



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, February 24, 2015

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Enter on Lewis Ave.)**

City Council Regular Session:

6:00 p.m.

**Successor Agency to the
Community Redevelopment
Agency of Atascadero:**

**Immediately following the City
Council Regular Session**

REGULAR SESSION – CALL TO ORDER:

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Moreno

ROLL CALL: Mayor O'Malley
Mayor Pro Tem Moreno
Council Member Fonzi
Council Member Kelley
Council Member Sturtevant

APPROVAL OF AGENDA: Roll Call

PRESENTATIONS:

1. **Proclamation Recognizing February 24, 2015 as Spay Day USA**

2. **Lighthouse Presentation by Janet Stecher**

A. **CONSENT CALENDAR:** (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken. DRAFT MINUTES: Council meeting draft minutes are listed on the Consent Calendar for approval of the minutes. Should anyone wish to request an amendment to draft minutes, the item will be removed from the Consent Calendar and their suggestion will be considered by the City Council. If anyone desires to express their opinion concerning issues included in draft minutes, they should share their opinion during the Community Forum portion of the meeting.)

1. **City Council Draft Action Minutes – February 2, 2015**

- **Recommendation:** Council approve the City Council Draft Action Minutes of February 2, 2015. [City Clerk]

2. **December 2014 Investment Report**

- **Fiscal Impact:** None
- **Recommendation:** Council receive and file the City Treasurer's report for quarter ending December 2014. [Administrative Services]

3. **Alcoholic Beverage Control (ABC) License – On/Off-Site Sale of Beer and Wine – PLN 2012-1430 – 6760 El Camino Real – (Laprade/Molly Pitcher Brewing Company, LLC)**

- **Fiscal Impact:** Slight positive fiscal impact expected from additional wine sales generated from the business.
- **Recommendation:** Council adopt Draft Resolution A finding that a public convenience would be served by allowing the issuance of an on-site/off-site sale of *beer and wine* license for the Molly Pitcher, an existing establishment located at 6760 El Camino Real (APN 030-192-020). [Community Development]

4. **Community Facilities District 2005-1 – Annexation No. 13 – Atascadero Avenue Triangle Project – (People's Self Help Housing)**

- **Fiscal Impact:** None.
- **Recommendation:** Council adopt Draft Resolution A, declaring intention to annex territory to Community Facility District and to authorize the levy of special taxes therein – City of Atascadero Community Facilities District 2005-1 Annexation No. 13 (Atascadero Triangle) [Community Development]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information, may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at 470-3400, or mtorgerson@atascadero.org.)

B. PUBLIC HEARINGS:

1. Amendments and Additions to Fee Schedule

- Fiscal Impact: The proposed Commercial Sign Program will reduce permitting revenues and increase staff workloads. This amount will vary depending on the level of permits requested.
- Recommendation: Council adopt Draft Resolution A, amending certain fees in the Schedule of Fees and Charges for City Services, specifically related to:
 - Reducing Building Permit fees for commercial sign permits for a period of 18 months commencing on March 1, 2015; and
 - Reducing Signage Administrative Use Permit fees for commercial sign permit fees for a period of 18 months commencing on March 1, 2015; and
 - Adding Administrative Fees for Concealed Carry Weapons Licensing. [Administrative Services]

C. MANAGEMENT REPORTS:

1. Authorize Preliminary Engineering for the Santa Lucia Road Bridge Over Graves Creek and the Via Avenue Bridge Over Atascadero Creek

- Fiscal Impact: The fiscal impact of staff's recommendations is estimated to total \$45,000 of Local Transportation Funds. This investment will be matched by \$705,000 in HBRR monies for preliminary engineering.
- Recommendations: Council:
 1. Authorize staff to implement the preliminary engineering phase to replace the Santa Lucia Road Bridge over Graves Creek using Local Highway Bridge Replacement and Rehabilitation Program (HBRR) grant funds; and,
 2. Authorize staff to implement the preliminary engineering phase to rehabilitate (or replace) the Via Avenue Bridge over Atascadero Creek with Local Highway Bridge Replacement and Rehabilitation Program (HBRR) grant funds; and,

3. Authorize the Director of Administration Services Director to appropriate up to \$45,000 of Local Transportation Funds for the 11.47% participating match for HBRRP funds for preliminary engineering of the Via Avenue Bridge. [Public Works]
2. **Resolution Relating to the Formation of the Citizens' Oversight Committee for the Implementation of the Transaction & Use Tax Ordinance**
 - Fiscal Impact: There is no fiscal impact from staff's recommendation.
 - Recommendations: City Council adopt Draft Resolution relating to the formation of the Citizens' Oversight Committee for the implementation of the Transaction & Use Tax Ordinance (Ordinance No. 581) [City Manager]

COUNCIL ANNOUNCEMENTS AND REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

D. COMMITTEE REPORTS: (The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor O'Malley

1. City / Schools Committee
2. County Mayors Round Table
3. Integrated Waste Management Authority (IWMA)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Moreno

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City of Atascadero Finance Committee (Chair)
3. Economic Vitality Corporation, Board of Directors (EVC)

Council Member Fonzi

1. Air Pollution Control District
2. Oversight Board for Successor Agency to the Community Redevelopment Agency of Atascadero
3. SLO Local Agency Formation Commission (LAFCo)
4. City of Atascadero Design Review Committee
5. Water Issues Liaison

Council Member Kelley

1. Atascadero State Hospital Advisory Committee
2. City of Atascadero Design Review Committee
3. Homeless Services Oversight Council
4. City of Atascadero Finance Committee

Council Member Sturtevant

1. City / Schools Committee
2. League of California Cities – Council Liaison

E. INDIVIDUAL DETERMINATION AND / OR ACTION:

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. ADJOURN TO SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF ATASCADERO MEETING

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

I, Lori Mlynczak, Deputy City Clerk of the City of Atascadero, declare under the penalty of perjury that the foregoing agenda for the February 24, 2015 Regular Session of the Atascadero City Council was posted on February 18, 2015, at the Atascadero City Hall, 6500 Palma Avenue, Atascadero, CA 93422 and was available for public review in the Customer Service Center at that location.

Signed this 18th day of February, 2015, at Atascadero, California.

Lori Mlynczak, Deputy City Clerk
City of Atascadero

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information (470-3400).

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.

SPECIAL MEETING

ATASCADERO CITY COUNCIL

Monday, February 2, 2015
6:00 p.m.

City of Atascadero City Hall
6500 Palma Ave., Council Chambers
Atascadero, California

PLANNING / PARKS & RECREATION COMMISSIONS

INTERVIEWS AND APPOINTMENTS

DRAFT MINUTES

Mayor O'Malley called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Council Members Kelley, Fonzi, Sturtevant, Mayor Pro Tem Moreno, and Mayor O'Malley

Absent: None

Others Present: City Clerk / Deputy City Manager Marcia McClure Torgerson

PUBLIC COMMENT: None

INTERVIEWS AND APPOINTMENTS:

City Clerk Torgerson explained the interview and selection process to the City Council.

1. Planning Commission

- *City Clerk recommendation: Council interview the six candidates and select, by ballot, two citizens to serve on the Planning Commission.*

The City Council interviewed the six candidates and selected, by ballot, Charles Bourbeau and Dennis Schmidt to serve in the At Large positions on the Planning Commission.

Mayor Pro Tem Moreno announced that she had to leave the meeting at this time due to a prior commitment.

2. Parks & Recreation Commission

- *City Clerk recommendation: Council interview the two candidates and select, by ballot, two citizens to serve on the Parks & Recreation Commission.*

The City Council interviewed the two candidates and selected, by ballot, David May and Kevin Campion to serve in the At Large positions on the Parks and Recreation Commission.

ADJOURNMENT:

Mayor O'Malley adjourned the meeting at 8:13 p.m.

MINUTES PREPARED BY:

Marcia McClure Torgerson, C.M.C.
City Clerk / Deputy City Manager



Atascadero City Council

December 2014

Staff Report - City Treasurer

December 2014 Investment Report

RECOMMENDATION:

Council receive and file the City Treasurer's report for quarter ending December 2014.

REPORT IN BRIEF:

Cash and Investments

Checking	\$ 1,042,080
Zoo Credit Card Deposit Account	9,517
Money Market Accounts	56,204
Certificates of Deposit	8,512,890
Government Securities	10,837,708
LAIF	10,256,088
Cash with Fiscal Agents	<u>2,292,253</u>
Cash in Banks at December 31, 2014	\$ 33,006,740
Deposits in Transit	-
Outstanding Checks	(620,399)
Cash and Investments at December 31, 2014	<u><u>\$ 32,386,341</u></u>

Investment Activity

Securities Purchased:

<u>Purchase Date</u>	<u>Description</u>	<u>Type</u>	<u>Cost</u>	<u>Maturity Date</u>
10/09/14	Gold Coast Bank	CD	\$ 240,000	01/28/19
10/19/14	Safra National Bank	CD	245,000	09/30/19

Investment Activity (continued)

Securities Matured:

None

Securities Sold/Called Prior to Maturity:

<u>Transaction / Tran Date</u>	<u>Description / Type</u>	<u>Original Cost / Maturity</u>	<u>Sale Price</u>	<u>Gain / (Loss) on Sale</u>
10/10/14	BMW Bank	\$ 245,000	\$ 247,442	2,442
10/10/14	GE Capital	245,000	246,098	1,098

Other Reportable Activities:

None

CITY OF ATASCADERO
TREASURER'S REPORT
CASH & INVESTMENTS ACTIVITY SUMMARY
for the quarter ending December 30, 2014

	<u>CHECKING ACCOUNTS</u>	<u>INVESTMENTS</u>	<u>FISCAL AGENT</u>	<u>TOTALS</u>
Balance per Banks at October 1, 2014	\$ 831,049	\$ 27,019,182	\$ 2,011,978	29,862,209
Fiscal Agent - 2004 SA Bonds	-	-	869,472	869,472
Receipts	8,617,777	62,176	3,059	8,683,012
Recognition of Premiums & Discounts		(13,468)	-	(13,468)
Disbursements	(5,802,229)	-	(592,256)	(6,394,485)
Transfers In	2,440,000	5,035,000	-	7,475,000
Transfers Out	<u>(5,035,000)</u>	<u>(2,440,000)</u>	<u>-</u>	<u>(7,475,000)</u>
Balance per Banks at December 30, 2014	<u>\$ 1,051,597</u>	<u>\$ 29,662,890</u>	<u>\$ 2,292,253</u>	33,006,740
Deposits in Transit				-
Outstanding Checks				<u>(620,399)</u>
Adjusted Treasurer's Balance				<u><u>\$ 32,386,341</u></u>

**CITY OF ATASCADERO
INVESTMENT REPORT
December 30, 2014**

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
<i>Funds Managed by City:</i>											
n/a	Local Agency Invest. Fund (LAIF)	n/a	State Investment Fund	n/a	n/a	0.27%	\$ 10,256,088	n/a	\$ 10,256,088	\$ 10,255,887	\$ (201)
n/a	Broker Money Market	n/a	Money Fund	n/a	n/a	Vary	56,204	n/a	56,204	56,204	-
06/12/15	Federal Home Loan Bank CUSIP #3133XEM56	08/25/10	Government Security	Aaa	4.88%	4.88%	500,000	7,509	507,509	510,410	2,901
06/12/15	Federal Home Loan Bank CUSIP #3133XWNB1	10/29/10	Government Security	Aaa	2.88%	1.25%	1,000,000	7,223	1,007,223	1,011,670	4,447
07/28/15	Home Federal Bank Sioux Falls, SD	07/28/10	Certificate of Deposit	n/a	2.20%	2.20%	245,000	n/a	245,000	247,328	2,328
07/30/15	Rocky Mountain Bank Wilson, WY	07/30/10	Certificate of Deposit	n/a	2.15%	2.15%	245,000	n/a	245,000	247,283	2,283
09/11/15	Federal Home Loan Bank CUSIP #313370JB5	09/29/10	Government Security	Aaa	1.75%	1.75%	1,000,000	2,067	1,002,067	1,010,220	8,153
11/16/15	Federal Farm Credit Bank CUSIP #31331J2S1	11/23/10	Government Security	Aaa	1.50%	1.61%	500,000	(478)	499,522	505,250	5,728
12/15/15	Federal Home Loan Bank CUSIP #313371MA1	12/23/10	Government Security	Aaa	1.50%	2.08%	500,000	(2,737)	497,263	505,380	8,117
12/15/15	Federal Home Loan Bank CUSIP #313371MA1	01/14/11	Government Security	Aaa	1.50%	2.02%	500,000	(2,446)	497,554	505,380	7,826
01/07/16	World Financial Capital Bank Salt Lake City, UT	03/02/11	Certificate of Deposit	n/a	2.00%	2.00%	190,000	n/a	190,000	192,696	2,696
06/07/16	Scotiabank San Juan, PR	06/07/13	Certificate of Deposit	n/a	0.70%	0.70%	245,000	n/a	245,000	245,113	113
08/25/16	Federal Home Loan Mtge Corp CUSIP #3137EACW7	12/21/11	Government Security	Aaa	2.00%	1.01%	500,000	8,098	508,098	511,940	3,842
09/09/16	Federal Home Loan Bank CUSIP #313370TW8	10/14/11	Government Security	Aaa	2.00%	1.10%	275,000	4,148	279,148	281,091	1,943
09/28/16	Federal National Mortgage Assn CUSIP #3135G0CM3	10/25/11	Government Security	Aaa	1.25%	1.07%	500,000	1,529	501,529	505,105	3,576
10/15/16	First Sentry Bank, Inc. Huntington, WV	10/05/11	Certificate of Deposit	n/a	1.30%	1.30%	245,000	n/a	245,000	249,929	4,929
11/15/16	Federal National Mortgage Assn CUSIP #3135G0ES8	11/30/11	Government Security	Aaa	1.38%	1.10%	500,000	2,554	502,554	506,740	4,186

