of the next ten years.

Table 3: Customer Accounts by Year

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Residential	6,140	6,201	6,263	6,326	6,389	6,453	6,518	6,583	6,649	6,715
Commercial & Agriculture	1,116	1,127	1,139	1,150	1,161	1,173	1,185	1,197	1,209	1,221
Street Lighting & Traffic	9	9	10	10	10	10	10	10	10	10
Total	7,266	7,338	7,412	7,486	7,561	7,636	7,713	7,790	7,868	7,946

6.6 SALES FORECAST

The City's forecast of kWh sales reflects the rollout and customer enrollment schedule shown above. Annual energy requirements is shown in Table 4.

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Table 4: Demand Forecast in MWh, 2018-2027

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Demand (MWh)										
Retail Demand	44,239	65,941	66,600	67,266	67,939	68,619	69,305	69,998	70,698	71,405
Losses	2,079	3,099	3,130	3,162	3,193	3,225	3,257	3,290	3,323	3,356
Wholesale	46,319	69,040	69,731	70,428	71,132	71,844	72,562	73,288	74,021	74,761

6.7 CAPACITY REQUIREMENTS

The CPUC's resource adequacy standards applicable to the SBCCA Program require a demonstration one year in advance that SBCCA has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, Solana Beach must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of SBCCA's capacity requirements must be procured locally, from the San Diego – Imperial Valley local capacity area as defined by the CAISO. The City would be required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (SDGE service area) local capacity requirements adopted by the CPUC based on Solana Beach's forecasted peak load. Solana Beach must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

SBCCA is also required to demonstrate that a specified portion of its capacity meets certain operational flexibility requirements under the CPUC and CAISO's flexible resource adequacy framework.

The estimated forward resource adequacy requirements for 2018 through 2020 are shown in the following tables²:

² The figures shown in the table are estimates. Solana Beach's resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism. These adjustments are addressed through the CPUC's resource adequacy compliance process.

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Table 5: Forward Capacity Requirements (Total) for 2018-2020 in MW, presuming service starts in June, 2018

Month	<u>2018</u>	<u>2019</u>	<u>2020</u>
January		13.3	13.5
February		14.8	14.3
March		13.7	13.8
April		12.1	12.2
May		12.1	12.7
June	12.9	13.6	13.2
July	16.2	15.8	15.9
August	16.4	16.6	17.4
September	19.0	19.2	18.6
October	13.5	13.6	13.7
November	14.8	15.0	15.8
December	12.4	12.6	12.2

Solana Beach’s plan ensures that sufficient reserves will be procured to meet its peak load at all times. The projected SBCCA annual capacity requirements are shown in the following table:

Table 6: Annual Maximum Capacity Requirements 2018-2027

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Max Wholesale Demand	16.5	16.7	16.2	16.4	16.5	16.7	17.6	17.0	17.2	17.4
Reserve Requirement (15%)	2.5	2.5	2.4	2.5	2.5	2.5	2.6	2.6	2.6	2.6
Total Capacity Requirement	19.0	19.2	18.6	18.8	19.0	19.2	20.2	19.6	19.8	20.0

Local capacity requirements are a function of the SDGE area resource adequacy requirements and Solana Beach’s projected peak demand. SBCCA will need to work with the CPUC’s Energy Division and staff at the California Energy Commission to obtain the data necessary to calculate its monthly local capacity requirement. A preliminary estimate of SBCCA’s annual maximum local capacity requirement for the ten-year planning period ranges between 12-14 MW as shown in Table 7.

Table 7: Annual Maximum Local Capacity Requirements 2018-2027

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Total Capacity Requirement	16.5	16.7	16.2	16.4	16.5	16.7	17.6	17.0	17.2	17.4
Local Capacity (% of Total)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
San Diego - IV (MW)	12.4	12.5	12.1	12.3	12.4	12.5	13.2	12.8	12.9	13.0

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The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year.

SBCCA will coordinate with SDGE and appropriate state agencies to manage the transition of responsibility for resource adequacy from SDGE to Solana Beach during CCA program phase-in. For system resource adequacy requirements, SBCCA will make month-ahead showings for each month that SBCCA plans to serve load, and load migration issues would be addressed through the CPUC's approved procedures. Solana Beach will work with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

6.8 RENEWABLES PORTFOLIO STANDARDS ENERGY REQUIREMENTS

6.8.1 Basic RPS Requirements

SBCCA will be required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining Solana Beach's renewable energy requirements, many of the same standards for RPS compliance that are applicable to the distribution utilities will apply to SBCCA.