ITEM NUMBER: A-2
DATE: 02/24/15

CITY OF ATASCADERO
INVESTMENT REPORT
 December 30, 2014

ITEM NUMBER: A-2
 DATE: 02/24/15

<u>MATURITY DATE</u>	<u>DESCRIPTION (ISSUER)</u>	<u>PURCHASE DATE</u>	<u>INVESTMENT TYPE</u>	<u>INVESTMENT RATING</u>	<u>STATED % RATE</u>	<u>YIELD</u>	<u>FACE VALUE</u>	<u>PREMIUM/ (DISCOUNT)</u>	<u>COST OF INVESTMENT</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN / (LOSS)</u>
11/21/16	Banco Popular de Puerto Rico Hato Rey, PR	11/21/12	Certificate of Deposit	n/a	0.90%	0.90%	\$ 245,000	n/a	\$ 245,000	\$ 243,937	\$ (1,063)
12/28/16	Barclays Bank Wilmington, DE	12/28/11	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	249,314	4,314
01/30/17	Federal National Mortgage Assn CUSIP #3135G0GY3	01/30/12	Government Security	Aaa	1.25%	1.00%	500,000	2,542	502,542	504,480	1,938
02/10/17	Cardinal Bank McLean, VA	02/10/12	Certificate of Deposit	n/a	1.20%	1.20%	245,000	n/a	245,000	249,420	4,420
02/16/17	Thomasville National Bank Thomasville, GA	02/16/12	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	243,714	(1,286)
04/10/17	Federal Home Loan Bank CUSIP #313788M4	05/02/12	Government Security	Aaa	1.32%	0.91%	500,000	4,562	504,562	503,175	(1,387)
04/27/17	Federal National Mortgage Assn CUSIP #3135G0J1A2	06/11/12	Government Security	Aaa	1.13%	0.76%	500,000	4,166	504,166	502,790	(1,376)
05/12/17	Federal Home Loan Mgtg Corp CUSIP #3137EADF3	06/11/12	Government Security	Aaa	1.25%	0.78%	500,000	5,454	505,454	503,705	(1,749)
05/12/17	Federal Home Loan Mgtg Corp CUSIP #3137EADF3	06/29/12	Government Security	Aaa	1.25%	0.78%	500,000	5,511	505,511	503,705	(1,806)
06/09/17	Federal Home Loan Bank CUSIP #313379FW4	07/24/12	Government Security	Aaa	1.00%	0.70%	500,000	3,631	503,631	499,540	(4,091)
06/19/17	Federal Home Loan Bank CUSIP #313379VE6	07/24/12	Government Security	Aaa	1.01%	0.70%	500,000	3,783	503,783	499,530	(4,253)
07/28/17	Federal Home Loan Mgtg Corp CUSIP #3137EADJ5	08/29/12	Government Security	Aaa	1.00%	0.74%	500,000	3,317	503,317	499,810	(3,507)
09/08/17	Federal Home Loan Bank CUSIP #313380EC7	09/27/12	Government Security	Aaa	0.75%	0.74%	500,000	137	500,137	496,000	(4,137)
09/21/17	Federal Farm Credit Bank CUSIP #3133EAY28	09/27/12	Government Security	Aaa	0.83%	0.73%	500,000	1,348	501,348	502,005	657
11/21/17	Goldman Sachs Bank USA New York, NY	11/21/12	Certificate of Deposit	n/a	1.35%	1.35%	245,000	n/a	245,000	243,466	(1,534)
05/02/18	American Express Centurian Salt Lake City, UT	05/02/13	Certificate of Deposit	n/a	1.10%	1.10%	245,000	n/a	245,000	241,964	(3,036)

CITY OF ATASCADERO
INVESTMENT REPORT
 December 30, 2014

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN/ (LOSS)
05/03/18	First Bank Santurce, PR	05/03/13	Certificate of Deposit	n/a	1.00%	1.00%	\$ 245,000	n/a	\$ 245,000	\$ 241,955	\$ (3,065)
05/29/18	Discover Bank Greenwood, DE	05/29/13	Certificate of Deposit	n/a	1.20%	1.20%	245,000	n/a	245,000	241,190	(3,810)
05/30/18	Beal Bank Las Vegas, NV	05/29/13	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	241,244	(3,756)
06/27/18	Beal Bank Plano, TX	06/26/13	Certificate of Deposit	n/a	1.00%	1.00%	245,000	n/a	245,000	240,923	(4,077)
07/24/18	Compass Bank Birmingham, AL	07/24/13	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	246,254	1,254
07/24/18	Mercantil Bank Coral Gables, FL	07/24/13	Certificate of Deposit	n/a	1.75%	1.75%	245,000	n/a	245,000	245,494	494
08/21/18	Institution for Savings Newburyport, MA	08/21/13	Certificate of Deposit	n/a	1.60%	1.60%	245,000	n/a	245,000	245,093	93
08/23/18	Merchants National Bank Hillsboro, OH	08/23/13	Certificate of Deposit	n/a	1.60%	1.60%	245,000	n/a	245,000	245,069	69
09/18/18	York Traditions Bank York, PA	09/18/13	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	245,806	806
09/25/18	Third Federal Savings & Loan Cleveland, OH	09/25/13	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	245,284	284
10/15/18	Delta National Bank & Trust New York, NY	10/23/13	Certificate of Deposit	n/a	1.75%	1.90%	245,000	(1,320)	243,680	242,807	(873)
10/23/18	Sallie Mae Bank Salt Lake City, UT	10/23/13	Certificate of Deposit	n/a	2.05%	1.90%	245,000	n/a	245,000	244,949	(51)
01/28/19	Gold Coast Bank Chicago, IL	10/09/14	Certificate of Deposit	n/a	1.75%	1.75%	240,000	n/a	240,000	235,817	(4,183)
05/14/19	Cit Bank Salt Lake City, UT	05/14/14	Certificate of Deposit	n/a	1.95%	1.95%	245,000	n/a	245,000	242,954	(2,046)
05/21/19	Minnwest Bank Sioux Falls, SD	05/21/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	242,976	(2,024)
05/30/19	Bar Harbor Bar Harbor, ME	09/30/14	Certificate of Deposit	n/a	1.85%	1.85%	245,000	n/a	245,000	241,278	(3,722)
06/18/19	Community One Bank New York, NY	06/18/14	Certificate of Deposit	n/a	1.70%	1.70%	245,000	n/a	245,000	242,653	(2,347)

ITEM NUMBER: A-2
 DATE: 02/24/15

CITY OF ATASCADERO
INVESTMENT REPORT
December 30, 2014

MATURITY DATE	DESCRIPTION (ISSUER)	PURCHASE DATE	INVESTMENT TYPE	INVESTMENT RATING	STATED % RATE	YIELD	FACE VALUE	PREMIUM/ (DISCOUNT)	COST OF INVESTMENT	MARKET VALUE	UNREALIZED GAIN / (LOSS)
06/27/19	Synchrony Bank Salt Lake City, UT	06/27/14	Certificate of Deposit	n/a	2.05%	2.05%	\$ 245,000	n/a	\$ 245,000	\$ 242,494	\$ (2,506)
07/24/19	American Express Salt Lake City, UT	07/24/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	242,361	(2,639)
07/25/19	NCB FSB Hillsboro, OH	07/25/14	Certificate of Deposit	n/a	1.80%	1.80%	245,000	n/a	245,000	242,971	(2,029)
08/13/19	NBT Bank Norwich, NY	08/13/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	242,290	(2,710)
08/20/19	Webster Bank Waterbury, CT	08/20/14	Certificate of Deposit	n/a	1.90%	1.90%	245,000	n/a	245,000	242,116	(2,884)
09/24/19	Capital One Bank Glen Allen, VA	09/24/14	Certificate of Deposit	n/a	2.05%	2.05%	245,000	n/a	245,000	241,815	(3,185)
09/30/19	Safra National Bank New York, NY	10/09/14	Certificate of Deposit	n/a	2.00%	2.00%	245,000	n/a	245,000	242,788	(2,212)
							Total Funds Managed by the City		29,662,890	29,662,742	(148)
Funds Managed by Fiscal Agent											
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	1.09%	\$ 1,422,781	n/a	\$ 1,422,781	\$ 1,419,338	\$ (3,443)
n/a	BNY Western Trust Hamilton Treas. Money	n/a	Treasury Fund	Aaa	n/a	0.88%	869,472	n/a	869,472	862,622	(6,850)
							Total Funds Managed by Fiscal Agent		2,292,253	862,622	(6,850)
							Total		\$ 31,894,545	\$ 30,525,364	\$ (6,998)

Average Maturity of Total Portfolio 644 Days
Weighted Average Yield of Total Portfolio 1.04%

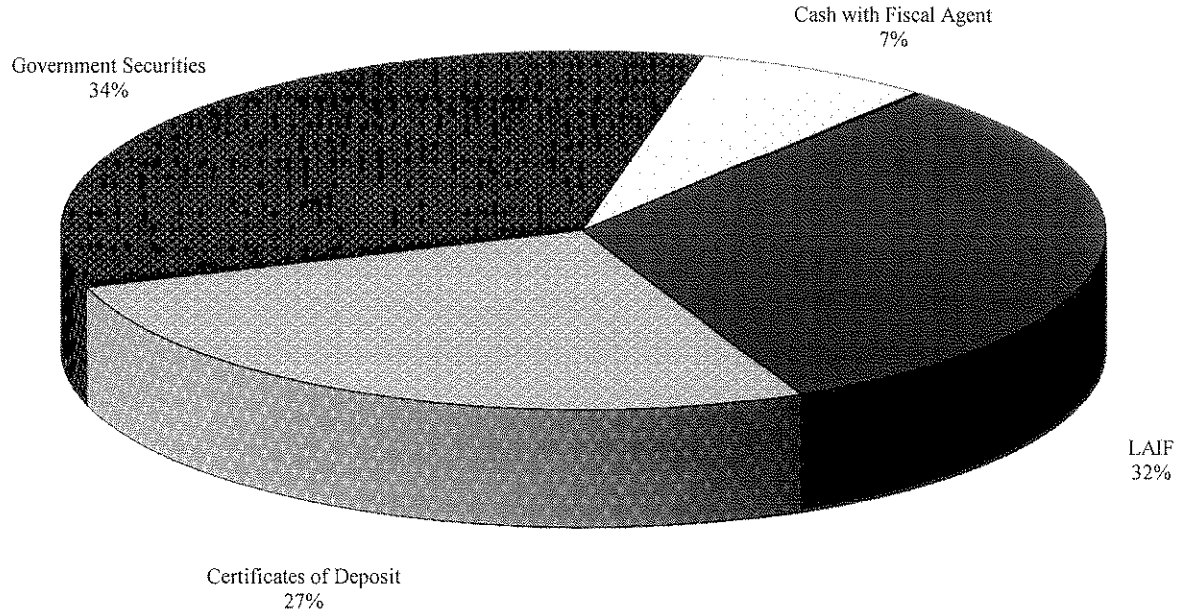
Certification:

It has been verified that this investment portfolio is in conformity with the City of Atascadero's investment policy, which was approved by the City Council on February 22, 2011. The City Treasurer certifies that there is sufficient liquidity to meet the City of Atascadero's estimated future expenditures for a period of six months.

Verified by:  Jeni Rangel - Director of Administrative Services

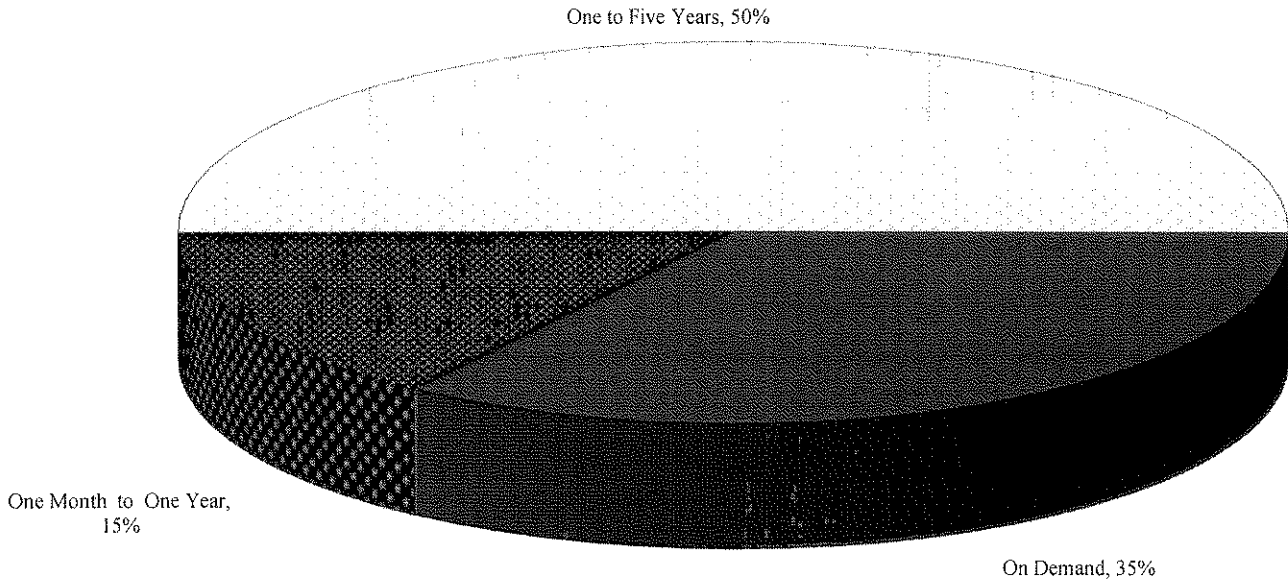
Approved by:  Gere Sibbach - City Treasurer

**City of Atascadero
 Investments by Type
 December 2014**



<u>Investment</u>	<u>December 2014</u>
LAIF	\$ 10,256,088
Certificates of Deposit	8,512,890
Government Securities	10,837,708
Cash with Fiscal Agent	2,292,253
Other	56,204
	<u>\$ 31,955,143</u>

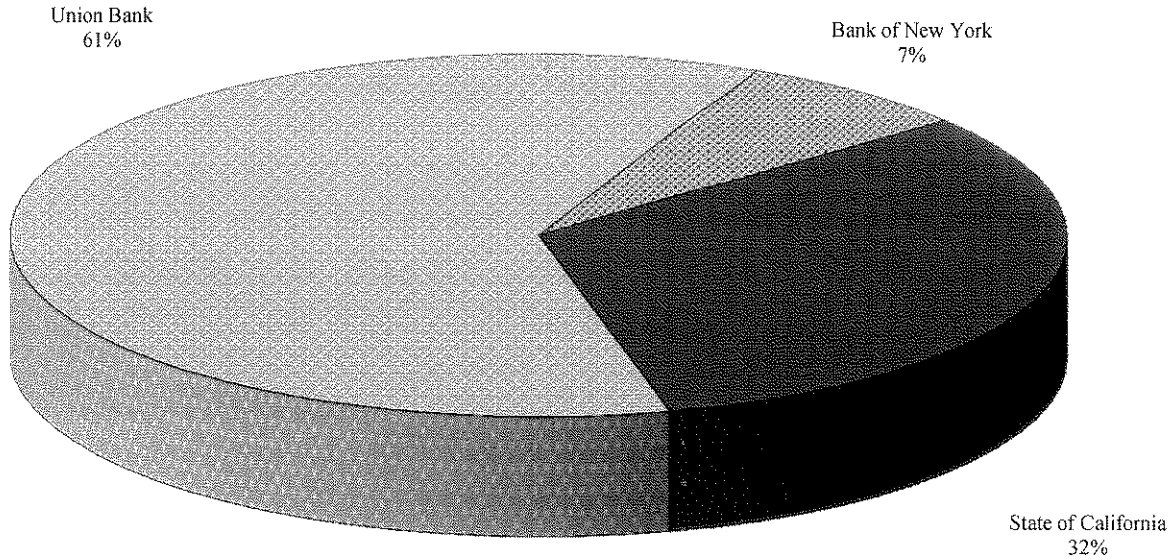
**City of Atascadero
 Investments by Maturity *
 December 2014**



<u>Investment</u>	<u>December 2014</u>
On Demand	\$ 10,312,292
Within One Month	-
One Month to One Year	4,501,138
One to Five Years	14,849,460
	<u>\$ 29,662,890</u>

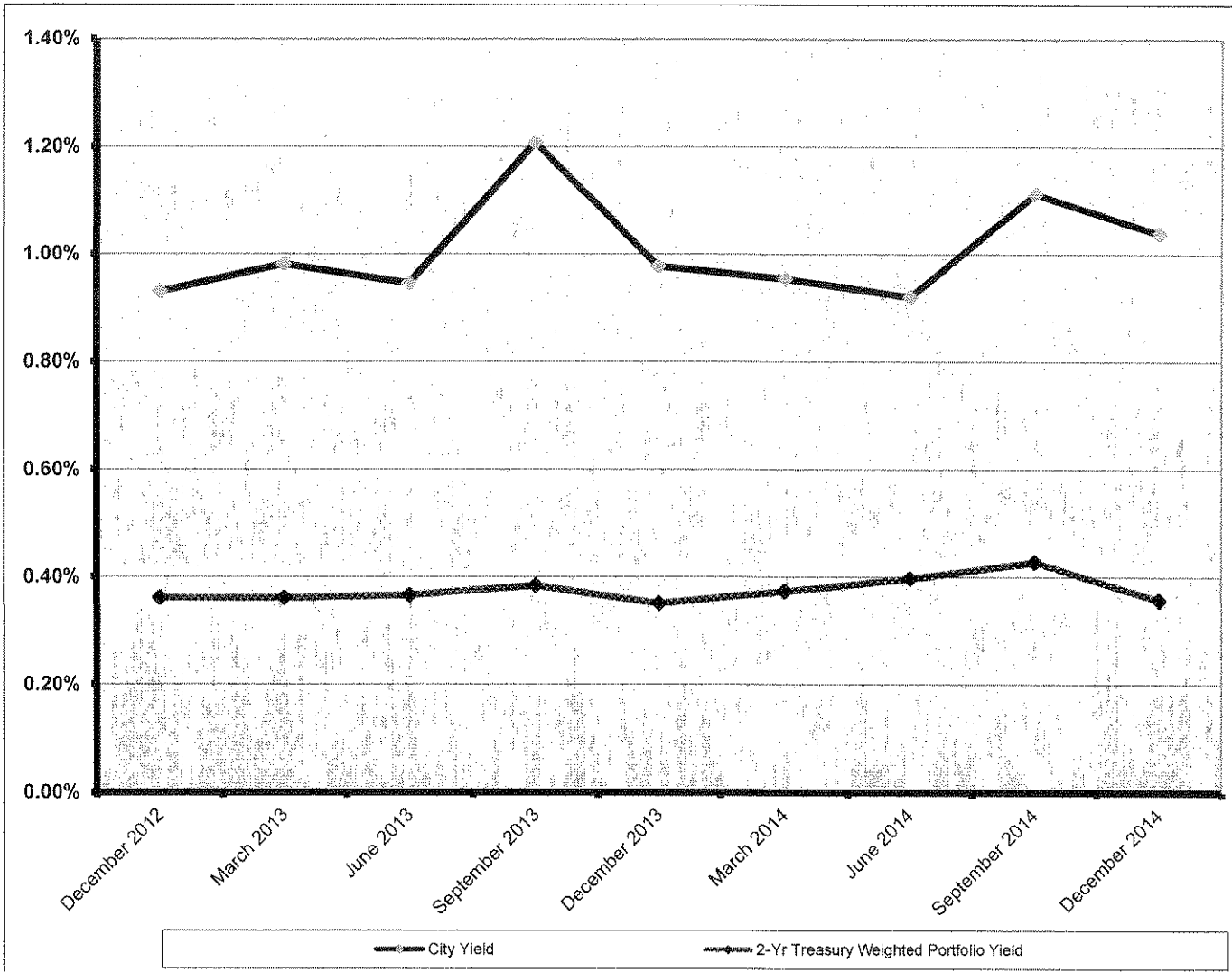
* Cash with fiscal agent is not included in the totals for this graph because the amounts are restricted based on bond covenants, and therefore, the City doesn't retain the option to liquefy these funds at will.

**City of Atascadero
Investments by Custodial Agent
December 2014**



<u>Custodial Agent</u>	<u>December 2014</u>
State of California	\$ 10,256,088
Union Bank	19,406,802
Bank of New York	<u>2,292,253</u>
	<u>\$ 31,955,143</u>

**City of Atascadero
 Investment Yield vs. 2-Year Treasury Yield
 For the Quarter Ended December 30, 2014**



	<u>City Yield</u>	<u>2-Yr Treasury Weighted Portfolio Yield</u>
December 2012	0.93%	0.36%
March 2013	0.98%	0.36%
June 2013	0.95%	0.37%
September 2013	1.21%	0.38%
December 2013	0.98%	0.35%
March 2014	0.95%	0.37%
June 2014	0.92%	0.40%
September 2014	1.11%	0.43%
December 2014	1.04%	0.36%



Atascadero City Council

Staff Report – Community Development Department

**Alcoholic Beverage Control (ABC) License
On/Off-site Sale of Beer and Wine
PLN 2012-1430
6760 El Camino Real
(Laprade/Molly Pitcher Brewing Company, LLC)**

***(Request to approve an on-site/off-site sale of beer and wine
Alcohol Beverage Control license application)***

RECOMMENDATION:

Council adopt Draft Resolution A finding that a public convenience would be served by allowing the issuance of an on-site/off-site sale of *beer and wine* license for the Molly Pitcher, an existing establishment located at 6760 El Camino Real (APN 030-192-020).

DISCUSSION:

The applicant has applied, through the Department of Alcohol Beverage Control (ABC), for an on-site sale of beer and wine at 6760 El Camino Real. Molly Pitcher Brewing Company is an existing 49-seat microbrewery with an outdoor seating area located in the Downtown that specializes in serving locally produced beer that is manufactured in the adjacent building.

The applicant is seeking a type “42” license which is defined as the sale of beer and wine for consumption either on-site or off-site, prohibits the sale of distilled spirits and minors from premises. Per ABC requirements, full meals are not required; however sandwiches or snacks must be made available. This license is a change from their previous license which allows on/off site retail beer sales only.

Existing Molly Pitcher Microbrewery



The site is zoned Downtown Commercial (DC) within the Downtown General Plan Land Use Designation (D). This is an allowed use and encouraged within the Downtown Commercial zoning district.

Analysis: Section 23958.4 of the Alcoholic Beverage Control Act requires the local governing body of the area to determine that the license will serve public convenience or necessity. This process is only required when it is found that “Undue Concentration” of liquor licenses exists within the area. In this case, the Department of Alcoholic Beverage Control (ABC) has determined that there is an undue concentration of liquor licenses within the area and that a determination from the local governing body (City Council) will be required.

The proposed site is located in census tract number 0125.02, which allows twelve (12) ABC licenses within the area without Council review. There are currently twenty (20) licenses existing within the census tract for on-site retail and consumption of Alcohol. The Council review is required prior to adding any additional license to the area, per State Law. The site is also more than 500 feet from any public school properties.

Staff has reviewed the request to determine that approval of this application, or conditional approval, would not negatively influence the rate of criminal activity in the neighborhood and that it would be compatible with the neighborhood character (Downtown Commercial). The Atascadero Police Department has determined that the impact to public safety would be negligible based on the consideration of the physical location of the current establishment and the number of past calls for service.

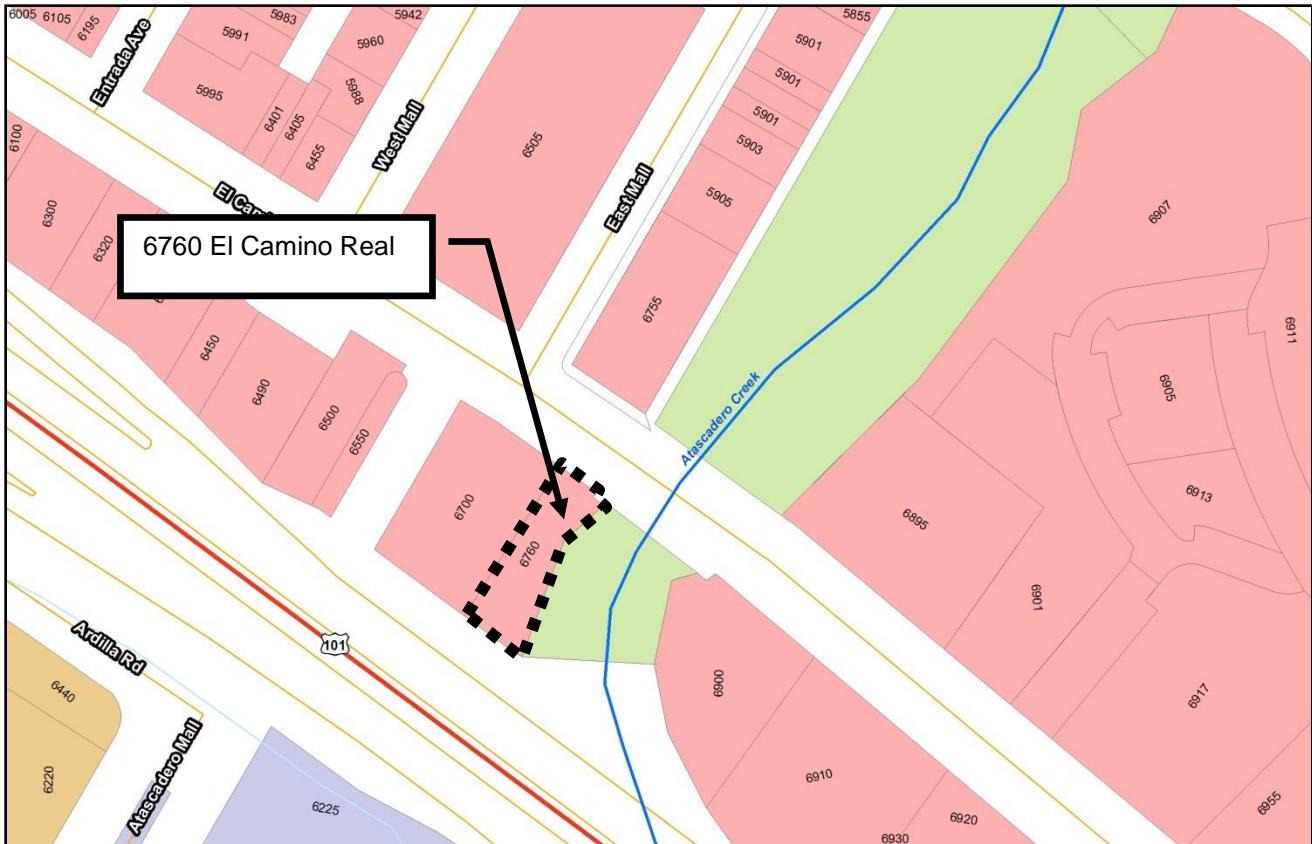
FISCAL IMPACT:

Slight positive fiscal impact expected from additional wine sales generated from the business.

ATTACHMENTS:

1. Location Map
2. Draft Resolution “A”

Attachment 1: Location Map, 6760 El Camino Real



DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, FINDING THAT A
PUBLIC CONVENIENCE WILL BE SERVED BY ALLOWING THE
ISSUANCE OF AN EXPANDED ALCOHOL LICENSE AT
6760 EL CAMINO REAL
ON APN 030-192-020
(Laprade/Molly Pitcher Brewing Company, LLC)**

WHEREAS, an application has been received from Wayne Laprade (12680 San Cayetano Road, Atascadero, CA 93422) Property Owner, and Molly Pitcher Brewing Company, LLC (6760 El Camino Real, Atascadero, CA 93422) Applicant, to request that the City Council make a finding of public convenience or necessity to allow the Department of Alcohol Beverage Control (ABC) to issue a Type 42 beer and wine on/off site sales license at 6760 El Camino Real, (APN 030-192-020); and,

WHEREAS, the sites current General Plan Designation is D (Downtown); and,

WHEREAS, the sites current Zoning Designation is DC (Downtown Commercial); and,

WHEREAS, eating and drinking establishments that sell beer and wine are consistent with the zoning district and the City's Downtown Revitalization Goals; and,

WHEREAS, the Atascadero Police Department has reviewed the application and does not foresee any significant public safety issue related to the requested license; and,

WHEREAS, the license is requested at a site that is located more than 500 feet from public school property; and,

WHEREAS, the City Council of the City of Atascadero considered the requested application at a public meeting on February 24, 2015; and,

NOW THEREFORE, the City Council of the City of Atascadero, hereby determines that a public convenience will be served by the issuance of a Type 42 on/off-site sale beer and wine only to Molly Pitcher Brewing Company, LLC at 6760 El Camino Real.

ITEM NUMBER:
DATE:

A-3
02/24/15

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

By: _____
Tom O'Malley, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney



Atascadero City Council

Staff Report – Community Development Department

Community Facilities District 2005-1 Annexation No. 13 Atascadero Avenue Triangle Project (People’s Self Help Housing)

RECOMMENDATION:

Council adopt Draft Resolution A, declaring intention to annex territory to Community Facility District and to authorize the levy of special taxes therein – City of Atascadero Community Facilities District 2005-1 Annexation No. 13 (Atascadero Triangle)

DISCUSSION:

Background: The City Council approved amendments to the previously approved Atascadero Triangle Project in January 2015. The applicant, People’s Self Help Housing, is required to annex into the City’s Community Facilities District (CFD) as a condition to finalize its subdivision maps. Due to recent court rulings, the City’s consultant, NBS, has advised staff that the City should adopt an “intent to annex” resolution to ensure consistency with the Mello-Roos Community Facilities Act of 1982. Future annexations into the City’s CFD will follow this process.