California's RPS program is currently undergoing reform. On October 7, 2015, Governor Brown signed Senate Bill 350 ("SB 350"; De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased California's RPS procurement target from 33 percent by 2020 to 50 percent by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCAs and other retail electricity sellers to facilitate progress towards the 50 percent procurement mandate. For planning purposes, SBCCA has assumed straight-line annual increases (1.7 percent per year) to the RPS procurement target beginning in 2021, as the state advances on the 50 percent RPS. SBCCA will also adopt an integrated resource plan in compliance with SB 350. Solana Beach understands that various details related to this planning requirement have yet to be developed, and Solana Beach intends to monitor and participate, as appropriate, in pertinent proceedings to promote the preparation and submittal of a responsive planning document. Furthermore, SBCCA will ensure that all long-term renewable energy contracting requirements, as imposed by SB 350, will be satisfied through appropriate transactions with qualified suppliers and will also reflect this intent in ongoing resource planning and procurement efforts.

6.8.2 Solana Beach's Renewables Portfolio Standards Requirement

SBCCA's annual RPS procurement requirements, as specified under California's RPS program, are shown in Table 8.

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Table 8: Renewable Procurement Obligation and Target Percentages and Volumes 2018-2027

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Retail Load (MWh)	44,239	65,941	66,600	67,266	67,939	68,619	69,305	69,998	70,698	71,405
RPS % Target	29%	31%	33%	35%	36%	38%	40%	42%	43%	45%
RPS Obligation (MWh)	12,829	20,442	21,978	23,341	24,730	26,144	27,583	29,049	30,541	32,061
SBCCA % Target	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
SBCCA Target (MWh)	22,120	32,971	33,300	33,633	33,970	34,309	34,652	34,999	35,349	35,702

*Note: Specific details related to SB 350 implementation have yet to be identified. For purposes of this table, the City assumed a straight-line increase from California's 33 percent RPS procurement mandate in 2020 to California's new, 50 percent RPS procurement mandate in 2030.

6.9 PURCHASED POWER

Power purchased from power marketers, public agencies, generators, and/or utilities will be a significant source of supply during the first several years of SBCCA Program operation. Solana Beach will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including the City's desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the SBCCA Program.

6.10 RENEWABLE RESOURCES

SBCCA will initially secure necessary renewable power supply from its third party electric supplier(s). Solana Beach may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by SBCCA. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by Solana Beach, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission's RPS rules and any additional guidelines ultimately adopted by the City. The costs of transmission access and the risk of transmission congestion costs would need to be considered in the bid evaluation process if the delivery point is outside of SBCCA's load zone, as defined by the CAISO.

6.11 ENERGY EFFICIENCY

SBCCA does not currently anticipate running locally managed energy efficiency programs. In the future, should SBCCA expand its service territory it may become feasible to apply to become EE program administrators. In the meantime, SBCCA will support already existing energy efficiency efforts within its service territory.

7 FINANCIAL PLAN

This Chapter examines the monthly cash flows expected during the startup and customer phase-in period of the SBCCA Program and identifies the anticipated financing requirements. It includes estimates of program startup costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

7.1 DESCRIPTION OF CASH FLOW ANALYSIS

The City's cash flow analysis estimates the level of capital that will be required during the startup and phase-in period. The analysis focuses on the SBCCA Program's monthly costs and revenues and the lags between when costs are incurred and revenues received.

7.2 COST OF CCA PROGRAM OPERATIONS

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement;
- Ancillary Service Requirements;
- Exit Fees;
- Staffing and Professional Services;
- Data Management Costs;
- Administrative Overhead;
- Billing Costs;
- Scheduling Coordination;
- Grid Management and other CAISO Charges;
- CCA Bond and Security Deposit; and,
- Pre-Startup Cost Reimbursement.

7.3 REVENUES FROM CCA PROGRAM OPERATIONS

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that Solana Beach charges a standard, default electricity tariff similar to the generation rates of SDGE for each customer class and an optional renewable energy tariff (with a renewable energy content that exceeds the SBCCA default retail option) at a premium reflective of incremental renewable power costs. More detail on SBCCA Program rates can be found in Chapter 8.

7.4 CASH FLOW ANALYSIS RESULTS

The results of the cash flow analysis provide an estimate of the level of capital required for the City to move through the CCA startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by Solana Beach, along with estimates for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The estimated financing requirements for the startup and phase-in period, including working capital needs associated with the customer enrollments, was determined to be \$1,350,000. Out of the \$1,350,000 in capital requirements, \$225,000 is related to the implementation/startup efforts (i.e., rate setting, power procurement and contract negotiations, marketing and communications, regulatory compliance, CPUC bond, SDGE security deposit, etc.) in order to serve customers by June 2018. \$500,000 is required as collateral to CAISO. The other \$625,000 is the “float” required for SBCCA to pay its monthly bills before the program generates enough internal cash to self-fund its working capital needs. Working capital requirements peak soon after enrollment of all SBCCA customers.

7.5 CCA PROGRAM IMPLEMENTATION PRO FORMA

In addition to developing a cash flow analysis that estimates the level of working capital required to move Solana Beach through full CCA phase-in, a summary pro forma analysis that evaluates the financial performance of the CCA program during the phase-in period is shown in Table 9. The difference between the cash flow analysis and the CCA pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with CCA Program operations and rates charged to customers remain the same. Cash provided by financing activities are not shown in the pro forma analysis, although payments for loan repayments are included as a cost item.

The results of the pro forma analysis is shown in Table 9. In particular, the summary of CCA program startup and phase-in addresses projected SBCCA Program operations for the period beginning January 2018 through December 2027. The City has also included a summary of Program reserves, which are expected to accrue over this same period.

SBCCA Implementation Plan

Table 9: Pro Forma including Reserves Accumulation 2018-2027

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues from Operations (\$)										
Electric Sales Revenues	3,223,816	4,626,572	4,412,264	4,500,761	4,707,547	4,826,713	4,843,288	4,890,499	5,103,581	5,352,349
Uncollected Accounts	(9,671)	(13,880)	(13,237)	(13,502)	(14,123)	(14,480)	(14,530)	(14,671)	(15,311)	(16,057)
Total Revenues	3,214,144	4,612,693	4,399,027	4,487,259	4,693,424	4,812,233	4,828,758	4,875,827	5,088,270	5,336,292
Cost of Operations (\$)										
Staffing & Consulting	183,333	191,667	150,000	150,000	150,000	100,000	100,000	100,000	100,000	100,000
Wholesale Services	140,667	217,330	223,850	230,565	237,482	244,607	251,945	259,503	267,288	275,307
Data Management Services	75,562	117,911	122,663	127,606	132,748	138,098	143,663	149,453	155,476	161,742
IDU Fees	130,527	46,711	47,650	48,608	49,585	50,581	51,598	52,635	53,693	54,772
Energy Procurement	2,318,193	3,365,799	3,486,395	3,639,177	3,780,781	3,846,792	3,998,861	4,154,902	4,316,046	4,483,554
Total Operations	2,848,282	3,939,417	4,030,557	4,195,956	4,350,596	4,380,079	4,546,068	4,716,494	4,892,503	5,075,375
Net Program Revenues	365,862	673,275	368,470	291,303	342,828	432,154	282,690	159,333	195,767	260,917
Cumulative Reserves	365,862	1,039,137	1,407,607	1,698,910	2,041,738	2,473,893	2,756,583	2,915,916	3,111,683	3,372,600

The surpluses achieved during the phase-in period serve to build SBCCA's net financial position and credit profile and to provide operating reserves for SBCCA in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time.

7.6 SBCCA FINANCINGS

It is not anticipated that SBCCA will need any additional financing for its start-up activities. SBCCA arranged that its service providers will amortize their start-up costs over the subsequent months following when revenues begin flowing. In addition, the wholesale service provider will float the initial power supply costs for the CCA and allow SBCCA to repay over the first 12 months of service. Subsequent capital requirements will be self-funded from accrued SBCCA financial reserves.

7.7 RENEWABLE RESOURCE PROJECT FINANCING

Solana Beach may consider project financings for renewable resources, likely local wind and solar projects. These financings would only occur after a sustained period of successful SBCCA Program operation and after appropriate project opportunities are identified and subjected to appropriate environmental review.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20 to 30-year term. The security for such bonds would be the revenue from sales to the retail customers of Solana Beach.

8 RATE SETTING, PROGRAM TERMS AND CONDITIONS

8.1 INTRODUCTION

This Chapter describes the initial policies proposed for Solana Beach in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by the Solana Beach City Council. The City would retain authority to modify program policies from time to time at its discretion.

8.2 RATE POLICIES

The City will establish rates sufficient to recover all costs related to operation of the SBCCA Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by Solana Beach. As a general policy, rates will be uniform for all similarly situated customers enrolled in the SBCCA Program throughout the City.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitive tariff option (default service offering), including a proportionate quantity of renewable energy in excess of California's prevailing renewable energy procurement mandate;
- Voluntary renewable energy supply option (renewable content greater than the SBCCA default retail service offering));
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

8.3 RATE COMPETITIVENESS

The primary goal is to offer competitive rates for electric services that SBCCA would provide to participating customers. For participants in the SBCCA standard Tariff, the goal would be for SBCCA Program rates to be initially one to five percent below, subject to actual energy product pricing and decisions of the City Council, similar generation rates offered by SDGE. For participants in the SBCCA Program's voluntary renewable energy Tariff, the goal would be to offer the lowest possible customer rates with an incremental monthly cost premium reflective of the actual cost of additional renewable energy supply required to serve such customers.