Analysis: The City of Atascadero has established a policy as part of the General Plan that recognizes that determining the best use of land based solely on revenues to the City is not good public policy. The City developed its General Plan to provide a full range of residential land uses and not simply to generate additional sales tax. Policies of this type promote the development of quality housing projects but they come at a cost. That cost is that new residential development must pay for new services that are in addition to those currently provided. Part of the General Plan requires:

“All residential projects of 100 or more dwelling units shall be required to prepare a fiscal impact report prior to any discretionary approvals. The fiscal impact report shall analyze all revenues, service costs and facilities costs associated with a project. The City shall require the establishment of facilities districts and/or maintenance districts to cover revenue shortfalls on a project.”

The City established a Community Facilities District in 2005 consistent with this policy and a number of projects have been annexed into the CFD as a requirement prior to recordation of a final map. With the resolution of intent, the City and the applicant are initiating the process of annexing the Atascadero Avenue Project (PLN 2007-1243) subdivision into the City's existing CFD. Annexation was established as a condition of approval. The applicant has submitted an application to be formally annexed into the CFD per this condition.

The resolution establishes a date for public hearing on the annexation action on April 14, 2015 and for elections among the authorized electors to follow. There are no registered voters in the area being annexed so the election will be a landowner vote. Following completion of the annexation, staff anticipates levying taxes on the parcels on which development has actually begun in the 2015-2016 tax year.

Conclusion: The Atascadero Triangle development project was conditioned to be fiscally neutral through annexation into the CFD. Annexation into CFD 2005-1 will satisfy the project's conditions of approval and allow for the annexation vote to occur.

FISCAL IMPACT: None.

ALTERNATIVES:

Refer the item back to staff for additional review and analysis as directed by Council.

ATTACHMENTS:

1. Petition to Annex into CFD 2005-1 (City of Atascadero)
2. Draft Resolution A

Attachment 1: Petition to Annex into CFD 2005-1

**PETITION
(With Waivers)**

**Regarding Proceeding for Annexation of Territory to
Community Facilities District No. 2005-1 (Public Services)
and Related Matters**

To the Honorable City Council,
City of Atascadero
6905 El Camino Real, Suite 6
Atascadero, CA 93422

Members of the Council:

This is a petition to institute proceedings to annex territory, including the property identified and described in Exhibit "A", to Community Facilities District No. 2005-1 (Public Services) (CFD No. 2005-1) within the City of Atascadero and related matters pursuant to the Mello-Roos Community Facilities Act of 1982, commencing with Section 53311 of the California Government Code of the State of California (the "Act"), and it states as follows:

1. Petitioner. This Petition is submitted by the person (the "Petitioner") (whether one or more) identified below as or for the record owner(s) of the parcels of land identified below (the "Property"). The undersigned warrants to the City of Atascadero that the Petitioner is such owner, or is a legally authorized representative of such owner(s), and that such ownership constitutes ownership of more than 10% of the property to be annexed, described in Exhibit "A" attached hereto and more particularly described in Section 3 herein.

2. Proceedings Requested. This Petition asks that the City Council undertake proceedings under the Act to annex territory to CFD No. 2005-1 and to levy special taxes therein for the purpose of financing all or part of the public services (the "Services") shown in Exhibit "B" attached hereto and made a part hereof.

3. Boundaries. This Petition asks that the territory, to be included in the boundaries of the annexation, consist of that shown on a map of the proposed boundaries of Annexation No. 13 filed with the City Clerk of the City of Atascadero and which map is attached hereto as Exhibit "A" and hereby made a part this Petition and which map includes the Property.

4. Special Taxes. The Petitioner agrees that it has reviewed and approves the Rate and Method of Apportionment of Special Taxes attached hereto as Exhibit "C" and made a part hereof, which Rate and Method has previously been adopted by the City Council of the City of Atascadero to be used by the City for the levy of Special Taxes in CFD No. 2005-1 and any future annexations to CFD No. 2005-1 to pay for the Services.

5. Election. The Petitioner asks that the special election to be held under the Act, to authorize the special taxes and to establish any appropriations limits for Annexation No. 13, be conducted by the City of Atascadero and its officials, using a mailed or hand-delivered ballot and that such ballot be canvassed and the results certified at the same meeting of the City Council for the public hearing for Annexation No. 13 to CFD No. 2005-1 under the Act or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for Annexation No. 13 to CFD No. 2005-1, the Petitioner waives all notices of hearing and all published notices regarding the annexation of territory of Annexation No. 13 to CFD No. 2005-1, notices of election, applicable waiting periods under the Act for the election and all ballot arguments and analysis for the election, it being acknowledged by the Petitioner that all such notices are for the benefit of the Petitioner and may be waived. The Petitioner agrees to timely complete and return a consent and waiver to be provided to Petitioner by the City of Atascadero in order to expedite such proceedings.

7. Authority Warranted. The Petitioner warrants to the City of Atascadero that presentation of Petition, any waivers contained herein, casting of ballots at the property owner election and other actions mandated by the City of Atascadero to annex Annexation No. 13 to CFD No. 2005-1 shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Petitioner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property. If requested by the City of Atascadero, the Petitioner agrees, at its expense, to supply to the City of Atascadero, current title evidence so that the City of Atascadero may supply any notice and ballot required under the Act to annex Annexation No. 13 to CFD No. 2005-1.

8. Due-Diligence and Disclosures. The Petitioner agrees to cooperate with the City of Atascadero, its attorneys and consultants, and provide all information and disclosures required by the City of Atascadero about the Special Taxes to purchasers of the Property or any part of it.

9. Agreements. The Petitioner further agrees to execute such additional or supplemental agreements as may be required by the City of Atascadero to provide for any of the actions and conditions under this Petition, including any amount of cash deposit required to pay for the City of Atascadero's costs to annex Annexation

No. 13 to CFD No. 2005-1. By executing this Petition, the Petitioner agrees to all of the above.

The Property is San Luis Obispo
County Assessor Parcel No(s):
030-283-008
030-283-007

The Petitioner (record owner) is:
**People's Self Help Housing
Corporation**

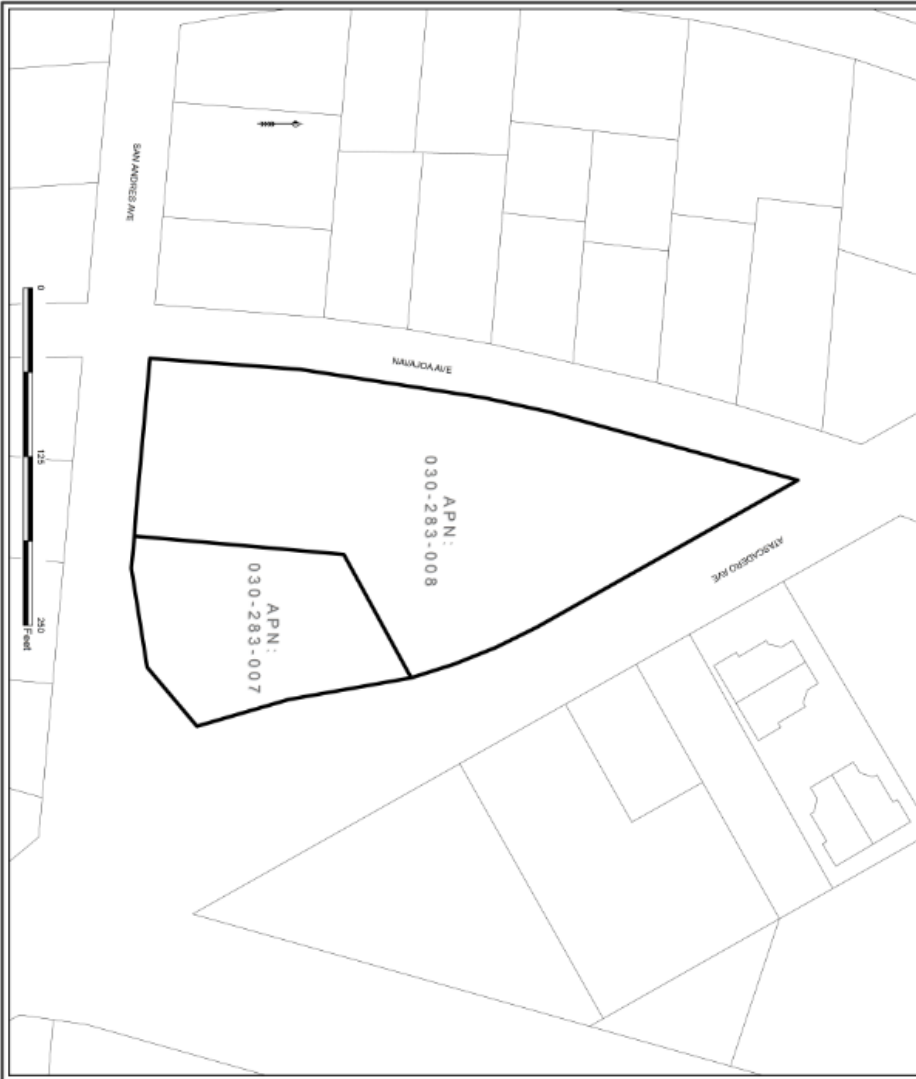
and the Property contains a total
of **1.90** acres.

By:

The address of the above for receiving any
notice and ballot is:
3533 Empleo Street
San Luis Obispo, Ca 93401

EXHIBIT A
ANNEXATION MAP

BOUNDARY MAP OF ANNEXATION NO. 13 TO
CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT 2005-1
(PUBLIC SERVICES)
CITY OF ATASCADERO
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ATASCADERO THIS ____ DAY OF ____ 2015.

CITY CLERK _____
CITY OF ATASCADERO
SAN LUIS OBISPO COUNTY, CALIFORNIA

HEREBY CERTIFY THAT THE ATTACHED MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 13 TO THE CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT 2005-1 (PUBLIC SERVICES) WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ATASCADERO, AT A MEETING THEREOF, HELD ON THE ____ DAY OF ____ 2015, BY ITS RESOLUTION NO. _____.

CITY CLERK _____
CITY OF ATASCADERO
SAN LUIS OBISPO COUNTY, CALIFORNIA

FILED THIS ____ DAY OF ____ 2015 AT THE OFFICE OF _____ PAGE ____ OF _____ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

COUNTY RECORDER _____
COUNTY OF SAN LUIS OBISPO, CALIFORNIA

REFERENCE IS MADE TO THE BOUNDARY MAP OF CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) RECORDED WITH THE SAN LUIS OBISPO COUNTY RECORDER'S OFFICE ON MAY 8, 2005, DOCUMENT NO. 2005-03086. IN BOOK 5 PAGES 1143 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS SHOWN ON THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS ON THESE PARCELS LISTED AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Prepared by
NBS Feb 2015

Source: San Luis Obispo County Assessor Mapping - GIS
City of Atascadero Community Development Department
Geographic Coordinate System Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 5005 Feet

Legend:
CFD Boundaries
Parcels

ATASCADERO

EXHIBIT B

DESCRIPTION OF SERVICES

POLICE AND FIRE SERVICES

Police services and fire protection and suppression services (the "Services") of the City of Atascadero required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City of Atascadero, including but not limited to, related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel: provided, however, that any increases in special taxes for costs related to employee wages and benefits shall be limited as provided the Rate Method of Apportionment of Special to fund such Services.

PARK SERVICE

Park services of the City of Atascadero required for the operation and maintenance of public parks.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT

CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) RATE AND METHOD OF APPORTIONMENT

A Special Tax of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero ("CFD") shall be levied on all Assessor's Parcels in the CFD and collected each Fiscal Year commencing in Fiscal Year 2005-06 in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or estimated costs incurred by the City as administrator of the CFD to determine, levy and collect the Special Taxes, including salaries, benefits and overhead costs of City employees whose duties are directly related to administration of the CFD and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Affordable Unit(s)" means dwelling units located on one or more Assessor's Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing. Affordable Units will require annual application to the City for verification of their affordable housing status. The City will have the authority to approve and establish policies regarding Affordable Housing Dwelling Units and their status.

Affordable dwelling units shall be classified as Affordable Units by the CFD Administrator in the chronological order in which the building permits for such property are issued.

"Annual Escalation Factor" means the greater of, five percent (5%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area.

"Approved Property" means an Assessor's Parcel and/or Lot in the District, which has a Final Map recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, but for which no building permit has been issued prior to the May 1st preceding the Fiscal Year in which the Special Tax is being levied. The term "Approved Property" shall apply only to Assessors' Parcels and/or Lots, which have been subdivided for the purpose of residential or commercial development, excluding

any Assessor's Parcel that is designated as a remainder parcel determined by final documents and/or maps available to the CFD Administrator.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year ending June 30, 2006.

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

"CFD" means Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero.

"City" means the City of Atascadero.

"Council" means the City Council of the City of Atascadero, acting as the legislative body of the CFD.

"County" means the County of San Luis Obispo, California.

"Developed Property" means all Taxable Property, exclusive of Property Owner Association Property, or Public Property, for which a building permit was issued after July 1, 2004 and prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Final Map" means an Assessor's Parcel Map, a final subdivision map, other parcel map, other final map, other condominium plan, or functionally equivalent map that has been recorded in the Office of the County Recorder.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Land Use Class" means any of the classes listed in Table 1.

"Lot" means property within a recorded Final Map identified by a lot number for which a building permit has been issued or may potentially be issued.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below that can be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

"Multi-Family Residence" means all Assessor's Parcels of Developed Property for which a building permit has been issued for a residential structure consisting of two or more residential units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, condominiums, apartment units, and secondary units as defined in Ordinance No. 454.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for a non-residential use and does not contain any residential units as defined under Residential Property or Multi-Family Property.

"Park Services" means the estimated and reasonable costs for maintaining authorized parks within the City.

"Property Owner Association Property" means any property within the boundaries of the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

"Proportionately" means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels within each Land Use Class.

"Public Property" means any property within the boundaries of the CFD that is, at the time of the CFD formation or at the time of an annexation, expected to be used for rights-of-way, parks, schools or any other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency.

"Public Safety Costs" means the estimated and reasonable costs of providing Public Safety services, including but not limited to (i) the costs of contracting for police and fire services, (ii) related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff if the City directly provides police and fire protection services, and (iv) City overhead costs associated with providing such services within the CFD. The Special Tax provides only partial funding for Public Safety.

"Residential Unit" means any residence in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use. This includes Single-Family Residence and Multi-Family Residence.

"Single-Family Residence" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for purposes of constructing one residential dwelling unit.

"Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

"Special Tax Requirement" means that amount required in any Fiscal Year for the CFD to: (i) pay for Public Safety Costs; (ii) pay for Park Services; (iii) pay reasonable Administrative Expenses; (vi) pay any amounts required to establish or replenish any reserve funds; and (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less any surplus of funds available from the previous Fiscal Year's Special Tax levy.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or as defined below.

"Tax-Exempt Property" means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, and (iii) property designated by the City or CFD Administrator as Tax-Exempt Property.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Approved Property, including an Assessor's Parcel that is designated as a remainder parcel and is not identified as potential Public Property by any final document and/or maps available to the CFD Administrator.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year using the definitions above, all Taxable Property within the CFD shall be classified as Developed Property, Approved Property, Non-Residential Property, or Undeveloped Property. Developed Property shall further be classified as Residential Units as specified in Table 1 and shall be subject to Special Taxes pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

**TABLE 1
Maximum Special Tax for Developed Property
Community Facilities District No. 2005-1 (Public Services)**

Land Use Class	Description	Maximum Special Tax Per Unit
1	Residential Units	\$440 per Unit
2	Affordable Units	\$0 per Unit

On each July 1 following the Base Year, the Maximum Special Tax Rates shall be increased in accordance with the Annual Escalation Factor.

2. Approved Property

**TABLE 2
Maximum Special Tax for Approved Property
Community Facilities District No. 2005-1 (Public Services)**

Land Use Class	Description	Maximum Special Tax Per Lot
3	Approved Property	\$231 per Lot

On each July 1 following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Escalation Factor.

3. Non-residential Property

**TABLE 3
Maximum Special Tax for Non-Residential Property
Community Facilities District No. 2005-1 (Public Services)**

Land Use Class	Description	Maximum Special Tax Per Acre
4	Non-Residential Property	\$1,848 per Acre

The minimum special tax Non-Residential Property shall be subject to is \$50 per parcel. On each July 1 following the Base Year, the Maximum Special Tax Rate for Non-Residential Property shall be increased in accordance with the Annual Escalation Factor.

4. Multiple Land Use Classes

In some instances an Assessor's Parcel may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Classes located on that Assessor's Parcel.

5. Undeveloped Property

Undeveloped Property will be assigned a Maximum Special Tax Rate of \$410 per acre or portion thereof, with a minimum rate of \$100 for Undeveloped Property less than or equal to one-fourth (1/4) of an Acre as described in Table 4.

**TABLE 4
 Maximum Special Tax for Undeveloped Property
 Community Facilities District No. 2005-1 (Public Services)**

Land Use Class	Description	Maximum Special Tax Per Parcel/Acre
5	Undeveloped Property 1/4 Acre	\$100 per Parcel
6	Undeveloped Property >1/4 Acre	\$410 per Acre

On each July 1 following the Base Year, the Maximum Special Tax Rate, for Undeveloped Property, shall be increased in accordance with the Annual Escalation Factor

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06, and for each following Fiscal Year, the CFD Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property Proportionately between Residential Units up to 100% of the applicable Maximum Special Tax. Second, if the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Approved Property up to 100% of the applicable Maximum Special Tax for Approved Property. Third, if the first two steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Non-Residential Property up to 100% of the applicable Maximum Special Tax for Non-Residential Property. Lastly, if the preceding steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax for Undeveloped Property.

E. APPEALS

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

F. MANNER OF COLLECTION

Special Tax as levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the CFD Administrator.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity or until such time as Council terminates the Special Tax.

DRAFT RESOLUTION A

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) AS ANNEXATION NO. 13, AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

WHEREAS, the CITY COUNCIL of the CITY OF ATASCADERO, CALIFORNIA (the “City Council”), has previously conducted proceedings to establish a community facilities district pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, as amended (the “Act”), Chapter 2.5, Part 1, Division 2, Title 5, commencing at Section 53311, of the Government Code of the State of California, thereof designated as COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES) (“CFD No. 2005-1”); and,

WHEREAS, the City Council has received a petition (including waivers) from the landowner requesting that it annex into CFD No. 2005-1 under the Act, to provide for the costs of services, and the City Council now desires to commence proceedings to annex territory into CFD No. 2005-1 as described herein; and

WHEREAS, under the Act, this City Council, as the legislative body for CFD No. 2005-1, is empowered with the authority to annex territory to CFD No. 2005-1, and now desires to undertake proceedings to annex territory to CFD No. 2005-1.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct.

SECTION 2. Public Convenience and Necessity. This City Council hereby determines that the public convenience and necessity requires that territory be annexed into CFD No. 2005-1 in order to pay the costs and expenses for the required and authorized public services.

SECTION 3. Boundaries. A general description of the territory included in the existing CFD No. 2005-1 is hereinafter described as follows: All that property and territory as originally included in the existing CFD No. 2005-1 heretofore recorded as Instrument No. 2005-037685 in the office of the County Recorder for the County of San Luis Obispo on May 9, 2015 in Book 5 at Page 11-13 of Maps of Assessments and Community Facilities Districts, to which map reference is hereby made, and as such map was amended as a result of prior annexations.

A description of the boundaries and territory proposed to be annexed is as follows: All that property and territory proposed to be annexed to CFD No. 2005-1, is shown on the Annexation Map for Annexation No. 13 to CFD No. 2005-1, on file in the Office of the City Clerk, the boundaries of which territory are hereby preliminary approved and to which map reference is hereby made for further particulars. The area proposed to be annexed to CFD No. 2005-1 is as shown on the Annexation Map identified in Exhibit A. The City Clerk is hereby directed to cause to be recorded such Annexation Map, showing the territory to be annexed, in the office of the County Recorder of the County of San Luis Obispo within fifteen days of the date of adoption of this resolution.

SECTION 4. Services. The services which CFD No. 2005-1 is authorized to finance are in addition to those provided in or required for the territory within CFD No. 2005-1 and will not be replacing services already available. A general description of the services to be financed is as follows:

POLICE AND FIRE SERVICES

Police services and fire protection and suppression services (the “Services”) of the City of Atascadero required to sustain the service delivery capability for emergency and non-emergency services to new growth areas of the City of Atascadero, including but not limited to, related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, services, supplies and personnel; provided, however, that any increases in special taxes for costs related to employee wages and benefits shall be limited as provided in the Rate and Method of Apportionment of the Special Taxes to fund such Services.

PARK SERVICE

Park services of the City of Atascadero required for the operation and maintenance of public parks.

The City of Atascadero is authorized to finance and direct administrative and incidental annual costs and expenses necessary to provide the maintenance and servicing for public services. No additional services will be necessary or provided in CFD No. 2005-1 and the services as described for CFD No. 2005-1 will serve the properties within CFD No. 2005-1. It is presently intended that the services will be provided, without preference or priority, to the existing territory in CFD No. 2005-1 and the territory proposed to be annexed to CFD No. 2005-1.

SECTION 5. Special Taxes. It is the intention of this City Council that, except where funds are otherwise available, a special tax sufficient to pay for said services to be provided in CFD No. 2005-1 and Annexation No. 13, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 13, will be levied annually within the boundaries of Annexation No. 13 from and after the annexation of such property to CFD No. 2005-1. The special taxes shall be those as originally authorized through the formation of CFD No. 2005-1

and adopted by Ordinance of this legislative body, and no changes or modifications are proposed in the special taxes from those as originally set forth and made applicable to CFD No. 2005-1.

For particulars as to the rate and method of apportionment of the proposed special tax (the "RMA"), reference is made to the attached and incorporated Exhibit "B," which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within Annexation No. 13 to clearly estimate the maximum annual amount that said person will have to pay on said special tax.

The special taxes, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, CFD No. 2005-1 may utilize a direct billing procedure for any special taxes that cannot be collected on the County tax roll or may, by resolution, elect to collect the special taxes at a different time or in a different manner if necessary to meet its financial obligations.

SECTION 6. Public Hearing. Notice is given that on Tuesday, April 14, 2015, at 6:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this City Council at the City of Atascadero, City Hall Council Chambers, 6500 Palma Ave, Atascadero, California, and the same are hereby appointed and fixed as the time and place when and where this City Council, as legislative body for CFD No. 2005-1, will conduct a public hearing on the annexation of territory to CFD No. 2005-1, and consider and finally determine whether the public interest, convenience and necessity require said annexation of territory to the CFD No. 2005-1 and the levy of said special tax therein.

SECTION 7. Notice. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation in the area of CFD No. 2005-1, including the area to be annexed to CFD No. 2005-1. The publication of the notice shall be completed at least seven days before the date herein set for said hearing. The City Clerk may also cause a copy of such notice to be mailed to the registered voters and land owners within the territory proposed to be annexed, which shall be mailed at least fifteen days before the date of said hearing.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

By: _____
Tom O'Malley, Mayor

Attest:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

ITEM NUMBER:
DATE:

A-4
02/24/15

EXHIBIT "A"

CITY OF ATASCADERO
COMMUNITY FACILITIES DISTRICT 2005-1
(PUBLIC SERVICES)
ANNEXATION NO. 13

ANNEXATION MAP

**BOUNDARY MAP OF ANNEXATION NO. 13 TO
CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT 2005-1
(PUBLIC SERVICES)
CITY OF ATASCADERO
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA**



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF ATASCADERO THIS _____ DAY OF _____ 2015.

CITY CLERK
CITY OF ATASCADERO
SAN LUIS OBISPO COUNTY, CALIFORNIA

HEREBY CERTIFY THAT THE ATTACHED MAP SHOWING THE PROPOSED BOUNDARIES OF ANNEXATION NO. 13 TO THE CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT 2005 (PUBLIC SERVICES), CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ATASCADERO, IN A MEETING THEREOF, HELD ON THE _____ DAY OF _____ 2015, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF ATASCADERO
SAN LUIS OBISPO COUNTY, CALIFORNIA

FILED THIS _____ DAY OF _____, O'CLOCK, _____ P.M. IN BOOK _____ PAGE _____ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF SAN LUIS OBISPO, CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF CITY OF ATASCADERO COMMUNITY FACILITIES DISTRICT NO. 2005 (PUBLIC SERVICES) RECORDED WITH THE SAN LUIS OBISPO COUNTY RECORDER'S OFFICE ON MAY 1, 2005, WITH INSTRUMENT NO. 2005050008, IN BOOK 3 PAGES 1743 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS. THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS MAP SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED. THE SAN LUIS OBISPO COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Source: San Luis Obispo County Assessor Mapping - GIS
City of Atascadero Community Development Department
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 5009 Feet

Prepared by
ONBS Feb 2015

ITEM NUMBER:
DATE:

A-4
02/24/15

EXHIBIT "B"

CITY OF ATASCADERO
COMMUNITY FACILITIES DISTRICT 2005-1
(PUBLIC SERVICES)
ANNEXATION NO. 13
RATE AND METHOD OF APPORTIONMENT

**OF ATASCADERO
COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES)
RATE AND METHOD OF APPORTIONMENT**

A Special Tax of Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero ("CFD") shall be levied on all Assessor's Parcels in the CFD and collected each Fiscal Year commencing in Fiscal Year 2005-06 in an amount determined by the City through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the actual or estimated costs incurred by the City as administrator of the CFD to determine, levy and collect the Special Taxes, including salaries, benefits and overhead costs of City employees whose duties are directly related to administration of the CFD and the fees of consultants, legal counsel, the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports; and any other costs required to administer the CFD as determined by the City.

"Affordable Unit(s)" means dwelling units located on one or more Assessor's Parcels of Residential Property that are subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing. Affordable Units will require annual application to the City for verification of their affordable housing status. The City will have the authority to approve and establish policies regarding Affordable Housing Dwelling Units and their status.

Affordable dwelling units shall be classified as Affordable Units by the CFD Administrator in the chronological order in which the building permits for such property are issued.

"Annual Escalation Factor" means the greater of, five percent (5%) or the annual percentage change in the Consumer Price Index (CPI) of "All Urban Consumers" for the San Francisco-Oakland-San Jose Area.

"Approved Property" means an Assessor's Parcel and/or Lot in the District, which has a Final Map recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, but for which no building permit has been issued prior to the May 1st preceding the Fiscal Year in which the Special Tax is being levied. The term "Approved Property" shall apply only to Assessors' Parcels and/or Lots, which have been subdivided for the purpose of residential or commercial development, excluding any Assessor's Parcel that is designated as a remainder parcel determined by final documents and/or maps available to the CFD Administrator.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year ending June 30, 2006.

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

"CFD" means Community Facilities District No. 2005-1 (Public Services) of the City of Atascadero.

"City" means the City of Atascadero.

"Council" means the City Council of the City of Atascadero, acting as the legislative body of the CFD.

"County" means the County of San Luis Obispo, California.

"Developed Property" means all Taxable Property, exclusive of Property Owner Association Property, or Public Property, for which a building permit was issued after July 1, 2004 and prior to May 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Final Map" means an Assessor's Parcel Map, a final subdivision map, other parcel map, other final map, other condominium plan, or functionally equivalent map that has been recorded in the Office of the County Recorder.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Land Use Class" means any of the classes listed in Table 1.

"Lot" means property within a recorded Final Map identified by a lot number for which a building permit has been issued or may potentially be issued.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below that can be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

"Multi-Family Residence" means all Assessor's Parcels of Developed Property for which a building permit has been issued for a residential structure consisting of two or more residential units that share common walls, including, but not limited to, duplexes, triplexes, townhomes, condominiums, apartment units, and secondary units as defined in Ordinance No. 454.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for a non-residential use and does not contain any residential units as defined under Residential Property or Multi-Family Property.

"Park Services" means the estimated and reasonable costs for maintaining authorized parks within the City.

"Property Owner Association Property" means any property within the boundaries of the CFD that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

"Proportionately" means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels within each Land Use Class.

"Public Property" means any property within the boundaries of the CFD that is, at the time of the CFD formation or at the time of an annexation, expected to be used for rights-of-way, parks, schools or any

other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency.

"Public Safety Costs" means the estimated and reasonable costs of providing Public Safety services, including but not limited to (i) the costs of contracting for police and fire services, (ii) related facilities, equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff if the City directly provides police and fire protection services, and (iv) City overhead costs associated with providing such services within the CFD. The Special Tax provides only partial funding for Public Safety.

"Residential Unit" means any residence in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use. This includes Single-Family Residence and Multi-Family Residence.

"Single-Family Residence" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued for purposes of constructing one residential dwelling unit.

"Special Tax" means the Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement, and shall include Special Taxes levied or to be levied under Sections C and D, below.

"Special Tax Requirement" means that amount required in any Fiscal Year for the CFD to: (i) pay for Public Safety Costs; (ii) pay for Park Services; (iii) pay reasonable Administrative Expenses; (vi) pay any amounts required to establish or replenish any reserve funds; and (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less any surplus of funds available from the previous Fiscal Year's Special Tax levy.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or as defined below.