Competitive rates will be critical to attracting and retaining key customers. In order for SBCCA to be successful, the combination of price and value must be perceived as superior when compared to the bundled utility service alternative. As planned, the value provided by the SBCCA Program will include a community focus and local investment and control.

SBCCA Implementation Plan

As previously discussed, the SBCCA Program will increase renewable energy supply to program customers, relative to the incumbent utility, by offering two distinct rate tariffs. The default tariff for SBCCA Program customers will be the standard tariff, which will increase renewable energy supply while maintaining generation rates that are generally comparable to SDGE's. The initial renewable energy content provided under SBCCA's standard tariff will at a minimum meet California's prevailing renewable energy procurement mandate. SBCCA will also offer its customers a voluntary renewable energy tariff, which will supply participating customers with renewable energy above the minimum RPS mandate and potentially up to 100 percent, at rates that reflect SBCCA's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy ("CARE") program, will be automatically enrolled in the standard tariff and will continue to receive related discounts on monthly electricity bills through SDGE.

8.4 RATE STABILITY

SBCCA will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. Rate stability considerations may prevent SBCCA Program rates from directly tracking similar rates offered by the distribution utility, SDGE, and may result in differences from the general rate-related targets initially established for the SBCCA Program. Solana Beach plans to offer the most competitive rates possible after all Program operating costs are recovered and reserve targets are achieved.

8.5 EQUITY AMONG CUSTOMER CLASSES

Initial rates of the SBCCA Program will be set based on cost-of-service considerations with reference to the rates customers would otherwise pay to SDGE. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by the City.

8.6 CUSTOMER UNDERSTANDING

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to the SBCCA Program's customer service call center. Customer understanding also requires rate structures to reflect rational rate design principles (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

8.7 REVENUE SUFFICIENCY

SBCCA Program rates must collect sufficient revenue from participating customers to fully fund the annual SBCCA operating budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all costs of the SBCCA Program, subject to the disclosure and due process policies described

later in this chapter. To ensure rate stability, funds available in SBCCA's rate stabilization reserve may be used from time to time to augment operating revenues.

8.8 RATE DESIGN

SBCCA will generally match the rate structures from SDGE's standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures that would take effect following enrollment in the SBCCA Program.

8.9 NET ENERGY METERING

As planned, customers with on-site generation eligible for net metering from SDGE will be offered a net energy metering rate from SBCCA. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. Solana Beach's net energy metering tariff will apply to the generation component of the bill, and the SDGE net energy metering tariff will apply to the utility's portion of the bill. SBCCA plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by the City. The goal is to offer a higher payout for surplus generation than SDGE.

8.10 DISCLOSURE AND DUE PROCESS IN SETTING RATES AND ALLOCATING COSTS AMONG PARTICIPANTS

Initial program rates will be adopted by Solana Beach following the establishment of the first year's operating budget prior to initiating the customer notification process. Subsequently, SBCCA will prepare an annual budget and corresponding customer rates. Following the commencement of service, any proposed rate adjustment will be made to the City Council and ample time will be given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, SBCCA will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer's monthly electricity bill (on the page addressing SBCCA charges). The notice will provide a summary of the proposed rate adjustment and will include a link to the SBCCA Program website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the mailing address of the SBCCA Program to which any customer inquiries relative to the proposed adjustment, including a request by the customer to receive notice of the date, time, and place of any hearing on the proposed adjustment, may be directed.

9 CUSTOMER RIGHTS AND RESPONSIBILITIES

This Chapter discusses customer rights, including the right to opt-out of the SBCCA Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the City Council from time to time.

By adopting this Implementation Plan, the City will have approved the customer rights and responsibilities policies contained herein to be effective at Program initiation. The City retains authority to modify program policies from time to time at its discretion.

9.1 CUSTOMER NOTICES

At the initiation of the customer enrollment process, four notices will be provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. The City will likely use its own mailing service for requisite enrollment notices rather than including the notices in SDGE's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying SBCCA using the SBCCA Program's designated telephone-based or Internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting SDGE, they would be transferred to the SBCCA Program's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after SBCCA service commences. Opt-out requests made on or before the sixtieth day following start of SBCCA Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by SBCCA during the time the customer took service from the SBCCA Program, but will otherwise not be subject to any penalty or transfer fee from SBCCA.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the SBCCA Program and will have sixty days from the start of service to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing SBCCA's privacy policy regarding customer usage information. Solana Beach will have the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the SBCCA Program's customer base.

9.2 TERMINATION FEE

Customers that are automatically enrolled in the SBCCA Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a Termination Fee, which Solana Beach reserves the right to impose, if deemed necessary. Customers that relocate within SBCCA's service territory would have SBCCA service continued at their new address. If a customer relocating to an address within SBCCA's service territory elected to cancel CCA service, the Termination Fee could be applied. Program customers that move out of Solana Beach's service territory would not be subject to the Termination Fee. If deemed applicable by Solana Beach, SDGE would collect the Termination Fee from returning customers as part of SBCCA's final bill to the customer.

If adopted, the Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by Solana Beach subject to applicable customer noticing requirements. Other CCAs have adopted small or zero-dollar termination fees, and SBCCA would likely do the same.

Customers electing to terminate service after the initial notification period would be transferred to SDGE on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by SDGE (currently \$1.12) and would be subject to SDGE's current terms and conditions, including being required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

9.3 CUSTOMER CONFIDENTIALITY

Solana Beach will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. SBCCA will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of the SBCCA Program or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable Solana Beach to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. SBCCA will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at Solana Beach's discretion.

9.4 RESPONSIBILITY FOR PAYMENT

Customers will be obligated to pay SBCCA Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, SBCCA will not be able to direct that electricity service be shut off for failure to pay SBCCA bills. However, SDGE has the right to shut off electricity to customers for failure to pay electricity bills, and SDGE Electric Rule 23 mandates that partial payments are to be allocated pro rata between SDGE and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. SDGE would attempt to collect any

SBCCA Implementation Plan

outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

9.5 CUSTOMER DEPOSITS

Under certain circumstances, SBCCA customers may be required to post a deposit equal to the estimated charges for two months of CCA service prior to obtaining service from the SBCCA Program. A deposit would be required for an applicant who previously had been a customer of SDGE or SBCCA and whose electric service has been discontinued by SDGE or SBCCA during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in SDGE Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether or not service has been discontinued for such nonpayment³. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with SDGE.

³ A customer whose service is discontinued by Solana Beach is returned to SDGE generation service.

10 PROCUREMENT PROCESS

10.1 INTRODUCTION

This Chapter describes Solana Beach's initial procurement policies and the key third party service agreements by which the City will obtain operational services for the SBCCA Program. By adopting this Implementation Plan, the City will have approved the general procurement policies contained herein to be effective at Program initiation. Solana Beach retains authority to modify Program policies from time to time at its discretion.

10.2 PROCUREMENT METHODS

Solana Beach will enter into agreements for a variety of services needed to support program development, operation and management. It is anticipated that SBCCA will generally utilize Competitive Procurement methods for services but may also utilize Direct Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

SBCCA will utilize a competitive solicitation process to enter into agreements with entities providing electrical services for the program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a Direct Procurement or Sole Source basis at Solana Beach's discretion. Authority for terminating agreements will generally mirror the authority for entering into such agreements.

10.3 KEY CONTRACTS

10.3.1 Electric Supply

Solana Beach has signed an agreement with a wholesale services provider whereby that provider will procure energy and capacity on SBCCA's behalf through competitive solicitation in the over-the-counter electricity markets. The provider has enabling agreements with over a hundred counterparties and will procure standard market products to hedge SBCCA's financial risk, meet its capacity obligations and achieve its environmental objectives. Typically, energy procurement can be done within hours while Resource Adequacy and Renewable Energy take several days. Procurement will commence once this implementation plan has been approved and the Solana Beach City Council has made the final determination to proceed to going live with the CCA.

Procurement will be an ongoing process in order to achieve desired levels of risk mitigation by dollar-cost-averaging supply costs. In addition, particular strategies will be employed to mitigate the risk of changes to the PCIA impacting SBCCA's rate competitiveness. Specifically, this entails procuring a certain amount of supply annually during the month of October when the PCIA market price benchmark is set for the coming year.

SBCCA Implementation Plan

SBCCA's wholesale services provider will also serve as the Scheduling Coordinator for scheduling loads, resources and Inter-SC trades into the CAISO market. In addition, the provider will be responsible for ensuring Solana Beach's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

10.3.2 Data Management Contract

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with SDGE, billing, remittance processing, and account management). The data management contract has been awarded to an experienced data management services provider.