"Tax-Exempt Property" means an Assessor's Parcel not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owner Association Property, and (iii) property designated by the City or CFD Administrator as Tax-Exempt Property.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Approved Property, including an Assessor's Parcel that is designated as a remainder parcel and is not identified as potential Public Property by any final document and/or maps available to the CFD Administrator.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year using the definitions above, all Taxable Property within the CFD shall be classified as Developed Property, Approved Property, Non-Residential Property, or Undeveloped Property. Developed Property shall further be classified as Residential Units as specified in Table 1 and shall be subject to Special Taxes pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

TABLE 1
Maximum Special Tax for Developed Property
Community Facilities District No. 2005-1 (Public Services)

Land Use Class	Description	Maximum Special Tax Per Unit
1	Residential Units	\$440 per Unit
2	Affordable Units	\$0 per Unit

On each July 1 following the Base Year, the Maximum Special Tax Rates shall be increased in accordance with the Annual Escalation Factor.

2. Approved Property

TABLE 2
Maximum Special Tax for Approved Property
Community Facilities District No. 2005-1 (Public Services)

Land Use Class	Description	Maximum Special Tax Per Lot
3	Approved Property	\$231 per Lot

On each July 1 following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Escalation Factor.

3. Non-residential Property

TABLE 3
Maximum Special Tax for Non-Residential Property
Community Facilities District No. 2005-1 (Public Services)

Land Use Class	Description	Maximum Special Tax Per Acre
4	Non-Residential Property	\$1,848 per Acre

The minimum special tax Non-Residential Property shall be subject to is \$50 per parcel. On each July 1 following the Base Year, the Maximum Special Tax Rate for Non-Residential Property shall be increased in accordance with the Annual Escalation Factor.

4. Multiple Land Use Classes

In some instances an Assessor's Parcel may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Classes located on that Assessor's Parcel.

5. Undeveloped Property

Undeveloped Property will be assigned a Maximum Special Tax Rate of \$410 per acre or portion thereof, with a minimum rate of \$100 for Undeveloped Property less than or equal to one-fourth (1/4) of an Acre as described in Table 4.

**TABLE 4
 Maximum Special Tax for Undeveloped Property
 Community Facilities District No. 2005-1 (Public Services)**

Land Use Class	Description	Maximum Special Tax Per Parcel/Acre
5	Undeveloped Property 1/4 Acre	\$100 per Parcel
6	Undeveloped Property >1/4 Acre	\$410 per Acre

On each July 1 following the Base Year, the Maximum Special Tax Rate, for Undeveloped Property, shall be increased in accordance with the Annual Escalation Factor

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06, and for each following Fiscal Year, the CFD Administrator shall calculate the Special Tax Requirement based on the definitions in Section A and levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property Proportionately between Residential Units up to 100% of the applicable Maximum Special Tax. Second, if the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Approved Property up to 100% of the applicable Maximum Special Tax for Approved Property. Third, if the first two steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Non-Residential Property up to 100% of the applicable Maximum Special Tax for Non-Residential Property. Lastly, if the preceding steps have not satisfied the Special Tax Requirement, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax for Undeveloped Property.

E. APPEALS

Any taxpayer that believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

F. MANNER OF COLLECTION

Special Tax as levied pursuant to Section D above shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the CFD Administrator.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity or until such time as Council terminates the Special Tax.



Atascadero City Council

Staff Report – Administrative Services Department

Amendments and Additions to Fee Schedule

RECOMMENDATION:

Council adopt Draft Resolution A, amending certain fees in the Schedule of Fees and Charges for City Services, specifically related to:

- Reducing Building Permit fees for commercial sign permits for a period of 18 months commencing on March 1, 2015; and
- Reducing Signage Administrative Use Permit fees for commercial sign permit fees for a period of 18 months commencing on March 1, 2015; and
- Adding Administrative Fees for Concealed Carry Weapons Licensing.

DISCUSSION:

Background: The City offers a variety of services to the community which are funded in part by fees paid by the users. The California Government Code allows the City to charge fees to recipients of certain services to recover “costs reasonably borne” by the City in providing those services. In May 2014, an updated Fee Schedule was adopted by the Council to more accurately reflect costs of providing City services. At its January 27, 2015 meeting the Council approved a signage cleanup strategy which called for reducing certain fees related to sign permits. In addition to the policy change, the Sheriff’s office has recently changed its policy so that it will no longer process concealed carry weapons (CCW) licenses for residents inside incorporated City limits. Staff is recommending the reduction of certain commercial sign related fees and the addition of fees for concealed carry weapons licensing in order to accommodate these changes.

Commercial Sign Fees

As part of the City Council’s 2014 Strategic Planning process, the Council discussed the appearance of the City’s commercial district. At the February 11, 2014 City Council meeting, the Council agreed that the appearance of the commercial district along El Camino Real needs to be improved and that temporary and un-permitted signs are a concern.

The Council tasked staff with developing a program to improve the appearance of commercial signage. In partnership with the Atascadero Chamber of Commerce, a team and strategy were put together to address commercial signage. The team's strategy involved building a "Good for Business" outreach message that focused on education and outreach programs over 2014.

Some of the program highlights included:

- *Sign Company Outreach Meetings (June 2014)*
City staff and Chamber members met with three local sign companies to discuss permitting issues.
- *Business Walk Outreach to All El Camino Real Businesses (September 2014)*
The Chamber created the Business Walk as an outreach program where every business on El Camino Real could be contacted in a single day. There were 475 businesses that were visited and 350 surveys were completed about the business climate and the signage issues.
- *Business Appearance Workshop Meeting with Pierre Rademaker (October 2014)*
Following the Business Walk, the City and Chamber hosted a business appearance workshop at the Galaxy Theater. The workshop included the results of the Business Walk and a business appearance and signage presentation by Pierre Rademaker.

Analysis: One of the concerns that came out of the 2014 outreach effort was the cost of building permits for signs. A typical sign permit costs about \$450. This fee is a disincentive to local businesses to install permanent signs. Last year, the City only issued 15 commercial sign permits, which likely indicates signs were installed without permits. Businesses that need an exception to the Sign Ordinance are required to obtain a Signage Administrative Use Permit (AUP) which cost \$665 plus noticing fees. Businesses rarely follow the City's sign exception process, primarily due to the costs involved.

Staff recommends a temporary 18-month reduction of all commercial sign permits to a \$50 flat fee and all Signage Administrative Use Permit fees for commercial sign permits to a flat fee of \$100. The proposed period of fee reductions begins March 1, 2015 and ends August 31, 2016. Fees for all other types of Administrative Use Permits would not change.

Concealed Carry Weapons

Another fee, unrelated to commercial sign permits, is proposed to be added to the City's current fee schedule. San Luis Obispo Sheriff's Department terminated the agreement with the Atascadero Police Department to process Concealed Carry Weapons (CCW) Licenses effective February 15, 2015. The Atascadero Police Department is now responsible for the processing of all requests from that date forward. State law allows Police Departments to charge the applicant for the cost of processing a new CCW

License application up to a maximum of \$100. Renewal applications may be charged a fee of \$25, and amendments to existing applications may be charged \$10. In addition, the applicant would be responsible for all State and Federal agency fees related to their CCW application. Staff is proposing to add the \$100 CCW application fee, \$25 CCW renewal fee, and \$10 CCW amendment fee to the Fee Schedule.

The Police Department will bring the issue of CCW licenses before the City Council at the March 10, 2015, meeting to explain the process and legal requirements related to CCW applications.

FISCAL IMPACT:

The proposed Commercial Sign Program will reduce permitting revenues and increase staff workloads. Commercial Sign Permit fees would be reduced by about \$400 each and the Signage Administrative Use Permit fees would be reduced by about \$565 each. Based on the number of permits issued last fiscal year, this could be a reduction in General Fund Revenue in the range of \$7,000-\$12,000. This amount will vary depending on the level of permits requested. However, the long term financial benefit of improving the commercial districts and making it more competitive with surrounding communities is expected to result in an ongoing financial benefit to the City.

The addition of Concealed Carry Weapons License fees would increase staff workloads and increase General Fund service revenues by \$100 per application. Application activity is not expected to exceed 50 per year.

ALTERNATIVES:

- Council may adjust any of the proposed fees.
- Council may refer the item back to staff for additional analysis.
- Council may decide to take no action.

ATTACHMENT:

1. Draft Resolution including an exhibit with the amended fees.

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, AMENDING CERTAIN FEES IN THE
SCHEDULE OF FEES AND CHARGES FOR CITY SERVICES,
SPECIFICALLY RELATED TO COMMERCIAL SIGN PERMITS AND
CONCEALED CARRY WEAPONS LICENSING**

WHEREAS, the City of Atascadero, in partnership with the Atascadero Chamber of Commerce and the City's business community, was interested in a program to improve the appearance of commercial signage along El Camino Real; and,

WHEREAS, the City, in partnership with the Atascadero Chamber of Commerce, have conducted an extensive business outreach to all El Camino Real businesses in Atascadero; and,

WHEREAS, the City, in partnership with the Atascadero Chamber of Commerce, have conducted sign company outreach meetings to discuss permitting issues; and,

WHEREAS, the City, in partnership with the Atascadero Chamber of Commerce held a business appearance workshop with a presentation by Pierre Rademaker on business appearance and signage; and,

WHEREAS, the City and the Atascadero Chamber of Commerce aspire to maintain a positive, business-friendly approach to improving the appearance of commercial signage along El Camino Real; and,

WHEREAS, at the January 27, 2015 City Council meeting, the City Council decided to reduce building permits for commercial sign permits for a period of 18 months commencing on March 1, 2015 and ending on August 31, 2016; and,

WHEREAS, at the January 27, 2015 City Council meeting, the City Council decided to reduce the Signage Administrative Use Permit fee for commercial sign permits for a period of 18 months commencing on March 1, 2015 and ending on August 31, 2016; and,

WHEREAS, the San Luis Obispo Sheriff's Department terminated the agreement with the Atascadero Police Department to process Concealed Carry Weapons Licenses effective February 15, 2015; and,

WHEREAS, the Atascadero Police Department is now responsible for the processing of all requests for Concealed Carry Weapons Licenses as of February 15, 2015; and,

WHEREAS, California Penal Code Section 26190 allows the licensing authority of any city to charge fees for processing the application for a new, renewed, or amended Concealed Carry Weapons License; and,

WHEREAS, pursuant to Government Code sections 66016 and 66018, the enactment or increase in any fees to be charged for services must be adopted by the City Council by ordinance or resolution, after providing notice and holding a public hearing; and,

WHEREAS, the City Council finds that the fee schedule detailed in Exhibit A attached hereto is consistent with the City of Atascadero General Plan; and,

WHEREAS, pursuant to Government Code sections 66016 and 66018, the data required to be made available to the public prior to increasing the amount of the fees by this resolution was made available for public review at least 10 days prior to February 24, 2015; and,

WHEREAS, pursuant to Government Code sections 66014, 66106, 66018 and 6062a, notice of a public hearing on the increase to the amount of fees was published in the Atascadero News twice, with at least five days intervening the two publications, commencing at least ten days prior to the date of this meeting; and,

WHEREAS, a duly noticed public hearing before the City Council was held on February 24, 2015, at which public testimony was received and duly considered on the proposed fees; and,

WHEREAS, the City Council has previously adopted Resolution No. 2014-028 setting forth such fees, and desires to amend that resolution, without rescinding said adoption, with certain fees as detailed in Exhibit A; and,

WHEREAS, the amount of the Fees do not exceed the true cost of providing the services; and,

WHEREAS, the increase to the amount of the fees is not a “project” subject to the California Environmental Quality Act because it is a funding mechanism having no physical effect on the environment.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Atascadero

SECTION 1. Recitals. The foregoing recitals are true and correct and the City Council so finds and determines.

SECTION 2. Establishment of the Temporary Fees. The temporary fees are hereby established in the amounts and time periods detailed in Exhibit A.

SECTION 3. Collection of the Fees. The fees levied pursuant to this resolution shall be paid to the City either at the time the service is requested or required or shall, in certain cases, be advanced to the City in the form of an advance deposit.

SECTION 4. Constitutionality. If any portion of this Resolution is declared invalid or unconstitutional then it is the intention of the City Council to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

ITEM NUMBER: B-1
DATE: 02/24/15
ATTACHMENT: 1

SECTION 5. Repealer. All resolutions and other actions of the City Council in conflict with the contents of this Resolution are hereby repealed.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

EXHIBIT A

DRAFT FEE SCHEDULE

Proposed Effective date February 25, 2015

Ref #	Fee Name	Previously Adopted Fees	Proposed Fee	Change in fees
COMMUNITY DEVELOPMENT				
14-001	SIGNAGE ADMINISTRATIVE USE PERMIT REVIEW	\$665 per application	\$100 per application for period March 1, 2015 - August 31, 2016	\$565 per application reduction during the period March 1, 2015 - August 31, 2016. Cost will revert to \$665 per application on September 1, 2016.
14-041D	EXPRESS SIGN PERMIT	\$450 per permit + 2.85% for document imaging	\$50 per permit for period March 1, 2015 - August 31, 2016	\$400 + document imaging fee per permit reduction during the period March 1, 2015 - August 31, 2016. Cost will revert to \$450 per permit + 2.85% document imaging on September 1, 2016.
POLICE				
14-082	CONCEALED CARRY WEAPON LICENSING	New fee.	\$100 CCW license application fee- \$20 of license application fee is due with application (non-refundable) \$80 of license application fee is due upon issuance of license \$25 CCW license renewal fee \$10 CCW license amendment fee + applicable State and Federal agency fees	New fee.



Atascadero City Council

Staff Report – Public Works Department

Authorize Preliminary Engineering for the Santa Lucia Road Bridge Over Graves Creek and the Via Avenue Bridge Over Atascadero Creek

RECOMMENDATIONS:

Council:

1. Authorize staff to implement the preliminary engineering phase to replace the Santa Lucia Road Bridge over Graves Creek using Local Highway Bridge Replacement and Rehabilitation Program (HBRR) grant funds; and,
2. Authorize staff to implement the preliminary engineering phase to rehabilitate (or replace) the Via Avenue Bridge over Atascadero Creek with Local Highway Bridge Replacement and Rehabilitation Program (HBRR) grant funds; and,
3. Authorize the Director of Administration Services Director to appropriate up to \$45,000 of Local Transportation Funds for the 11.47% participating match for HBRRP funds for preliminary engineering of the Via Avenue Bridge.

DISCUSSION:

The City of Atascadero has 19 bridges under its jurisdiction to operate, maintain, and manage. Caltrans provides periodic routine bridge inspections for local agencies which determine Sufficiency Ratings (SR) that include status flags for Structural Deficient (SD) and/or Functionally Obsolete (FO) conditions. A bridge flagged as structurally deficient indicates that the bridge can no longer handle the load capacity it is subjected to. A bridge flagged as functionally obsolete indicates that the bridge does not meet modern design standards related to width, barrier railing design, and other design elements.