The data manager is responsible for the following services:

- Data exchange with SDGE;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements; and
- Settlement quality meter data reporting
- Reporting and audits of utility billing.

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. Separation of the data management contract from the energy supply contract provides the City with greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

11 CONTINGENCY PLAN FOR PROGRAM TERMINATION

11.1 INTRODUCTION

This Chapter describes the process to be followed in the case of SBCCA Program termination. By adopting the original Implementation Plan, the City will have approved the general termination process contained herein to be effective at Program initiation. In the unexpected event that the City would terminate the SBCCA Program and return its customers to SDGE service, the proposed process is designed to minimize the impacts on its customers and on SDGE. The proposed termination plan follows the requirements set forth in SDGE's tariff Rule 27 governing service to CCAs. The City retains authority to modify program policies from time to time at its discretion.

11.2 TERMINATION BY SBCCA

Solana Beach will offer services for the long term with no planned Program termination date. In the unanticipated event that the City decides to terminate the Program, the City Council would vote on Program termination.

SBCCA Implementation Plan

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to SDGE. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year advance notice would be provided to SDGE and the CPUC before transferring customers, and SBCCA would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

Solana Beach will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees are the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. SBCCA will post financial security in the appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.

If program termination occurred during the period and under the terms of the initial services contracts, any financial obligations for services and power procurement incurred by SBCCA that remain after discontinuation of service would fall upon the “lockbox” that will be established to protect the City’s general fund from SBCCA’s liabilities.

12 APPENDIX A: CITY OF SOLANA BEACH RESOLUTION No. 2017-163 (ADOPTING IMPLEMENTATION PLAN)

RESOLUTION 2017 - 163

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, DIRECTING THE CITY MANAGER TO SUBMIT THE APPROVED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN REQUIRED BY PUBLIC UTILITIES CODE SECTION 366.2(C)(3)

WHEREAS, the City of Solana Beach is pursuing alternative energy solutions in hopes of improving the current and future environmental and economic conditions of its community and region; and

WHEREAS, the City has been actively investigating options to procure and provide electric power to its citizens with the intent of achieving greater local involvement over the provision of electric services, increasing the renewable energy percentage content and promoting competitively priced renewable energy; and

WHEREAS, a technical study concluded that a Community Choice Aggregation Program would serve the City and provide benefits to include the use of renewable energy at or above the required Renewable Portfolio Standard level while providing competitive rates and economic benefits to the City; and

WHEREAS, an Implementation Plan and Statement of Intent was drafted and presented to the Solana Beach City Council at a duly noticed public hearing for its consideration and adoption on November 15, 2017; and

WHEREAS, pursuant to Public Utilities Code Section 366.2(c)(12)(A), the City Council introduced Ordinance No. 483 electing to implement a community choice aggregation program within the City's jurisdiction after having conducted a notice public hearing and considered all materials and evidence presented.

SBCCA Implementation Plan

NOW, THEREFORE, the City Council of the City of Solana Beach, California, resolve as follows:

1. That the above recitations are true and correct.
2. That the Solana Beach Implementation Plan and Statement of Intent is approved.
3. That the City Manager is directed to file the Implementation Plan and Statement of Intent with the California Public Utilities Commission for certification.

PASSED AND ADOPTED this 15th day of November, 2017, at a special meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: December 13, 2017
ORIGINATING DEPT: Community Development/City Attorney
SUBJECT: Adoption (2nd Reading) of Ordinance No. 482 Adding Section 17.60.200 to the SBMC to Establish a Minimum Average Workspace of at Least 125 Square Feet per Employee Working in a Business Space

BACKGROUND:

On November 8, 2017, the City Council introduced Ordinance 482 (1st Reading) adding Section 17.60.200 to the Solana Beach Municipal Code (SBMC) to establish a minimum average workspace of at least 125 square feet per employee working in a business space.

It has been the objective of the City Council to avoid the impacts that businesses with overcrowded workspaces have on the surrounding neighborhood with regard to lack of adequate employee off-street parking and, therefore, reliance on on-street public parking in residential neighborhoods. This amendment to the SBMC would establish specific regulations applicable to all office uses.

This item is before the City Council to adopt Ordinance No. 482.

DISCUSSION:

This new code section would establish an average minimum workspace area ratio of 125 square feet of space for each employee working in a business at any one time. The amendment is intended to address circumstances where office spaces are overcrowded with employees and where the number of employees in those overcrowded situations far exceeds the number of parking spaces required for the use based on its square footage. In these situations, employees typically utilize public, on-street parking in nearby residential neighborhoods.

CITY COUNCIL ACTION:

The City Council introduced Ordinance 482 at the November 8, 2017 City Council meeting and asked Staff to return with revisions to the definition of an employee and further analysis of the proposed ratio.

The City Council directed Staff to expand the definition of “employee” to include the relatively new business model of “coworking” in which the employees working in an office environment are not employed by the same organization. These employees work independently and often do not require the individual dedicated workspace required in typical offices. Therefore, a business space can accommodate more employees in a shared working environment than a typical office setting.

SBMC Section 17.60.200(E) was modified to include *“persons participating in a coworking, hot desk, or shared working environment, including, but not limited to, freelance professionals, remote workers, telecommuters, and associated support staff”* in the definition of employee.

An updated version of Ordinance 482 is included in Attachment 1.

SBMC Section 17.60.200 includes a formula for calculation of the maximum number of employees that could be working in a business space at any one time, based on the square footage of that business. The Ordinance was modeled after one adopted by the City of Del Mar in 2008 with a ratio of one employee per 125 square feet of business area.

As opposed to general office parking requirements determining the minimum number of parking spaces based on a tiered calculation of the total gross floor area, the maximum workspace area requirements would be based on the square footage of “business area” which includes workspace, storage areas, conference rooms, breakrooms, corridors, etc. devoted specifically to the business in question. However, the business area would not include private restrooms devoted to the individual business or common areas in a multi-occupancy building shared by all tenants.

In a multi-occupant office building the total gross floor area would be higher than the total business areas since the common areas and private restrooms would be excluded from the business areas. The two calculations are also different because the parking requirement uses a tiered calculation, whereas the employee allotment would use a single ratio.

In a hypothetical 10,000 square-foot multi-occupant office building, the tiered general office parking requirement would require 44 off-street parking spaces (Table 1). If the building included four (4) 2,000 square-foot businesses (each with a 200 square-foot private restroom) and an additional 2,000 square feet devoted to common areas, each business would be allowed a maximum of 14 employees working at any one time with the 1:125 ratio or a total of 58 employees for the overall building (Table 2). A ratio of 1:200 would allow a maximum of 9 employees for each business or a total of 36 employees overall.

Tier	Ratio	25,000 SF	Spaces
< 2,000 SF	200	2,000	10.0
2,001 - 7,500	225	5,500	24.4
7,501 - 40,000	250	2,500	10.0
Total Required Parking Spaces			44

	Total GFA	Restroom	Business Space	1:125 Ratio	1:200 Ratio
Business #1	2,000	- 200	4,800	14	9
Business #2	2,000	- 200	4,800	14	9
Business #3	2,000	- 200	4,800	14	9
Business #4	2,000	- 200	4,800	14	9
Maximum Number of Employees				58	36

Since the calculation for maximum number of employees does not include restrooms or otherwise common areas, a 1:200 employee ratio would be more restrictive than the parking regulations. Furthermore, in concert with the City's adopted Climate Action Plan, employees are encouraged to seek alternative means of transportation, such as carpooling, transit, bicycling, etc.

General Plan and Local Coastal Program Land Use Plan Consistency

The General Plan Land Use Element adopted by the City Council established Policy LU-6.8, which requires that *"commercial and mixed-use development provide adequate access and parking to minimize the potential intrusion of commercial traffic into residential neighborhoods."*

The City's adopted Local Coastal Program (LCP) Land Use Plan (LUP) established Policy 5.20, which requires that *"new commercial development shall be designed to minimize conflicts with adjacent residential uses, including preserving the character, and integrity of the adjacent residential areas. Commercial development shall be designed to avoid intrusive traffic circulation, light, and glare."*

Establishment of minimum workspace area would provide additional parameters to protect residential neighborhoods from businesses with overcrowded workspace areas in compliance with the policies of the City's adopted General Plan and LCP/LUP.

CEQA COMPLIANCE STATEMENT:

This is not a project as defined by CEQA because there is no development or physical change that would result from the adoption of Ordinance No. 482.

FISCAL IMPACT:

There is no direct impact to the General Fund. Ordinance No. 482 would only address minimum workspace areas for employees so as to avoid overcrowding.