Caltrans last performed bridge inspections for Atascadero in 2013. The inspections resulted in two bridges under the City's jurisdiction that are eligible for HBRR Funding:

- Santa Lucia Road Bridge over Graves Creek
- Via Avenue Bridge over Atascadero Creek

In March 2014, staff (with assistance of Quincy Engineering) applied for Local Highway Bridge Replacement and Rehabilitation Program (HBRR) funding for the two bridges. The HBRR Program is a Federal Highway Administration (FHWA) safety program administered by Caltrans that assists local agencies with replacing and rehabilitating publicly owned bridges. The allocation of HBRR funds to local agency projects is through a 10-year programming plan that makes these funds available on the Federal Statewide Transportation Improvement Program (FSTIP). San Luis Obispo Council of Governments (SLOCOG) made a request to Caltrans to amend the 2013 STIP to include the two bridges, and the City was recently notified that both grant applications were approved for HBRRP funding.

About \$300 million of federal funds are made available to local agencies annually through the HBRR Program, with a federal reimbursement rate of 88.53% of the eligible participating project costs including preliminary engineering, right-of-way, and construction costs. Bridge reconstruction or replacements on public roads off federal aid highways are eligible for 100% reimbursement.

Santa Lucia Road Bridge over Graves Creek (SR=41.2):

The Santa Lucia Road Bridge over Graves Creek (near Llano Road) was built in 1926 with an overall length of 45 feet. This bridge is eligible for HBRR Funding because it is too narrow for the current Average Daily Traffic (ADT) of less than 400 vehicles and functionally obsolete due to deficiencies in deck geometry, railings, and guardrails. This bridge is proposed to be replaced with a two-lane, single span bridge at a preliminary total project cost of \$1,564,200. Santa Lucia Road has an “urban, local” functional roadway classification and is considered “off” the federal highway system; therefore, the eligible costs are covered 100% by HBRR Program funds through the use of toll credits. The design phase and right of way acquisition (if needed) is expected to take two to three years, with project construction scheduled for 2019.

Via Avenue Bridge over Atascadero Creek (SR=51.4*):

The Via Avenue Bridge over Atascadero Creek (between Traffic Way and Ensenada Avenue) was built in 1948 with an overall length of 77 feet. This bridge is eligible for HBRR funding because it is too narrow for the current Average Daily Traffic (ADT) of 2,000 vehicles and is flagged as functionally obsolete due to deficiencies in deck geometry, railings, and guardrails. The proposed rehabilitation includes widening the deck from 22.6 to 42.8 feet and other upgrades at a total project cost of \$2,223,600. Via Avenue has an “urban, collector” functional roadway classification and is considered “on” the federal highway system, therefore, the eligible costs are expected to be funded 88.53% by HBRR funds with the remaining 11.47% or \$255,047 covered by the City match. The timing for the Via Avenue Bridge project is expected to be similar to that of the Santa Lucia Bridge Project.

Rehabilitation of the Via Avenue Bridge is expected to eliminate the existing Via Avenue Bridge weight restrictions that prohibit fire engines and other common trucks to cross, as well as allowing pedestrian and bicyclists to safely cross both bridges.

Next Steps:

Caltrans requires the City to submit a *Request for Authorization to Proceed with Preliminary Engineering* documents to secure HBRR funding and begin the preliminary

engineering phase of the project. Staff will then issue Request for Proposals (RFPs) to qualified engineering firms in accordance with HBRR requirements. Preliminary engineering work will occur over the next few years and includes environmental, design, plans and specifications, project issues, and other work in obtaining the necessary approvals to ready the project for construction (estimated 2019). Preliminary engineering costs for each bridge project are estimated at \$375,000. The City is required to cover 11.47% of the costs for the Via Avenue project only which equates to \$43,013 which will be spent over the next three years.

Regular updates will be provided to the City Council throughout the preliminary engineering phase, including the SR status of Via Avenue Bridge if bridge replacement is recommended in lieu of rehabilitation.

This is a rare opportunity to rehabilitate our bridges that will serve the community for many years to come at a fraction of the total project costs. Due to the unique opportunity being afforded to us at this time and in order to capitalize on this grant funding opportunity, these projects will need to be moved from their current prioritization up to the top of our project priority list.

FISCAL IMPACT:

The fiscal impact of staff's recommendations is estimated to total \$45,000 of Local Transportation Funds. This investment will be matched by \$705,000 in HBRR monies for preliminary engineering. A future consideration by City Council to move forward with construction will provide an estimated \$2,827,753 in HBRR funds with an estimated local match of \$225,000. The City share of these costs are entirely attributed to the Via Avenue Bridge. No costs are related to replacing the Santa Lucia Road Bridge.

ALTERNATIVES:

1. Council may reject staff's request for authorization to begin the replacement or retrofit design of the Santa Lucia and Via Avenue Bridges.

This action is not recommended since both bridges need rehabilitation / reconstruction. In addition, we have a unique Federal funding opportunity being afforded to us at this time, requiring no match from the City for the Santa Lucia Bridge and only an 11.47% match for the Via Avenue Bridge.

2. Council may reject staff's recommendation to provide a match for the Via Avenue Bridge and only direct staff to move forward with the Santa Lucia Avenue Bridge replacement which is fully funded and requires no matching funds from the City.

This action is not recommended as the Via Bridge needs rehabilitation or replacement and has had recent weight limits imposed, which further impair its use. The Via Bridge project requires only an 11.47% match from the City, with the remaining portion being Federally funded.

ATTACHMENTS:

None



Atascadero City Council

Staff Report - City Manager

Resolution Relating to the Formation of the Citizens' Oversight Committee for the Implementation of the Transaction & Use Tax Ordinance

RECOMMENDATION:

City Council adopt Draft Resolution relating to the formation of the Citizens' Oversight Committee for the implementation of the Transaction & Use Tax Ordinance (Ordinance No. 581)

DISCUSSION:

On November 4, 2014 the voters of Atascadero approved a general 0.5% sales tax which will go into effect on April 1, 2015. In addition, the voters also supported the Advisory measure asking if the proceeds of the additional sales tax should go into roads.

Prior to voting to place the sales tax measure on the ballot, Council asked staff to reach out to the community to inform them about the potential sales tax measure and to gather community comments and concerns. Staff presented an informational presentation about the City roads and the potential sales tax measure to several community groups including Kiwanis, Chamber of Commerce Board, Rotary, Republican Women, North County Tea Party, and Realtors. In addition, a public community forum open to the public and advertised widely was held on June 5, 2014. At all of the presentations, staff answered questions and encouraged comments on both the roads and the potential sales tax measure. Staff was also available after each of the presentations for comments and questions. The City received some valuable input from these meetings. As a result, Council added some key language in the sales tax ordinance prior to placing the ordinance on the ballot.

It was clear from the public meetings that oversight was a key concern to the community. In order to address the concerns, Council placed the following language in the ballot measure.

“Section 14. CITIZENS’ OVERSIGHT COMMITTEE. There shall be a permanent citizens’ advisory committee called the “Citizens’ Oversight Committee” (hereafter “Committee”) which shall annually review revenues and expenditures from the collection of the tax. The committee shall have 9 members. Seven members shall be appointed to the committee by individual Atascadero community groups. Two members shall be appointed by the City Council. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official.”

Establishing an Oversight Committee comprised of a group of citizens whose purpose is to analyze how new tax monies are being spent is a common practice. Part of the feedback received at the public meetings indicated that they wanted to see an Oversight Committee that is not dominated by City Council appointments, but rather by the community. As such, the Ordinance states that the Committee would consist of two Council appointed members (citizens at large) and 7 members appointed by individual community groups (ie: Chamber of Commerce, Kiwanis, etc.). The Council must now set rules and guidelines for how the community groups will be selected.

Community Group Appointments

As stated earlier, public input indicated that they would like to see this Committee be as independent as possible. In order to foster this independence, the attached resolution calls for the City Manager to coordinate a meeting of interested community groups. At the meeting, the community groups themselves would determine the process by which interested community groups are selected to appoint members to the Committee. Those representatives of community groups that attend the meeting will be responsible for making the decisions regarding the appointments.

Council Appointments

The resolution also calls for Council to direct staff to advertise for the two Council-appointed openings on the Committee. Similar to the process for at large Planning Commissioners, interested individuals would apply for the positions and Council would interview applicants, selecting two individuals to be on the Oversight Committee

Bylaws

Once the Committee is in place, the Oversight Committee would adopt Bylaws setting the place & manner of the meetings. The Bylaws also set forth the membership of the Committee and the terms of the appointed Committee members. Lastly the Bylaws set forth the powers of the Committee.

Powers

The powers of the Committee are set by the Sales Tax Ordinance itself and will be reiterated in the Committee’s Bylaws. As stated in Section 14 of the Ordinance, the Committee shall annually review revenues and expenditures from the collection of the tax. Section 15 of the Ordinance calls for an Annual Road Report to be prepared and

for the Citizen Oversight Committee to review the report and submit their findings and conclusions to the City Council.

The Ordinance does not give the Committee the power to select the projects, nor does it give the Committee the power to budget and expend funds. Those powers remain with the Council. It is expected that staff will educate the Committee on the City's Pavement Management System and how road repair/maintenance projects are selected; however it will be up to Council as part of the regular budgeting process to make the final decision as to which projects are budgeted.

FISCAL IMPACT:

There is no fiscal impact from staff's recommendation. The proposed sales tax measure is estimated to generate an estimated \$1.7 - \$2.0 million in additional annual revenue. It is estimated that an additional 100 annual hours of staff time, plus minor additional expenses will be required to support the Citizen Oversight Committee.

ALTERNATIVES:

1. Council may choose not to adopt the Resolution and direct staff to come back with a modified resolution setting forth the implementation of the Citizen's Oversight Committee

ATTACHMENTS:

1. Draft Resolution Relating to the Formation of the Citizens' Oversight Committee for the Implementation of Ordinance No.581
2. Ordinance No. 581
3. June 24, 2014 Staff Report - Consideration of Sales Tax Measure

DRAFT RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO RELATING TO FORMATION OF THE CITIZENS' OVERSIGHT COMMITTEE FOR THE IMPLEMENTATION OF ORDINANCE NO. 581

WHEREAS, the voters of the City of Atascadero approved the Atascadero Transactions and Use Tax Ordinance ("Ordinance No. 581") on November 4, 2014 to impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2; and,

WHEREAS, section 14 of Ordinance No. 581 provides that there shall be a permanent citizens' advisory committee called the "Citizens' Oversight Committee" ("Committee"), which shall annually review revenues and expenditures from the collection of the tax; and,

WHEREAS, section 14 of Ordinance No. 581 further provides that the Committee shall have 9 members, seven of whom shall be appointed to the Committee by individual Atascadero community groups, and two of whom shall be appointed by the City Council; and that appointees shall be residents of the City, but no member of the Committee shall be an elected official; and,

WHEREAS, City Council desires to set forth the procedures by which the Committee members will be selected and appointed for the proper implementation of Ordinance No. 581.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Atascadero:

Section 1. Recitals. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Membership of the Committee; Community Groups. The City will seek input from interested community groups in the City to determine which groups may be interested in appointing the membership of the Committee, as set forth in section 14 of Ordinance No. 581. The City Manager shall schedule and coordinate a meeting of interested community groups for the purpose of determining the process by which interested groups appoint the membership of the Committee. Those community groups attending the meeting will be responsible for making all decisions regarding such appointment.

Section 3. Membership of the Committee; City Council Appointees. The City Council hereby directs the City Manager or designee to advertise the two Council-appointed openings on the Committee and the Council shall follow its usual and customary procedures for evaluating and appointing interested and qualified applicants.

Section 4. Committee Bylaws and Rules of Procedure. Once formed as set forth in Ordinance No. 581, the Committee shall adopt a set of Bylaws and Rules of Procedure to govern its activities. If the Committee fails or refuses to do so, the City Council may adopt such Bylaws and Rules of Procedure, but thereafter the Bylaws may be amended only by the Committee, without further review or action by the City Council.

Section 5. Severability. If any portion of this Resolution is declared invalid or unenforceable by a court of competent jurisdiction, then it is the intention of the City Council to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

ORDINANCE NO. 581

AN ORDINANCE OF THE CITY OF ATASCADERO IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

Section 1. TITLE. This ordinance shall be known as the Atascadero Transactions and Use Tax Ordinance. The city of Atascadero hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have

contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.5 % of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Section 6. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.5 % of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of

Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his

agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any

period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 14. CITIZENS' OVERSIGHT COMMITTEE. There shall be a permanent citizens' advisory committee called the "Citizens' Oversight Committee" (hereafter

“Committee”) which shall annually review revenues and expenditures from the collection of the tax. The committee shall have 9 members. Seven members shall be appointed to the committee by individual Atascadero community groups. Two members shall be appointed by the City Council. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official.

Section 15. ANNUAL ROAD REPORT. An Annual Road Report shall be prepared by the City no later than the last day of the sixth month following the end of each City fiscal year. The Report shall be submitted to the Citizens’ Oversight Committee for review. The Committee will submit their findings and conclusions to the City Council. The Report will also be made available to the public. The Annual Road Report shall detail the prior fiscal year’s activities related to the retail transaction and use tax. The Report shall include revenues generated by the Transaction and Use Tax, expenditures (in summary form), funds carried over from previous fiscal years, and any remaining funds to be carried over for expenditure in subsequent fiscal years.

Section 16. INDEPENDENT ANNUAL FINANCIAL AUDIT. The amount generated by this new general purpose revenue source and how it was used shall be included in the annual audit of the City’s financial operations by an independent certified public accountant.

Section 17. TWELVE-YEAR SUNSET. The authority to levy a retail transaction and use tax shall expire twelve years from the operative date of this ordinance, unless extended by the voters of the City in the manner provided by law.

Section 18. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect 10 days after the election results are declared by the City Council (CA Elections Code §9217). The operative date (Section 2) will be the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, which will be April 1, 2015.

Section 19. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 20. PUBLISHING OF ORDINANCE. A summary of this ordinance, approved by the City Attorney, shall be published twice: at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage, in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of this ordinance shall be on file in the City Clerk’s Office on and after the date following introduction and passage and shall be available to any interested member of the public.

City of Atascadero
Ordinance No. 581
Page 7 of 7

INTRODUCED at a regular meeting of the City Council held on June 24, 2014, and PASSED and ADOPTED by the City Council of the City of Atascadero, State of California, on July 8, 2014, by the following roll call vote:

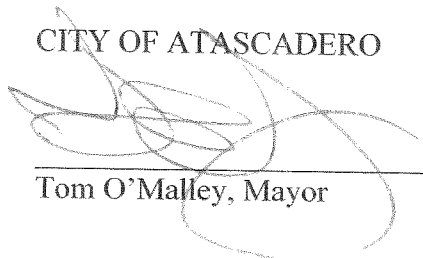
AYES: Council Members Fonzi, Kelley, Moreno, Mayor Pro Tem Sturtevant and Mayor O'Malley

NOES: None

ABSTAIN: None

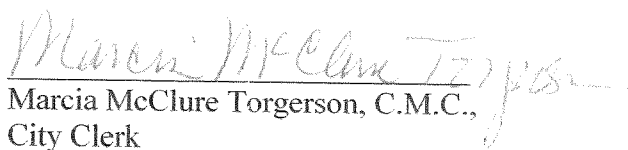
ABSENT: None

CITY OF ATASCADERO



Tom O'Malley, Mayor

ATTEST:



Marcia McClure Torgerson, C.M.C.,
City Clerk

APPROVED AS TO FORM:



Brian A. Pierik, City Attorney



Atascadero City Council

Staff Report - City Manager

Consideration of Sales Tax Measure

RECOMMENDATION:

Council introduce for first reading by title only, the Draft Ordinance imposing a transactions and use tax to be administered by the State Board of Equalization.

REPORT-IN-BRIEF:

The maintenance, funding and condition of the City's infrastructure, particularly roads, have been a critical concern of the City Council for some time. As part of the 2013-2015 budget, the Council allocated funds to conduct a poll to determine how potential voters would react to a one half cent (0.5%) sales tax increase to fund infrastructure repairs. At the February 1, 2014 Council strategic planning session, the Council discussed critical infrastructure needs such as roads, storm drains, parks and zoo infrastructure, and facilities infrastructure. The poll was conducted in March to gauge citizen's interest in the various infrastructure needs.

As we discussed during the April 22, 2014 Council meeting, overall poll results showed there is strong community interest in a sales tax measure, particularly if the proceeds of the sales tax were to go primarily to roads. Based on the community interest, Council directed staff to reach out to the community with an education campaign and to receive input from the community about a potential sales tax measure for roads.

Staff presented an informational presentation about the City roads and the potential sales tax measure to several community groups including Kiwanis, Chamber of Commerce Board, Rotary, Republican Women, North County Tea Party, and Realtors. In addition a public community forum open to the public and advertised widely was held on June 5th. At all of the presentations, staff answered questions and encouraged comments on both the roads and the potential sales tax measure. Staff was also available after each of the presentations for comments and questions. Staff received some valuable input as a result of the meetings and as a result some of the staff recommendations have changed from the April 22, 2014 Council report.

DISCUSSION:

Sales Tax Measure Process

Regarding increases to the sales tax rate, in order to make a change to any general tax rate, the change must be approved by the voters. The City Council does not have the authority to raise taxes, only to put a measure on the ballot. In order to place a tax measure on the November 4, 2014 ballot, it takes a 2/3 vote of the City Council (at least 4 members). If passed by the Council and the electorate, the tax would be effective no sooner than the first day of the first calendar quarter, commencing more than 110 days after the adoption of the ordinance. Therefore, the tax would be effective no sooner than April 1, 2015.

Proposition 218, approved in 1996, now requires that all City tax election measures be placed on the same election when City Council Members are selected. The next Council election is scheduled for November 4, 2014. Subsequent Council elections are held every two years.

In order to place the local sales tax election on the next ballot the Council needs to act prior to August 8, 2014. In order to provide staff enough time to submit the proper paperwork, related resolutions and ordinances need to be decided during this June 24, 2014 Council meeting.

Advantages and Disadvantages of Sales Tax Measure

As with most policy actions, enacting an increase to the sales tax has advantages and disadvantages. Some arguments in favor include:

- It would generate additional revenue to assist in meeting the City's long-term needs, particularly road repairs;
- Unlike property taxes, sales taxes are paid by a greater distribution of the population (including homeowners, renters, businesses and tourists);
- Sales taxes are paid based on consumption (those who can afford to spend more pay more), and they are paid incrementally instead of in a lump sum;
- The existing sales tax rate is currently at the legal minimum and lower than that paid by most residents in California; and,
- Because the tax is established by a vote of the local electorate, it cannot be taken by the State.

Some arguments against include:

- Additional taxes reduce the discretionary income of Atascadero residents;
- Tax increases are not generally perceived positively by the citizenry and may erode trust in local government.

Potential Impact on Local Sales

The actual amount of proposed increase in the sales tax is minimal when compared to the actual cost of a product sold. For example, for every \$100 spent, the increase would result in an additional \$0.50 paid by the consumer. Sales tax data trends show that an increase in the sales tax rate of one half cent has no noticeable effect on the amount of taxable goods consumers buy. In other words, in other jurisdictions where the sales tax has been increased, the businesses did not see a decline in sales because the sales tax rate had been increased. HDL, our sales tax consultant, does not believe that an increase of one half cent in the sales tax rate in Atascadero will affect local business sales volumes.

It is estimated that a half cent sales tax would generate between \$1.7 million - \$2.0 million annually for Atascadero.

Sales Tax Options

If the City Council decides to move forward with a sales tax measure, it will require decisions on the following key issues in order to draft the measure:

- Amount of Increase

Staff recommends that a one half cent (0.5%) be proposed as the local sales tax override amount. As discussed in the recent roads report, this amount is necessary in order to produce revenue sufficient to meet the needs identified. This increase would bring the sales tax rate up to the comparable rate to that of the other incorporated cities in the county. Below is a comparison table of the sales tax rate in neighboring jurisdictions.

SLO COUNTY	CURRENT SALES TAX
Arroyo Grande	8%
Atascadero	7.5%
Grover Beach	8%
Morro Bay	8%
Paso Robles	8%
Pismo Beach	8%
San Luis Obispo	8%
Unincorporated County	7.5%

- Advisory Measure

The trend in the industry for local general sales tax measures is to include an advisory measure with the tax measure. An advisory question is a type of ballot measure in which citizens vote on a non-binding question. This allows voters to have a say in how the additional revenues should be spent. While the advisory measure is not legally binding on the City, it is viewed as clear direction from the citizens to the City Council on where the voters would like to see the funds spent.

Staff strongly recommends an advisory measure also be placed on the ballot stating where the funds will be spent if the measure is passed. Because repair and maintenance of the roads polled the strongest and is the City's biggest need, the advisory measure should contain language stating that funds will be spent primarily on the repair and maintenance of the City's roadways and road infrastructure. Based on the community input received in the last couple of months, it is clear that some members of the community would like to see any additional protections that the City can put in place to assure the public that this general sales tax will be spent on roads.

- Citizen Oversight Committee

Citizen oversight committees can also be popular with the electorate. An oversight committee is often comprised of a group of citizens whose purpose is to analyze how new tax monies are being spent. While some poll respondents felt that an advisory committee added more administration, Council direction indicates that we would establish a citizen oversight committee if the new tax is approved.

Based on the community input received from the public during the last few months, it is clear that an independent committee is important. Members of the public would like to see a committee that is not dominated by City Council appointments, but rather by the community. The draft ordinance presented before you tonight contains language stating that the committee would consist of two Council appointed members (citizens at large) and 7 members appointed by individual community groups (ie, Chamber of Commerce, Kiwanis, etc.) If the sales tax is passed by the electorate, bylaws for the committee would need to be adopted by Council. The bylaws would clearly spell out how the community groups appointing members of the committee would be selected.

- Annual Road Report

It is important that the public be able to see where the funds are being spent in order to give assurance that they are being spent properly. Because the tax is a general sales tax, any proceeds from the sales tax will have to be deposited into the City's general fund. Because of this, the revenues and expenditures from this sales tax measure may be more difficult to discern in the large standard financial reports that the City currently produces. The ordinance, therefore, contains language that states that the City shall produce an annual road report that shows the fiscal year revenues from the tax, fiscal year expenditures of the tax, and any remaining balances to be carried over into the next fiscal year. The report will be reviewed by the Citizen Oversight Committee and then forwarded to the City Council along with any findings or recommendations made by the Oversight Committee. The report would also be widely distributed to the public, through such means as the Recreation Guide, website, mailers and/or other methods.

- Sunset Clause

Sunset clauses state that a tax measure ends or “sunset” after a certain period of time. Sunset clauses can be perceived as beneficial because the tax is temporary and voters retain control over the tax. They are particularly popular when the tax will be used for a project of limited duration or to fund one-time expenditures. In this case, the need for the tax is an ongoing need - repair and maintenance of the City’s roads and infrastructure. While the poll results did not show that a sunset clause is likely to measurably increase support for the measure, staff is now recommending that a sunset clause be added to the measure. As part of the public outreach that staff has done in the last couple of months, it has become clear that a sunset clause would help build public trust. The City would collect for the sales tax for a period of time, spending the funds as directed and then would need to place it back on the ballot in order to continue collection of the funds.

The draft ordinance contains a 12-year sunset period. Because there is a lag time to start the program, begin receiving funds and design the first project, the 12-year period would allow 10 years of pavement projects prior to being placed back on the ballot for re-up. The twelve year period is the same period that neighboring Paso Robles currently has on their “road tax” and is appropriate for a road program.

Attachment #2 contains a table highlighting each of the sales tax measures currently in place in the other San Luis Obispo County cities. The original ballot language for each of those measures is provided in Attachment #3.

Ballot Language

It is important that the language placed on the ballot clearly convey the City’s intentions, and it should be concise. The ballot measure itself is limited to 75 words. Staff reviewed other cities’ ballot measures, worked with a League of California Cities representative and a volunteer political consultant to draft the language. The draft ballot measure was reviewed by several individuals to determine if it met the “clear, concise and correctly convey intentions” standard. Based on the recommendations, if passed tonight, the ballot measures will read as follows:

The advisory measure would read as follows:

ADVISORY VOTE ONLY

If the voters of the City of Atascadero approve a one half cent limited term general sales tax increase, should the additional revenues be used for the purpose of repairing and maintaining neighborhood roads and other roadways?

The ballot measure would read as follows:

MEASURE _____

To provide local funding that cannot be seized by the State, and will stay in Atascadero to be used for such things as the repair and maintenance of neighborhood roads and other aging roadways - Shall the City of Atascadero's sales tax rate be temporarily increased to include a local general sales tax of a one half cent, for a period of 12 years, with citizen committee oversight, published annual reporting and independent financial audits?

Pavement Maintenance Program for Sales Tax Measure

The proposed advisory measure contains language asking if the funds should be used for "...repairing and maintaining neighborhood roads and other roadways". During the public outreach, there have been questions about what that would mean. Because the advisory measure is advisory in nature and does not have an Council adopted ordinance, there is no formally adopted definition. Council could, if the measure passes, adopt a resolution stating what the types of things the funds would be spent on.

What does road "repairing and maintaining" mean? Road repair projects are typically larger road projects that repair or rehabilitate the road. These projects may include cold in-place recycling, hot-mix asphalt overlays and isolated, partial and/or full-depth road reconstruction. Road maintenance projects are also typically large projects that are designed to preserve those roads that are in good or fair condition. These projects may include asphalt crack sealing, chip sealing, slurry or micro-surfacing, In this case, "repairing and maintaining" would not include routine maintenance such as isolated pothole repair, shoulder maintenance, vegetation control, striping projects, street crew staffing costs or normal sign replacement. Nor would it typically include projects to significantly widen or increase the capacity of roads, bikeways, trails or sidewalks.

What does neighborhood roads and other roadways mean? All City roads are classified into three categories: local, collectors and arterials.

- Local roads typically only serve those lots directly fronting the road and not through traffic. These would be considered neighborhood roads and include such roads as Tunitas Avenue, Palomar Avenue, Nogales Avenue, and Carmelita Road.
- Collector roads funnel local traffic from neighborhood roads to arterial streets. These roads would be considered "other roadways" and would include such roads as Santa Lucia Road, Del Rio Road, and Curbaril Avenue.
- Arterial roads carry the largest amount of traffic and would also be considered "other roadways". Arterials include such roads as El Camino Real and Traffic Way.

Would other costs such as drainage repairs be included? Control of surface drainage is critical to pavement maintenance; therefore drainage repairs necessary to

preserve/protect/repair the surface of the road would be included in the costs of a road repair project.

Would bridge repairs be included? Bridges are an important part of the roadway system. A bridge structure typically lasts 50-75 years without major rehabilitation. The asphalt/pavement on the bridge will require maintenance more often than the structure itself. The bridge structure, however, does periodically require maintenance. Maintaining the asphalt/pavement on the bridge structure without providing funds for maintenance of the structure itself could eventually lead to bridge failure. The City has historically used federal grant funds (with City matching funds) to rehabilitate bridge structures. The City will continue to look for bridge and road grant opportunities, potentially using the sales tax proceeds as a local match.

Will administration and overhead be charged to the projects? It is the City's current practice that staff time spent working directly on the project is charged to the project. Staff time is charged for such things as design, bidding, inspection, construction engineering and contractor oversight. Staff currently completes project time cards that detail the time spent on the project and what work was performed during that time. General administration, oversight, and overhead are not charged to projects.

What other "non-road" costs might be included? Federal American with Disabilities Act regulations now REQUIRE that any deficient disabled access improvements within the project area must be improved to eliminate barriers. This means that if we are doing a road improvement project and there are sidewalks in the area that do not meet current ADA code, we MUST as part of the project bring those up to current standards. If there are no sidewalks, we are not required to install new facilities as part of the project.

Process

As part of this agenda item, Council needs to consider whether to place the ballot measure on the November 2014 ballot. If Council chooses to let the voters decide whether they want a one half cent sales tax increase for such things as the repair and maintenance of roads, then Council must adopt the attached ordinance. The attached ordinance would then become the full text of the sales tax measure. The advisory measure does not require an ordinance. The City Clerk will be bringing to the City Council the appropriate Resolution to add an advisory measure to the November 2014 ballot.

Council must also take other actions regarding the mechanics of placing the ballot measure on the ballot. Those actions are described fully under the staff report for the Election Resolution agenda item also being considered tonight. The agenda package calling for the election includes the draft resolutions needed if Council adopts the ordinance tonight placing the potential sales tax measure on the ballot and the draft resolution needed if Council fails to adopt the ordinance.

If passed tonight the ordinance would be brought back before the Council on July 8, 2014 for second reading.

FISCAL IMPACT:

The proposed sales tax measure would generate an estimated \$1.7 - \$2.0 million in additional annual revenue. The total cost of placing the measures on the ballot is estimated to be approximately \$6,500 of budgeted General Funds.

ALTERNATIVES:

1. Council may not pursue an increase to the sales tax rate.

ATTACHMENTS:

1. Draft Ordinance A, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization.
2. Table detailing particulars of Other San Luis Obispo County sales tax measures
3. Sales Tax Ballot measure language for other San Luis Obispo County jurisdictions.