WORK PLAN:

N/A

OPTIONS:

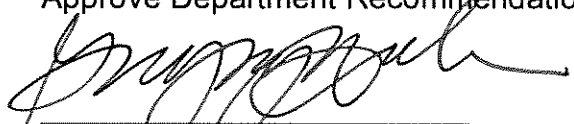
- Approve Staff recommendation and adopt Ordinance No. 482.
- Approve Staff recommendation with alternative amendments/modifications.
- Deny Staff recommendation.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council adopt (2nd Reading) Ordinance 482 adding Section 17.60.200 to the SBMC to establish a minimum average workspace of at least 125 square feet per employee working in a business space.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Ordinance No. 482

ORDINANCE NO. 482

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ADDING SECTION 17.60.200 TO THE SOLANA BEACH MUNICIPAL CODE TO ESTABLISH A MINIMUM AVERAGE WORKSPACE OF AT LEAST 125 SQUARE FEET PER EMPLOYEE WORKING IN A BUSINESS SPACE

WHEREAS, the City Council of the City of Solana Beach directed City Staff to draft regulations that would address the potential impact that overcrowded workspaces would have on nearby neighborhoods, specifically with regard to on-street, public parking availability; and

WHEREAS, on November 8, 2017 the City Council of the City of Solana Beach held a noticed public hearing on this proposed ordinance; and

WHEREAS, the City of Solana Beach has a General Plan and Zoning Ordinance established in conformance with California Government Code Title 7, Planning and Zoning Law; and

WHEREAS, the City Council finds that modifications to the Zoning Ordinance, consistent with California Government Code Title 7, are reasonably necessary from time to time; and

WHEREAS, the General Plan Land Use Element adopted by the City Council established Policy LU-6.8 to *"require that commercial and mixed-use development provide adequate access and parking to minimize the potential intrusion of commercial traffic into residential neighborhoods"*; and

WHEREAS, The City's adopted Local Coastal Program (LCP) Land Use Plan (LUP) established Policy 5.20, which requires that *"new commercial development shall be designed to minimize conflicts with adjacent residential uses, including preserving the character, and integrity of the adjacent residential areas. Commercial development shall be designed to avoid intrusive traffic circulation, light, and glare"*; and

WHEREAS, the City Council of the City of Solana Beach found Ordinance 482 to be consistent with the adopted Local Coastal Program (LCP) Land Use Plan (LUP) and the Land Use Element of the adopted General Plan (as both amended in 2014); and

WHEREAS, the City Council of the City of Solana Beach found the request exempt from the California Environmental Quality Act because there would be no development or physical change that would result from the adoption of Ordinance 482; and

ATTACHMENT 1

WHEREAS, this decision is based upon the evidence presented at the hearing, and any information the City Council gathered by viewing the site and the area as disclosed at the hearing.

NOW THEREFORE, the City Council of the City of Solana Beach does ordain as follows:

Section 1. All of the above statements are true; and

Section 2. Section 17.60.200 of the Solana Beach Municipal Code is hereby added to read as follows:

17.60.200 Minimum Workspace Area

- A. All business establishments shall be designed and operated so as to be in compliance with the Solana Beach Municipal Code (SBMC) with respect to the Occupancy Standards of Title 15.
- B. In addition to compliance with SBMC Title 15, all business establishments shall be designed and operated in a manner such that an average of at least 125 square feet of space is available for each employee working in the business space at any one time, with such average calculated in accordance with the provisions of this Section.
- C. To determine the average space available for each employee being provided by a business, the total square foot area of the business space (excluding restrooms) shall be divided by the maximum number of employees working in the business at any one time.
- D. To determine the figure of the maximum number of employees that may work in the business space at any one time, the total business space of an establishment shall be divided by the minimum workspace area per employee required by this Section;
- E. For purposes of this Section only, "Employee" shall include all persons employed by the business and all managers, owners and operators of the business and all independent contractors who are working at the business space at the time of calculation of the figure of the maximum number of employees. As used in this section, the term "Employee" shall also include all persons participating in a coworking, hot desk, or shared working environment, including, but not limited to, freelance professionals, remote workers, telecommuters, and associated support staff.
- F. For purposes of this Section only, "business space" shall include all of the enclosed square footage of the building, and/or that portion of the building, in which the business is located, including workspace and storage areas, corridors

but excluding restrooms. For purposes of this Section only, the calculation of business space shall not include the common areas of a multi-occupancy building such as elevators, stairwells and hallways, and shall also not include the common areas and restrooms used by more than one tenant/employer of the building.

- G. A the request of the Director of Community Development, the operator of a business shall be required to provide a record of the maximum number of employees that may work in the business space at any one time. That required figure shall be used by the City for determination of compliance with this Section.

Section 3. The City Council finds that this Ordinance is exempt from the provisions of the California Environmental Quality Act ("CEQA") because there would be no development or physical change that would result from the adoption of Ordinance 482.

Section 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Chapter, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Chapter, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause this Ordinance to be published pursuant to the provisions of Government Code Section 36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 8th day of November, 2017; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the 13th day of December, 2017, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

MIKE NICHOLS, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk