



City of Lemon Grove  
City Council Regular Meeting Agenda  
Tuesday, October 16, 2018, 6:00 p.m.

Lemon Grove Community Center  
3146 School Lane, Lemon Grove, CA

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

Call to Order

Pledge of Allegiance

Changes to the Agenda

Public Comment

(Note: In accordance with State Law, the general public may bring forward an item not scheduled on the agenda; however, the City Council may not take any action at this meeting. If appropriate, the item will be referred to staff or placed on a future agenda.)

1. Consent Calendar

(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public.)

A. Waive Full Text Reading of All Ordinances on the Agenda

Reference: Jim Lough, City Attorney

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

B. City of Lemon Grove Payment Demands

Reference: Molly Brennan, Finance Director

*Recommendation: Ratify Demands*

C. Approval of City Council Meeting Minutes

Regular Meeting

October 2, 2018

Reference: Shelley Chapel, City Clerk

*Recommendation: Approve Minutes*

D. Acceptance of Approved Planning Commission Meeting Minutes

Regular Meeting

June 25, 2018

Reference: Shelley Chapel, City Clerk

*Recommendation: Accept Minutes*

- E. Resolution Approving a Sixth Amendment to the Option Agreement between the City of Lemon Grove and the San Diego Land Trust for 8084 Lemon Grove Way.

Reference: Mike Viglione, Assistant Planner

*Recommendation: Adopt Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California, approving the Sixth Amendment to an Option Agreement with the San Diego Community Land Trust for the Parcel Identified as 8084 Lemon Grove Way (APN 475-450-19-00).*

Public Hearing:

2. First Reading and Introduction of Ordinance No. 2018-449, to Consider Zoning Amendment ZA1—800-0002 Separation Findings for Discretionary Permits.

The City Council will Conduct a Public Hearing and Introduce Ordinance No. 2018-449 Approving Zoning Amendment ZA1-800-0002 and Schedule Second Reading and Adoption at the November 6, 2018 City Council Meeting.

Reference: Mike Viglione, Assistant Planner

*Recommendation: Hold the Public Hearing, and Introduce Ordinance No. 2018-449 entitled, "An Ordinance of the City Council of the City of Lemon Grove, California Amending Section 17.28.020 (Application Procedures) of the Lemon Grove Municipal Code to Create a New Process to Allow for Early Separation Findings for Land Uses with Separation Requirements."*

Report:

3. Lemon Grove Avenue Realignment Project

The City Council will approve the project budget and time extension for the Lemon Grove Avenue Realignment Project.

Reference: Mike James, Assistant City Manager/Public Works Director

*Recommendation: Adopt a Resolution entitled, "A Resolution of the City Council of the City of Lemon Grove, California Approving the Project Budget for the Lemon Grove Avenue Realignment Project."*

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City.

(GC 53232.3 (d)) (53232.3.(d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)

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

Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Government Code Section 54956.9(d)(2)  
Number of potential cases: 1
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (  
Government Code Section 54956.9 (1d)  
Christopher Williams vs. David Arambula, City of Lemon Grove, et. al.  
San Diego Superior Court - Case number 37-2018-00023369-CU-PO-CTL

Adjournment

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In compliance with the Americans with Disabilities Act (ADA), the City of Lemon Grove will provide special accommodations for persons who require assistance to access, attend and/or participate in meetings of the City Council. If you require such assistance, please contact the City Clerk at (619) 825-3800 or email [shapel@lemongrove.ca.gov](mailto:shapel@lemongrove.ca.gov). A full agenda packet is available for public review at City Hall.

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AFFIDAVIT OF NOTIFICATION AND POSTING

STATE OF CALIFORNIA )  
COUNTY OF SAN DIEGO) SS  
CITY OF LEMON GROVE)

I, Shelley Chapel, MMC, City Clerk of the City of Lemon Grove, hereby declare under penalty of perjury that a copy of the above Agenda of the Regular Meeting of the City Council of the City of Lemon Grove, California, was delivered and/or notice by email not less than 72 hours before the hour of 5:30 p.m. on October 11, 2018, to the members of the governing agency, and caused the agenda to be posted on the City's website at [www.lemongrove.ca.gov](http://www.lemongrove.ca.gov) and at Lemon Grove City Hall, 3232 Main Street Lemon Grove, CA 91945.

*/s/ Shelley Chapel*

Shelley Chapel, MMC, City Clerk



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Reference: Molly Brennan, Finance Director

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*/s/ Shelley Chapel*

Shelley Chapel, MMC, City Clerk



**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.A  
**Dept.** City Attorney

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

**Staff Contact:** James P. Lough, City Attorney

**Recommendation:**

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

**Fiscal Impact:**

None.

**Environmental Review:**

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

**Public Information:**

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

**Attachments:**

None.





**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.B  
**Dept.** Finance

**Item Title:** City of Lemon Grove Payment Demands

**Staff Contact:** Molly Brennan, Finance Manager

**Recommendation:**

Ratify Demands
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**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Negative Declaration

Categorical Exemption, Section

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.



**City of Lemon Grove Demands Summary**

Approved as Submitted:

Molly Brennan, Finance Manager

For Council Meeting: 10/16/18

ACH/AP Checks 09/26/18-10/03/18 968,447.24

Payroll - 09/25/18 133,826.45

Total Demands 1,102,273.69

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Aug18	San Diego County Sheriff's Department	09/26/2018	Law Enforcement Services - Aug'18	487,896.64	487,896.64
ACH	Sep18	Southern CA Firefighters Benefit Trust	09/26/2018	LG Firefighters Benefit Trust - Sep'18	1,569.10	1,569.10
ACH	Sep12-Sep25 18	Calpers Supplemental Income 457 Plan	09/27/2018	457 Plan 9/12/18-9/25/18	5,368.53	5,368.53
ACH	261890	Aflac	09/27/2018	AFLAC Insurance 09/26/18	660.24	660.24
ACH	Aug15-Sep11 18	California Public Empl Retirement System	09/27/2018	Pers Retirement 8/15/18-9/11/18	64,487.41	64,487.41
ACH	55812911	WEX Bank	09/27/2018	Fuel - Fire Dept - Aug'18	418.01	418.01
ACH	Sep25 18	Employment Development Department	09/27/2018	State Taxes 9/25/18	7,980.05	7,980.05
ACH	Sep25 18	US Treasury	09/28/2018	Federal Taxes 9/25/18	24,337.53	24,337.53
ACH	Sep18	Wage Works	09/30/2018	FSA Reimbursement - Sep'18	321.03	321.03
ACH	Sep18	Power Pay Biz/Evo	10/01/2018	Online Credit Card Processing - Sep'18	75.05	75.05
ACH	Refill 10/1/18	Pitney Bowes Global Financial Services LLC	10/02/2018	Postage Usage 10/1/18	250.00	250.00
ACH	8716277	LEAF	10/02/2018	Ricoh C3502 Copier System-PW Yard - Sep'18	160.51	160.51
ACH	Sep18	Authorize.Net	10/02/2018	Merchant Fees - Sep'18	21.75	21.75
ACH	Oct 2018	Pers Health	10/02/2018	Pers Health Insurance - Oct 18	54,874.88	54,874.88
10232	C6960	A-Pot Rentals, Inc.	09/26/2018	Portable Restroom Rental- 9/9/18-10/8/18	132.10	132.10
10233	11917025	AT&T	09/26/2018	Phone Service 8/13/18-9/12/18	82.36	82.36
10234	32465	Aztec Landscaping Inc.	09/26/2018	Landscape Mgmt Svc - Aug'18	9,629.00	9,629.00
10235	Reimb 9/24/18	Boyce, Stephanie	09/26/2018	Reimbursement- Decorations/Employee Recognition Event 10/11/18	88.59	88.59
10236	9/25/18	California State Disbursement Unit	09/26/2018	Wage Withholding Pay Period Ending 9/25/18	161.53	161.53
10237	19196846	Canon Financial Services Inc.	09/26/2018	Canon Plotter 2 Yr Carepack Contract Charge 05/20/18-6/19/18	455.24	455.24

10238	FRS0000118 FRS0000118	City of El Cajon	09/26/2018	Overtime Reimbursement - Kelsen 9/1/18 Overtime Reimbursement - Royer 9/3/18	1,168.40 1,197.49	2,365.89
10239	1000237891	City of San Diego	09/26/2018	Contractual Agreement- 2 AEDs - 6/13/18-6/12/19	75.00	75.00
10240	2188 2283 2284 2285 2287 2288 2289	Clothing International, Inc.	09/26/2018	Protective Clothing - First Responder Patches Protective Clothing -PW- Streets/Sani- Work Shirts & Pants Protective Clothing - PW - Embroidery Protective Clothing - PW - Logo & Embroidery Protective Clothing - PW-Admin/Streets - Work Shirts & Pants Protective Clothing - PW-Sani- Work Shirts & Pants Protective Clothing - PW-Admin/Facilities- Work Shirts & Pants	285.47 61.35 21.44 290.60 1,357.43 1,229.43 429.49	3,675.21
10241	091418	Cloud Security Systems	09/26/2018	Service/Security Sys/8235 Mt Vernon/LG Sr Ctr- 9/14/18	85.00	85.00
10242	3996	Countywide Mechanical Systems, Inc.	09/26/2018	CUPCCA #2019-04 Repair Water Leak/Sheriff/Women's Locker Rm	2,953.18	2,953.18
10243	9/18/2018	Cox Communications	09/26/2018	City Manager/Copy Room Fax Line- 9/18/18-10/17/18	4.31	4.31
10244	470971	Day Wireless Systems Inc.	09/26/2018	E210- Wireless Modem Service	175.00	175.00
10245	0918182305	Domestic Linen- California Inc.	09/26/2018	Shop Towels & Safety Mats 9/18/18	81.60	81.60
10246	9/10-13/18	Esgil Corporation	09/26/2018	75% Building Fees- 9/10/18-9/13/18	16,607.12	16,607.12
10247	Galindo	Galindo, Jorge	09/26/2018	Refund/Galindo, Jorge/CD1-800-0021/Diversion Deposit-7/16/18	500.00	500.00
10248	109708282	Globalstar USA, Inc.	09/26/2018	Satellite Service 8/16/18-9/15/18	165.31	165.31
10249	AR009653	Grossmont Union High School District	09/26/2018	Buses for Summer Day Camp Field Trips- Aug'18	648.50	648.50
10250	Hart	Hart, Rick	09/26/2018	Refund/Hart, Rick/CD1-800-0033/Diversion Deposit-8/13/18	100.00	100.00
10251	2E086109	Horizon	09/26/2018	Weathermatic Irrigation Annual Subscription	22,756.80	22,756.80
10252	18-4458	I love a Clean San Diego	09/26/2018	ILACSD Recycling Educ Community Outreach Events thru 8/31/18	2,200.00	2,200.00
10253	Sep25 18	ICMA	09/26/2018	ICMA Deferred Compensation Pay Period Ending 9/25/18	580.77	580.77
10254	1500	Janazz, LLC SD	09/26/2018	IT Services- City Hall- Sep'18	2,500.00	2,500.00
10255	129588	Knott's Pest Control, Inc.	09/26/2018	On Call Pest Control- City Hall/HR Ofc	95.00	95.00
10256	Lewis	Lewis, Lynette	09/26/2018	Refund/Terrell Lucas/Daycamp/Wk 8	82.40	82.40
10257	4520563	Mallory Safety and Supply, LLC	09/26/2018	Drivers Gloves/Nitrile Gloves/Glasses	358.17	358.17
10258	6196 6216	North County EVS, Inc.	09/26/2018	E210 Service Call/Transmission E310 Prev Maintenance/Air Filter	157.50 186.89	344.39
10259	148257 148420	Pacific Sweeping	09/26/2018	Street Sweeping/Madison - 8/8/18 Street Sweeping/Parking Lot/Power Washing/Bus Shelters - Aug'18	220.00 2,582.75	3,802.75
10260	LG06262018	SD Sports Medicine and Family Health Center	09/26/2018	Medical Fitness Evaluations - 6/26/18	1,736.44	1,736.44
10261	9/20/2018	SDG&E	09/26/2018	3225 Olive- 8/19/18-9/18/18	226.71	530.83

9/20/2018			3500 1/2 Main- 8/19/18-9/18/18	266.08		
9/3/2018			7701 1/2 North Ave A-New Service 8/2/18-9/3/18	10.83		
9/3/2018			7701 1/2 North Ave B-New Service 8/2/18-9/3/18	9.07		
9/3/2018			7772 1/2 North Ave A-New Service 8/2/18-9/3/18	9.07		
9/3/2018			7772 1/2 North Ave B-New Service 8/2/18-9/3/18	9.07		
10262	87919182	SiteOne Landscape Supply, LLC	09/26/2018	Sprinkler Supplies/Broadway Medians	83.82	181.34
	88065967			Sprinkler Supplies/LGA Median	97.52	
10263	00070074	The East County Californian	09/26/2018	Public Hearing Notice - Admin Appeal - 9/13/18	150.50	462.00
	00070252			Public Hearing Notice - Discretionary Permits - 9/13/18	168.00	
	00070268			Public Hearing Notice - Conditional Use Permit - 9/13/18	143.50	
10264	Tran	Tran, Nhu	09/26/2018	Refund/Tran, Nhu/CD1-700-0008/Diversion Deposit-5/15/17	500.00	500.00
10265	100318	California Secretary of State	09/27/2018	Notary Renewal Exam Fee - Macias	40.00	40.00
10266	INV-ACC42093	Accela, Inc. #774375	10/03/2018	Springbrook Annual Maintenance 10/18/18-10/17/19	21,500.13	21,500.13
10267	L1072895SJ	American Messaging	10/03/2018	Pager Replacement Program- 10/1/18-10/31/18	43.04	43.04
10268	8/23/2018 11947822	AT&T	10/03/2018	Backup City Hall Internet- 8/23/18-9/22/18 Fire Backup Phone Line- 8/22/18-9/21/18	80.00 39.54	119.54
10269	893544-9	BJ's Rentals	10/03/2018	Propane	13.95	13.95
10270	19188740 19235350	Canon Financial Services Inc.	10/03/2018	Canon Plotter Contract Charge 9/21/18-10/20/18 Canon Copier Contract Charge 10/1/18	144.00 642.60	786.60
10271	4009002144 4010008439 4010279568 4010279583	Cintas Corporation #694	10/03/2018	Janitorial Supplies - 8/23/18 Janitorial Supplies - 9/20/18 Janitorial Supplies - Fire - 9/27/18 Janitorial Supplies - 9/27/18	230.97 218.66 308.55 1,379.29	2,137.47
10272	HCA0000236	City of El Cajon	10/03/2018	HCFA Assessments - QTR 2 FY18/19	63,655.75	63,655.75
10273	HHW-20372	City of La Mesa	10/03/2018	Household Hazardous Waste Event- 7/21/18	763.50	763.50
10274	212254-19	County of San Diego- Environmental Health	10/03/2018	Unified Program Facility Permit Renewal- 10/31/18-10/31/19	469.00	469.00
10275	9/19/2018	Cox Communications	10/03/2018	Phone/PW Yard/2873 Skyline- 9/19/18-10/18/18	211.61	211.61
10276	Da Kines	Da Kine's Plate Lunches	10/03/2018	Employee Appreciation Event Lunch 10/11/18	413.08	413.08
10277	9/17-20/18	Esgil Corporation	10/03/2018	75% Building Fees- 9/17/18-9/20/18	6,060.88	6,060.88
10278	69561	House of Automation	10/03/2018	Service Call- PW Yard Security Gate Repair	198.00	198.00
10279	86599-FY19	International Association of	10/03/2018	IAFC Membership- Drum #86599	279.00	279.00
10280	0059	JSV Smog & Auto Repair Inc.	10/03/2018	LGPW#19- '99 Ford F350- Service/Oil Leak/Replace Sensor/Hoses	679.72	679.72
10281	Jul 18 Jul 18 Jul 18 Jul 18 Jul 18	Lounsbery Ferguson Altona &	10/03/2018	01163-00002 - Jul '18 01163-00003 - Jul '18 01163-00028 - Jul '18 01163-00036 - Jul '18 01163-00041 - Jul '18	15,214.73 1,444.20 1,308.40 481.40 830.00	19,278.73
10282	1026266	Michael Baker International	10/03/2018	Prof Svc: As-Needed Engineering Svcs thru 8/31/18	29,517.50	29,517.50
10283	Near-Cal	Near-Cal Corporation	10/03/2018	Refund/Near-Cal Corporation/Business License 9/18/18	58.50	58.50

10284	605033008	Nichols Consulting Engineers, CHTD	10/03/2018	Prof Svc: Pavement Mgmt Program 2018 Update thru 8/31/18	1,005.00	1,005.00
10285	98820	NV5, Inc.	10/03/2018	LGA Realignment-Construction Support Svcs thru 7/28/18	6,984.66	6,984.66
10286	WO-51382-1	Office Advantage, Inc.	10/03/2018	Office Supplies & Printer Ink - Fire	371.62	371.62
10287	3010281960	Parkhouse Tire Inc.	10/03/2018	LGPW#32- GapVax- Fleet Service/Tire & Installation	1,058.76	1,058.76
10288	Pro Massage	Pro Massage	10/03/2018	Refund/Pro Massage/Business License 9/5/18	26.50	26.50
10289	INV024957	RapidScale Inc.	10/03/2018	Virtual Hosting 9/30/18	3,370.78	3,370.78
10290	0063707 17546F(5) 17546F(7)	Rick Engineering Company	10/03/2018	Prof Svc: City Engineer 6/30/18-8/31/18 Prof Svc: 2017/18 CIP Sewer Proj- 8 Locations 5/26/18-6/29/18 Prof Svc: 2017/18 CIP Sewer Proj- 8 Locations 7/28/18-8/31/18	66,658.78 6,053.00 2,902.50	75,614.28
10291	3601 1/2LGA-9/2	SDG&E	10/03/2018	3601 1/2 LGA- Gas & Electric 8/19/18-9/18/18	31.81	31.81
10292	3394-08 3394-08 3394-08 3394-08	Select Electric Corp.	10/03/2018	Traffic Signal Dig Alert Mark Outs- Aug'18 Traffic Signal Service Calls- Aug'18 Repair Damaged Loops at EB Palm at Golden Repair Damaged Loops at WB Palm at Skyline	400.50 3,592.34 1,876.00 3,752.00	9,620.84
10293	8125714557	Shred-It USA	10/03/2018	Shredding Services 9/18/18	286.02	286.02
10294	Simmons	Simmons, David	10/03/2018	Refund/Simmons, David/Business License 9/4/18	70.00	70.00
10295	86717612	SiteOne Landscape Supply, LLC	10/03/2018	Herbicide/Roundup Promax	88.56	88.56
10296	SD038201809	The Epoch Times in San Diego	10/03/2018	Election Notice of Nominees in Chinese 9/21/18	120.00	120.00
10297	820180384  920180380	Underground Service Alert of Southern Ca	10/03/2018	38 New Ticket Charges - Aug'18  68 New Ticket Charges - Sep'18	72.70  122.20	194.90
10298	9814544207 9814984751	Verizon Wireless	10/03/2018	Mobile Broadband Access- 8/13/18-9/12/18 Fire Prev Phone Line/MCD Engine Tablets- 8/21/18-9/20/18	76.02 585.47	661.49
10299	71968660 71968661	Vulcan Materials Company	10/03/2018	Asphalt Asphalt	103.33 76.13	179.46
					967,447.24	968,447.24

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.C

**Dept.** City Manager's Office

**Item Title:** Approval of City Council Meeting Minutes

**Staff Contact:** Shelley Chapel, MMC, City Clerk

**Recommendation:**

Approval of City Council Meeting Minutes for Regular Meeting held October 2, 2018.

**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Categorical Exemption, Section

Negative Declaration

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.





**MINUTES OF A MEETING OF  
THE LEMON GROVE CITY COUNCIL  
TUESDAY, OCTOBER 2, 2018**

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

**Call To Order:**

Mayor Vasquez called the Regular Meeting to order at 6:02 p.m.

**Present:** Mayor Racquel Vasquez, Mayor Pro Tem Jerry Jones, Councilmember Jennifer Mendoza, Councilmember David Arambula, and Councilmember Matt Mendoza.

**Absent:** None.

**Staff Members Present:**

Lydia Romero, City Manager, James Lough, City Attorney, Mike James, Assistant City Manager/Public Works Director, Mike Chasin, Interim Fire Chief, Daryn Drum, Fire Division Chief, Lieutenant Scott Amos, San Diego County Sheriff's Office - Lemon Grove Substation, , Shelley Chapel, City Clerk, Ricardo Hidalgo, Human Resources Manager, and Molly Brennan, Finance Manager.

**Pledge of Allegiance:**

Pledge of Allegiance to the Flag was led by Councilmember Arambula.

**Presentations:**

Mayor Vasquez introduced City Manager Romero who introduced the new Human Resources Manager, Roberto Hilgado.

Mayor Vasquez read a Proclamation declaring October as Fire Prevention Week and presented to Interim Fire Chief Chasin.

Interim Fire Chief Chasin introduced Fire Division Chief Drum, who provided information on the Open House and Pancake Breakfast that will be held on Saturday, October 13, 2018.

Mayor Vasquez introduced Lt. Amos, Sheriff's Department who introduced Amy Hall, Senior Volunteer Program Coordinator who gave an overview of the YANA Program (Reserve Senior Volunteer Patrol and You Are Not Alone). Some of the responsibilities of the YANA program are conducting welfare checks on seniors and for holidays they provide goodie bags for seniors, they also will conduct a vacation check when residents are away from home.

Mayor Vasquez introduced First Vice President, George Gastil of the Lemon Grove Chapter of Lions Club, who recognize and support the YANA Program. The Lions Club presented some gift cards to the YANA program.

**Public Comments:**

Appeared to comment were: John L. Wood, Brenda Hammond, Teresa Rosiak, Tom Clabby, Ralph Chudy, Sarah Ditges, Anita Ditges, Andy Gorman, and Chris Williams.

**Consent Calendar:**

- A. Waive Full Text Reading of All Ordinances on the Agenda.
- B. Ratification of Payment of Demands
- C. City Council Meeting Minutes for the Regular Meeting of September 18, 2018. lar Meeting.
- D. Authorized the Transfer of Escheat Monies
- E. Authorized Rejection of Claims
- F. Adoption of Resolution No. 2018-3611, Repealing Resolution No. 2018-3603

**Action:** Motion by Councilmember Arambula, seconded by Mayor Pro Tem Jones to approve Consent Calendar Items A-F.

The motion passed by the following vote:

**Ayes:** Vasquez, Jones, Arambula, J. Mendoza, M. Mendoza  
**Absent:** None.

**Reports:**

- 2. Amended and Restated Wastewater Disposal Agreement (Sanitation District)

Assistant City Manager/Public Works Director Mike James introduced Dexter Wilson, Wastewater Consultant who presented the staff report and PowerPoint Presentation.

Adoption of the Resolution would provide the District Board with information to decide on whether or not to approve an amended and restated wastewater disposal agreement between the City of San Diego and Lemon Grove Sanitation District.

**Action:** Motion by Board Member J. Mendoza, and second by Vice-Chair Jones, to adopt **Resolution No. 2018-3612**, entitled, *“Resolution of the District Board of the Lemon Grove Sanitation District Approving the Amended and Restated Wastewater Disposal Agreement, Directing the Metro Commission/Metro JPA Representative to Support the Agreement, and Authorize the District Chair to Sign the Agreement.”*

The motion passed by the following vote:

**Ayes:** Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza  
**Noes:** None

**City Council Oral Comments & Reports on Meetings Attended At City Expense: (G.C. 53232.3(d))**

**Councilmember J. Mendoza** attended the following meetings and events:

- SANDAG Transportation Meeting
- Presented a Certificate of Recognition to Reverend Shane Harris of the National Action Network
- SANDAG “I Commute” Awards Program
- SANDAG Board Meeting
- 125<sup>th</sup> Anniversary of Lemon Grove School District
- Lemon Grove Oral History Presentation
- Trolley Station and greeted the Ride Share MTS Representatives
- Live Well San Diego Panel focused on Leadership

**Councilmember Arambula** attended the following meetings and events:

- MTS Board Meeting
- SANDAG Transportation Committee Meeting

**Vice-Mayor Jones** attended the following meetings and events:

- 125<sup>th</sup> Anniversary of Lemon Grove School District

**Mayor Vasquez** attended the following meetings and events:

- Lemon Grove Library for Story Time reading event
- Attended East County Chamber of Commerce Event
- Congressman John Lewis Author of "*March: Book One*"
- Girl Scouts Centennial Celebration at the Civic Center Park
- American Public Works Association hosted event to recognize PW Professionals
- Provided remarks at Screening of movie titled "*Resilience*"
- East County 16<sup>th</sup> Annual Chamber Women in Leadership Event
- 125<sup>th</sup> Anniversary Celebration of the Lemon Grove School District
- Provided a letter of support Saber Caliente 2<sup>nd</sup> Annual Hispanic Festival
- 2<sup>nd</sup> Annual Environmental Leadership Summit

Mayor Vasquez mentioned the upcoming Budget Workshop Special Meeting scheduled for Tuesday, October 23, 2018, and encouraged residents to bring ideas to the meeting.

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

Mayor Vasquez announced that Council will be adjourning the meeting in memory of Supervisor Diane Jacobs husband of 56 years, Paul has passed away of Parkinson's Disease on September 23, 2018, and observed a moment of silence in his honor.

Lieutenant Scott Amos, San Diego County Sheriff's Office of the Lemon Grove Substation reported that several of their deputies attended the events mentioned by Council; the Girl Scouts event to provide assistance in helping the scouts earn merit badges for First Aid, and the 125<sup>th</sup> Anniversary Celebration of the Lemon Grove School District.

Lieutenant Amos also announced an event providing residents to meet Sheriff's Deputies called "Coffee with the Community" at Anna's Restaurant that will be held Tuesday, October 9 at 6:30 p.m. to 8:00 p.m.

City Attorney Lough adjourned the meeting into Closed Session, announcing the meeting will be adjourned to a meeting to be held Tuesday, October 16, 2018, in the Lemon Grove Community Center located at 3146 School Lane, for a Regular meeting, and reminder of the Tuesday, October 23, 2018, Special Meeting at 6:00 p.m. to discuss the Budget.

**Closed Session:**

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Government Code Section 54956.9 d

Number of potential cases: 1

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

City Attorney James Lough announced the City Council will be adjourning to closed session at 8:19 p.m. for the purposes above.

City Attorney Lough reported no reportable action on items discussed in Closed Session.

**Adjournment:** There being no further business to come before the Council, the meeting was adjourned at 9:50 p.m. to a meeting to be held Tuesday, October 16, 2018, in the Lemon Grove Community Center located at 3146 School Lane, for a Regular meeting.

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Shelley Chapel, MMC  
City Clerk

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.D

**Dept.** City Manager's Office

**Item Title:** Acceptance of Approved Planning Commission Meeting Minutes

**Staff Contact:** Shelley Chapel, MMC, City Clerk

**Recommendation:**

Acceptance of Approved Planning Commission Meeting Minutes for Regular Meeting held June 25, 2018.

**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Categorical Exemption, Section

Negative Declaration

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.



**MINUTES OF A MEETING OF  
THE LEMON GROVE PLANNING COMMISSION  
MONDAY, JUNE 25, 2018**

**1. Call To Order:**

Chair Bailey called the Regular Meeting to order at 6:00 p.m.

**Present:** Chair Bailey, Commissioner Browne (arrived 6:18 p.m.), Commissioner LeBaron, Commissioner Relucio, and Commissioner Smith.

**Absent:** None.

**Staff Members Present:**

Lydia Romero, City Manager, Kristen Steinke, Assistant City Attorney, David De Vries, Development Services Director, Mike Viglione, Assistant Planner, and Arturo Ortuño, Assistant Planner.

**2. Pledge of Allegiance:**

Pledge of Allegiance to the Flag was led by Chair Bailey.

**3. Oath of Office:**

City Manager Romero gave the Oath of Office to the Commissioners as a group.

**4. Consent Calendar:**

Approval of Minutes – None.

**5. Changes to the Agenda:** None.

**6. Public Comments:** None.

**Reports:**

**7. Discussion on Planning Commission Policy Rules and Conduct of Public Meetings Procedures.**

David De Vries, Development Services Director gave the report. Correction from staff proposed to change meeting time from 6:30 p.m. to 6:00 p.m. on the fourth Monday of the month.

City Manager Romero provided the reminder to the Commissioners that a requirement of the position is to file a Form 700 filing with the City Clerk. In addition, AB1234 Ethics training and Sexual Harassment Training are required by the Human Resources Department.

Commissioners discussed the guidelines of the Commission as presented by staff.

**Action:** No action taken. Point of Clarification by Director De Vries staff will move forward to make the change of meeting start time from 6:30 p.m. to 6:00 p.m. on the fourth Monday of the month. This information will be provided as Resolution adopting the formal meeting time and date. All Commissioners present concurred.

*Chair Bailey pulled Item 9 to be heard at this time as they were awaiting the arrival of one Commissioner prior to opening the Public Hearing.*



9. **Business from the Development Services Director: (Non-Action Items)**

Director DeVries provided the Commissioners a copy of the City Hall Business Hours and Holiday Schedule. Noting that certain times and dates staff would not be responsive to emails or phone calls. Potential conflicts with the fourth Monday of the month for meetings may arise, and can be discussed as needed. The first such conflict is December 24, 2018, Christmas Eve. Director DeVries suggests that the Commission may want to consider Monday, December 10, 2018 as a possible alternative. May 27, 2019 would be another possible conflict and suggest May 13, 2019 as a possible alternative.

Director DeVries provided a 500' radius map of each Commissioner's personal residence to provide them a visual of the distance and area where a potential conflict may arise. Therefore, as a Commissioner may be required to recuse themselves from a vote. Director DeVries provided the process in which to recuse and then remove themselves from the Meeting Room. Assistant City Attorney Kristen Steinke provided a point of clarification that once a Commissioner has identified themselves as having a conflict, the Commissioner must state why they are recusing themselves from the meeting.

Assistant City Attorney Kristen Steinke provided direction to the Commissioners regarding conflict of interest besides location of residence. If unsure raise the issue and the City Attorney can provide direction. Provided the Commissioners precaution and that a conflict not disclosed could nullify a project.

Director DeVries provided the cancellation of meeting procedure.

*Commissioner Browne arrived at the meeting at 6:18 p.m. and was given the Oath of Office by City Manager Romero.*

**Public Hearing:**

8. Administrative Appeal No. AA1-800-0003 (Jason McNeil). A request to consider overturning the Development Services Director decision to require roof materials of an Accessory Rental Dwelling Unit (ARDU) to be compatible with the existing single-family residence onsite.

Chair Bailey confirmed that all legal notices had been provided and Director DeVries confirmed they had.

David De Vries, Development Services Director provided a reminder that the General Plan is the City's overarching document with the vision of the City and from that the Lemon Grove Municipal Code is developed.

Arturo Ortuño, Assistant Planner presented the staff report and PowerPoint presentation.

Chair Bailey opened the Public Hearing at 6:33 p.m.

Appeared to comment were: Jason McNeil (appellant) provided photos, Kelly McNeil, and Tim O'Leary.

During the discussion Commissioners expressed concern about roofing materials meeting current building code.

Adoption of the resolution would approve the Administrative Appeal AA1-800-0003, overturning overturn the Development Director's Decision to uphold the required roof material for Building Permit No. B17-000-0064 at 2593 Nida Place, Lemon Grove, California.

**Action:** The public hearing was closed at 7:10 p.m., and to adopt **Resolution No. 2018-01** including amendment to “Whereas, there are unique circumstances because the Accessory Rental Dwelling Unit (ARDU) was hidden from views from adjacent public rights way”, on a motion by Commissioner LeBaron, and seconded by Commissioner Browne. The motion passed by the following vote:

**Ayes:** Bailey, Browne, LeBaron, Relucio, Smith

**Noes:** None

**Business from the Planning Commission:** None.

**Planning Commission Oral Comments & Reports on Meetings Attended At City Expense: (G.C. 53232.3(d)):** None.

**Adjournment:**

There being no further business to come before the Commission, the meeting was adjourned at 7:13 p.m.

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Shelley Chapel, MMC  
City Clerk



**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.E.  
**Mtg. Date** October 16, 2018  
**Dept.** Development Services

**Item Title:** Sixth Amendment to Option Agreement Between City of Lemon Grove and the San Diego Community Land Trust for 8084 Lemon Grove Way

**Staff Contact:** Mike Viglione, Assistant Planner

**Recommendation:**

Adopt a resolution amending the Option Agreement to extend the option agreement to January 31, 2019.

**Item Summary:**

In September 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement for the eventual sale of 8084 Lemon Grove Way which is Lemon Grove Housing Authority owned land. The Purchase Option Agreement required SDCLT to complete certain milestones by specified dates. These milestones ensure that SDCLT has progressed towards the purchase of 8084 Lemon Grove Way. The fourth milestone—securing building and site improvement permits and securing, as to form, the 99-year ground lease proposed to be used as the conveyance of Affordable Unit interests—was to be completed by May 19, 2016, and the Fifth Option Amendment extended this date to October 19, 2018. The ground lease has been approved as to form. The applicant is working with City staff and other agencies to achieve this milestone as it relates to securing permits; however, the applicant is unable to meet the specified deadline. City staff recommends that the City Council adopt a resolution amending the Option Agreement to provide a sixth time extension.

**Fiscal Impact:**

None.

**Environmental Review:**

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

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Resolution Amending the Option Agreement



# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.E.

Mtg. Date October 16, 2018

Item Title: **Sixth Amendment to Option Agreement Between City of Lemon Grove and the San Diego Community Land Trust for 8084 Lemon Grove Way**

Staff Contact: **Mike Viglione, Assistant Planner**

### Discussion:

On September 22, 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement for the eventual sale of 8084 Lemon Grove Way which is owned by the Lemon Grove Housing Authority (City Council Resolution No. 2014-3284 dated September 16, 2014). A nine unit housing development is currently entitled on the subject property based on approvals in 2007 and amendments approved on March 1, 2016. The Purchase Option Agreement allows SDCLT to purchase the property for one dollar per unit in exchange for constructing the units and restricting them to moderate income households included in their 99-year ground lease mechanism. SDCLT is required to achieve certain milestones by specified dates. These milestones ensure that SDCLT has done their due diligence to determine whether the project is feasible.

The first milestone—submission of a business plan—was to be achieved by December 2014. The business plan was submitted on December 1, 2014, and the City Council reviewed the business plan and provided feedback to SDCLT on January 6, 2015.

The second milestone—securing entitlements and construction financing—was to be achieved by September 2, 2015, and October 19, 2015, respectively. Minimal revisions to the approved Tentative Map (TM0052) and Planned Development Permit (PDP06-09) were proposed and amendments to the floor and elevation plans were approved by the City Council on March 1, 2016. Entitlements for both the tentative map and planned development permit have been secured since there has been substantial progress towards the issuance of a final map, grading plan, improvement plan and building permits for the completion of the project. While the first three amendments extended the deadline to provide evidence of construction financing, the fourth amendment approved on October 17, 2017, revised the second milestone to allow SDCLT to secure financing a minimum of 10 days prior to exercising the option.

The third milestone—submission of building and site improvement applications—was to be achieved by April 4, 2016. This milestone required submission of development plans and technical studies required for a grading permit, building permit, landscape permit, and a final map. Appropriate plans and reports include building and site construction plans, grading plans, a landscape documentation package, an acoustical analysis, a Storm Water Quality Management Plan and a hydrology report, and potentially other necessary reports, studies, and plans in accordance with City Council Resolutions 2694 and 2695, which approved TM0052 and PDP06-09 respectively. In addition, a “Hold Harmless” agreement was required for each submittal. In February of 2016, SDCLT submitted the necessary permit applications achieving the third milestone.

## Attachment A

The fourth milestone—securing building and site improvement permits and securing approval as to form of the 99-year ground lease proposed to be used as the conveyance of Affordable Unit interests—was to be achieved by October 19, 2016; but if approved by Council, the requirement deadline for building and site improvement permits (with the exception of payment of Permit Fees) would be extended to January 31, 2019. This milestone requires that all permits applied for in the third milestone be secured (permits issued and improvements secured either through a bond or cash deposit with appropriate fees paid). At this time, SDCLT is preparing a resubmittal for engineering permits to address corrections requested by the City. Similarly, engineering and planning conditions of approval and remaining stormwater corrections must be addressed prior to building permit issuance. City staff estimates all of the needed engineering and building permits in the fourth milestone should be able to be issued and secured within two to four months assuming corrections are addressed. City staff recommends a sixth extension of the Option Agreement in order to allow SDCLT to satisfy final permit corrections and conditions (**Attachment B**). As a part of the fourth option agreement amendment, SDCLT and the City approved as to form a draft Ground Lease and an Affordable Housing Regulatory Agreement.

Should the City Council decide to take no action and/or decline to amend the Option Agreement, it is likely the Option Agreement will terminate on October 19, 2018 due to nonfulfillment of the fourth milestone. As a consequence, the developer would need to renegotiate a new Option Agreement with the City should they continue to pursue the project. At that time, the City Council may choose to pursue other opportunities for the property if this Option Agreement in fact does terminate.

### **Conclusion:**

City staff recommends that the City Council adopt a Resolution amending the Option Agreement to provide a sixth time extension and related amendments (**Attachment B**).

## RESOLUTION NO. 2018-\_\_\_\_\_

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE SIXTH AMENDMENT TO AN OPTION AGREEMENT WITH THE SAN DIEGO COMMUNITY LAND TRUST FOR THE PARCEL IDENTIFIED AS 8084 LEMON GROVE WAY (APN 475-450-19-00)

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**WHEREAS**, on June 20, 2006, and June 19, 2007, the former Lemon Grove Community Development Agency and a developer entered into loan agreements for the development of nine townhome units at 8084 Lemon Grove Way; and

**WHEREAS**, said developer defaulted on the loan agreements, resulting in the parcel identified as 8084 Lemon Grove Way becoming property of the City of Lemon Grove; and

**WHEREAS**, in 2014, the San Diego Community Land Trust provided a formal offer to purchase 8084 Lemon Grove Way from the City of Lemon Grove; and

**WHEREAS**, the San Diego Community Land Trust's offer included a commitment to develop and construct a minimum of nine affordable housing units to be ground leased for a 99-year period to households earning from 80 percent to 120 percent of the San Diego Area Median Income at the time of sale or resale; and

**WHEREAS**, the provision of these affordable units helps exceed the City's moderate housing targets established by the Regional Housing Needs Assessment (January 1, 2013 – December 31, 2020); and

**WHEREAS**, on June 17, 2014, the City Council directed City staff to negotiate purchase agreements with the San Diego Community Land Trust, based on its offer; and

**WHEREAS**, on September 16, 2014, the City Council approved an Option Agreement and a Real Estate Purchase and Sale Agreement between the City of Lemon Grove and the San Diego Community Land Trust; and

**WHEREAS**, on May 17, 2016, the City Council approved an amendment to the Option Agreement with the San Diego Community Land Trust extending the expiration date of Option Agreement milestone 7.4 to October 19, 2016 and the option term to March 22, 2017 (both six month extensions) and including an Optionee requirement to execute an Affordable Housing Agreement and Regulatory Agreement and a Notice of Affordability Restrictions on Transfer of Property; and

**WHEREAS**, the City negotiated a second amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to April 19, 2017, and the option term to September 22, 2017 (both six month extensions); and

**WHEREAS**, the City negotiated a third amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to October 19, 2017, and the option term to March 22, 2018 (both six month extensions) and requiring milestone 7.2 – secure construction financing – to be completed by July 19, 2017; and

**WHEREAS**, the City negotiated a fourth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to April 19, 2018, and the option term to September 22, 2018 (both six month extensions) requiring milestone 7.2 – secure construction financing – to be completed a minimum of 10 days prior to the execution of the option; and accepted the form of Ground lease, Ground Lease Rider and Regulatory Agreement; and

**WHEREAS**, the City negotiated a fifth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to October 19, 2018 and the option term to March 22, 2019 (both six month extensions); and

**WHEREAS**, the City has negotiated a sixth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to January 31, 2019; and

**WHEREAS**, the City Council has reviewed said amendment; and



## Attachment B

**WHEREAS**, the City Council finds it in the best interest of the City of Lemon Grove to approve said amendment; and |

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

1. Approves a Sixth Amendment to the Option Agreement (Exhibit 1) between the City of Lemon Grove and the San Diego Community Land Trust; and
2. Authorizes the City Manager to execute said Amendment and related documents reasonably necessary for fulfilling the terms of the Option Agreement, subject to minor modifications. |

/////

## EXHIBIT 1 (PAGES 7 THROUGH 8)

### SIXTH AMENDMENT TO OPTION AGREEMENT

This Sixth Amendment to Option Agreement (“**Sixth Amendment**”) is entered into as of October \_\_, 2018, by and between and between THE CITY OF LEMON GROVE a public body (“**Optionor**”) and THE SAN DIEGO COMMUNITY LAND TRUST a California 501(c)(3) non-profit organization (“**Optionee**”),

#### RECITALS:

A. Optionor and Optionee entered into that certain Option Agreement dated September 22, 2014 relating to the Property commonly known as 8084 Lemon Grove Way, Lemon Grove, CA (APN 475-450-19-00), as amended by the First Amendment dated March 18, 2016, as amended by the Second Amendment dated October 5, 2016, as amended by the Third Amendment dated April 17, 2017, as amended by the Fourth Amendment dated October 18, 2017, and as amended by the Fifth Amendment dated April 18, 2018 (together the “**Option Agreement**”).

B. Optionor and Optionee desire to further amend the Option Agreement set forth herein. All initially capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Option Agreement.

#### AGREEMENT:

NOW THEREFORE, and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee hereby agree as follows:

1. Extension of deadline for Permits and Optionor’s Approval. Subparagraph 7.4 of the Option Agreement is deleted in its entirety and replaced as follows:

“7.4 No later than January 31, 2019, Optionee shall have (i) completed all requirements necessary for Building and Site Improvement Permits (including building, street improvement, and grading plans shall be issued and the final map shall be recorded), with the exception of payment of fees for the foregoing permits and plans (“Permit Fees”). All outstanding Permit Fees shall be delivered to Escrow prior to the transfer of the Property to Optionor and shall be a Developer (Optionee) deliverable under section 2.6 of the revised Real Estate Purchase and Sale Agreement (“PSA”), as attached to the Fourth Amendment as Fourth Amendment Exhibit A.”

2. Counterparts. This Sixth Amendment may be signed in multiple counterparts with the same force and effect as if all original signatures appeared on one copy; and in the event, this Sixth Amendment is signed in counterparts, each counterpart shall be deemed an original and all of the counterparts shall be deemed to be one Sixth Amendment.

3. Effect of Sixth Amendment. Except as amended hereby, the Option Agreement remains in full force and effect.

*Signature Page Follows*

# Attachment B

IN WITNESS WHEREOF, Optionor and Optionee have executed this Fifth Amendment as of the date set forth above.

**OPTIONOR:**

THE CITY OF LEMON GROVE,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to legal form:

By \_\_\_\_\_  
James P. Lough, City Attorney

**OPTIONEE:**

THE SAN DIEGO COMMUNITY LAND TRUST,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**LEMON GROVE CITY COUNCIL**  
**AGENDA ITEM SUMMARY**

**Item No.**   2    
**Mtg. Date**   October 16, 2018    
**Dept.**   Development Services Department  

**Item Title:** **Public Hearing to Consider Ordinance No. 2018-449 – Zoning Amendment ZA1-800-0002 Separation Findings for Discretionary Permits**

**Staff Contact:** **Mike Viglione, Assistant Planner**

**Recommendation:**

- 1) Conduct the public hearing; and
- 2) Introduce Ordinance No. 2018-449 (**Attachment B**).

**Item Summary:**

Municipal Code Title 17 Zoning and Title 18 Citywide Regulations require large family daycares, medical marijuana dispensaries (MMDs), alcoholic beverage related businesses requiring a conditional use permit and beekeeping and adult entertainment uses to observe distance separations from specifically listed land uses as a condition of establishment. A separation finding must be made by the decision body at the time of final decision. At the July 17, 2018 City Council meeting, the City Council directed staff to prepare a draft ordinance to provide a process for making an early separation finding. Planning Commission reviewed and commented on the proposed ordinance on September 24, 2018. The proposed Zoning Amendment may allow an applicant to obtain the required separation finding prior to preparing costly plans and reports and prior to final decision. Land uses established after the separation finding is made would not restrict an applicant from obtaining a permit. The staff report (**Attachment A**) provides an overview of the proposed amendment to Section 17.28.020 (Application procedures) and **Attachment B** is the proposed ordinance.

**Fiscal Impact:**

Unknown at this time.

**Environmental Review:**

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

**Public Information:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> None   | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Ordinance No. 2018-449 – (ZA1-800-0002)



# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No.   2  

Mtg. Date   October 16, 2018  

Item Title: **Public Hearing to Consider Ordinance No. 2018-449 – Zoning Amendment ZA1-800-0002 Separation Findings for Discretionary Permits**

Staff Contact: **Mike Viglione, Assistant Planner**

### Background:

During the April 17, 2018 City Council meeting, the City Council directed staff to present alternatives for making separation findings prior to final decision by the Development Services Director, Planning Commission and City Council. At the July 17, 2018 City Council meeting, the City Council reviewed four alternatives and directed staff to prepare a draft ordinance providing a process for making early separation findings. At the September 24, 2018 Planning Commission meeting, the Planning Commission also reviewed the alternatives and draft ordinance and provided recommended minor revisions to the draft ordinance.

The following background and discussion provides a general overview of applicable separation regulations in the Lemon Grove Municipal Code (LGMC), including noticing and permitting requirements, and alternatives for early separation findings.

### *Regulatory Background*

The LGMC requires separation findings be made for large family daycares, medical marijuana dispensaries (MMDs), beekeeping, alcoholic beverage related businesses requiring a conditional use permit and adult entertainment uses as follows:

1. Large Family Daycares (LGMC Section 17.24.060(D)(3) Accessory buildings and uses - Daycares):
  - a. A facility shall not be established within one thousand feet of another such facility.
  - b. Requires a Minor Use Permit conditionally approved by the Development Services Director with a \$500.00 deposit.
2. Medical Marijuana Dispensaries (LGMC Chapter 17.32 Medical Marijuana Regulations):
  - a. MMDs shall be 1,000 feet from regulated and protected uses inside and outside city limits. Regulated uses include MMDs and protected uses include public parks, playgrounds, licensed day care facilities, schools and alcohol and substance abuse treatment centers. The measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access.
  - b. Requires a Zoning Clearance and \$1,090.00 fee to review and approve separation requirements and application materials followed by a Conditional Use Permit with City Council conditional approval and \$1,500.00 deposit.

# Attachment A

3. Beekeeping (LGMC Section 18.16.060 Exotic animals and beekeeping):
  - a. Up to four beehives may be permitted. Beehives shall be placed at least twenty-five feet from the exterior line of the traveled way of any public streets, at least twenty-five feet from the exterior line of any private access easement, at least fifteen feet from any side or rear lot line, and at least twenty-five feet from neighboring dwellings.
  - b. For three to four hives, a one-hundred-foot separation from neighboring dwellings is required.
  - c. Beehives shall be placed at least one hundred feet from the border of sensitive areas. Sensitive areas include areas where people, such as the elderly, small children, individuals with medical conditions or confined animals inhabit or frequent that are more at risk if stinging incidents were to occur. Sensitive areas are characterized by a demonstrated need for a greater safety buffer. These areas include, but are not limited to, schools, playgrounds, picnic areas, outdoor sports facilities, daycare centers, senior care facilities, medical facilities, and animal-boarding facilities. Property operators, owners, or residents who have medical reasons may apply to have their locations designated as sensitive sites. Businesses and facilities with employees who have medical reasons or where bees could cause a nuisance during normal work activities may also apply to have their locations designated as sensitive sites. The development services director may approve sites or remove sites previously approved or designated as sensitive sites upon request. Upon appeal, the city council has final discretion to approve designation of locations as sensitive sites upon review of supportive documentation.
  - d. Requires a beekeeping permit with \$35.00 fee similar to a Zoning Clearance approved by the Development Services Director.
4. Alcoholic Beverage related Businesses Requiring a Conditional Use Permit including Convenience Markets, Bars, Nightclubs and Liquor Stores (LGMC Chapter 18.27 – Alcoholic Beverage Sales):
  - a. Businesses engaged in the sale or distribution of alcoholic beverages for off-site consumption shall maintain a minimum separation of 500 feet from any other business required to have a Conditional Use Permit for the sale of alcoholic beverages. This subdivision shall not apply to incidental alcoholic beverage sales and warehouses, and distribution facilities.
  - b. Businesses engaged in the sale or service of alcoholic beverages for on-site consumption shall maintain a minimum separation of 1,000 feet from another business selling or serving alcoholic beverages requiring a Conditional Use Permit for on-site consumption and a minimum of 500 feet from any other business requiring a Conditional Use Permit for the on-site or off-site sale or service of alcoholic beverages; any church or other place of worship; any public or private preschool, elementary school or high school; any public park or playground; any hospital, clinic, or other health care facility; any residential unit other than a caretaker's dwelling on a commercial or industrial property; and any property zoned for residential use. Based upon the particular circumstances involved, the city council shall determine the appropriate separation between private clubs and lodges operated by recognized national, state or regional

# Attachment A

religious or fraternal order and appropriate distances between such clubs and lodges and other types of land use.

- c. Requires a Conditional Use Permit with City Council conditional approval and \$1,500.00 deposit.
5. Adult Entertainment including (LGMC Chapter 18.28 – Adult Entertainment):
  - a. Adult entertainment establishments include adult arcade, adult bookstore, adult cabaret, adult drive-in theater, adult mini-motion Picture Theater, adult model studio, adult motel, adult motion picture theater, adult theater, body painting studio, sexual encounter establishment and any other business which involves specified sexual activities or the display of specified anatomical areas. No adult entertainment establishment shall be permitted within 1,000 feet of another such business, within five hundred feet of any area zoned for residential use, or within six hundred feet of any church, school, public playground, park or recreational area.
  - b. Adult entertainment establishments are currently prohibited in all zones, but were previously allowed in the General Commercial zone.

Decisions of the Development Services Director can be appealed to the Planning Commission and decisions of the Planning Commission can be appealed to the City Council.

## **Discussion:**

Since certain land uses are subject to separation requirements (LGMC), as described above, the applicable separation distance must be met before the land use can be established. Current LGMC regulations require a separation finding to be made by the decision body at the time of final decision on the application. This requires the applicant to prepare all necessary plans and studies to the satisfaction of staff before eligibility for the required separation finding with the final decision.

The City Council considered the following four alternatives for making early separation findings for land use applications:

1. At time of initial notice of complete or incomplete and within 30 days of initial application submittal.
2. At time of being deemed complete which requires all architectural and engineering drawings and required reports and studies to be complete and approved by City staff.
3. At time of conditional approval by the Development Services Director, Planning Commission or City Council.
4. As a part of a separate Zoning Clearance, Minor Use Permit or Conditional Use Permit for the specific purpose of making an early separation finding. A Zoning Clearance would include no public noticing with appeal rights by the applicant. A Minor Use Permit would require a 500 foot radius public notice to property owners with conditional approval by the Development Services Director and appeal rights by the applicant and any member of the public. A Conditional Use Permit would require a 500 foot radius public notice to property owners, a sign posted on the property and conditional approval by the Planning Commission and appeal rights by the applicant and any member of the public.



# Attachment A

At the City Council meeting, further discussion took place regarding public noticing, since that is one of staff's primary concerns. For MMDs, the daycare location lists are only requested once per year due to the approximate \$500 request cost charged by the State daycare licensing division. Small family daycares which are protected uses in accordance with LGMC Chapter 17.32 (Measure V) do not require any permit or business license from the City and their location will not be known unless the list is requested by the City at the aforementioned cost. The LGMC currently requires a 500 foot public radius notice to property owners, not renters, for public notifications associated with Minor Use Permits, Conditional Use Permits, Planned Development Permits, Tentative Maps and Tentative Parcel Maps. Measure V stipulates that a MMD shall not be established within 1,000 feet of protected uses like daycares. If an early finding option could be made, the Development Services Director could require the public radius notice distance to match the specific separation requirement to give all affected properties an opportunity to appeal the decision or attend the public hearing. Additionally, a sign could be required to be posted on the property for a specific duration (e.g., 30 days) prior to the early finding being made. A public notice in the East County Californian could also be required.

At the July 17, 2018 City Council meeting, the City Council preferred the part of Alternative 4 which would require an applicant to apply for a Minor Use Permit for the specific purpose of making an early separation finding. To ensure adequate noticing, staff recommends the Minor Use Permit require a notice to all real property owners *consistent with separation findings* or at an appropriate *legal* distance from all exterior boundaries of the subject property at least ten days prior to the decision. Staff also recommends that the "sign posted on property" requirement be codified for all discretionary permits including Minor Use Permits, Conditional Use Permits, Planned Development Permits, Tentative Maps and Tentative Parcel Maps. Lastly, staff recommends codification of a requirement to publish a public notice in a newspaper of general circulation for Separation Findings Minor Use Permit applications to supplement the required public radius notice. This will ensure appropriate public noticing is provided for early findings and allows members of the public to appeal to the Planning Commission and further to the City Council.

On September 24, 2018, the Planning Commission concurred with the use of a Minor Use Permit for making early separation findings. Planning Commission also recommended minor clarifications to the wording of the public noticing portion of the Zoning Amendment, shown in italics, above and in **Attachment B**, with the understanding that the revisions would be subject to the approval of the City Attorney.

## **Conclusion:**

Staff recommends that the City Council: 1) conduct the public hearing, 2) introduce Ordinance No. 2018-449 approving Zoning Amendment ZA1-800-0002 (**Attachment B**.)

# Attachment B

## ORDINANCE NO. 2018-449

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA AMENDING SECTION 17.28.020 (APPLICATION PROCEDURES) OF THE LEMON GROVE MUNICIPAL CODE TO CREATE A NEW PROCESS TO ALLOW FOR EARLY SEPARATION FINDINGS FOR LAND USES WITH SEPARATION REQUIREMENTS

---

**WHEREAS**, an applicant seeking to establish a land use subject to separation findings must wait until the final decision is made by the Development Services Director, Planning Commission, or City Council to ensure a separation finding can be determined; and

**WHEREAS**, providing a new process through the use of a Minor Use Permit (MUP), for making an early separation finding prior to an applicant preparing costly plans and reports would streamline the approval process and would not restrict an applicant from obtaining a permit at the time of project approval; and

**WHEREAS**, noticing procedures would be enhanced to ensure the distribution of a public notice would match the separation distance for each application, and add a requirement for a sign to be posted on the subject property announcing the time and location of the public hearing; and

**WHEREAS**, on October 16, 2018, a public hearing was duly noticed and held by the Lemon Grove City Council; and

**WHEREAS**, this action is not subject to Environmental Review under the Environmental Quality Act (CEQA) because it does not constitute a project as defined by Section 15378 of the CEQA Guidelines; and

**WHEREAS**, the City Council finds that the following findings required to approve a Zoning Amendment can be made in accordance with Section 17.28.080(B) of the Municipal Code:

1. That the proposed amendment is consistent with the General Plan, in accordance with Government Code Section 65860, as amended.
  - The proposed zoning change is procedural and is consistent with the General Plan.
2. That the public health, safety, and general welfare benefit from the adoption of the proposed amendment.
  - Adopting a new process to allow for early separation findings saves applicants time and money, and improving public noticing for certain discretionary actions enhances community outreach, which provides a benefit to the public health, safety and general welfare for the City's residents and business owners; and

# Attachment B

**NOW, THEREFORE,** the City Council of the City of Lemon Grove hereby ordains as follows:

## **SECTION ONE:**

Amendments to Chapter 17.28.020 Application Procedures of the Lemon Grove Municipal Code to Create a New Process to Allow for Early Separation Findings for Land Uses with Separation Requirements are hereby added to the City of Lemon Grove Municipal Code to read as shown in Exhibit A.

**INTRODUCED** by the City Council on October 16, 2018.

*////*

*////*

## EXHIBIT A

### TEXT OF PROPOSED REGULATIONS

#### NOTE:

- Text proposed to be added is displayed in underlined type.
- Text proposed to be deleted is displayed in strikethrough type.

The City of Lemon Grove Municipal Code to amend Application Procedures, Section 17.28.020, to read as follows:

#### **17.28.020 Application Procedures.**

A. Purpose. This section establishes procedures for submitting and processing applications for proposed uses, structures, and/or improvements of real property, and related matters subject to this title; authorize the city to establish, modify, and collect fees, and set time limits for processing.

1. Definitions. Italicized words and terms found in this chapter are defined in Chapter 17.08.

2. Interpretation. In interpreting and applying the provisions of this title, uses, structures, and/or improvements shall be held to be the minimum requirements adopted for the promotion of the public health, safety, and general welfare.

3. Conflicts. Except as specifically provided, this title is not intended to impair or interfere with any previously issued permits or approvals relating to matters subject to this title. This title is not intended to interfere with, abrogate, or annul any easement, covenant, or other agreement between parties, provided that in cases in which this title imposes a greater restriction than is imposed or required by existing provisions of law or ordinance or by such easements, covenants, or agreements, the provisions of this title shall control.

B. Initiation. A proposed action may be initiated by application of the property owner, owner's agent, or another interested party, by the city council.

C. Pre-Application Conference. Prior to submission of an application package for a complicated or multi-faceted project, an applicant may request an unofficial conference with city staff to review the proposed project. Staff will evaluate the project in light of applicable city regulations, indicate possible concerns, identify required information, and note probable environmental impacts and possible mitigation requirements. Nothing in this conference shall be construed as actual or implied approval of any aspect of the proposed project.

D. Application Submittal. Prior to submitting application packages for permits or other approvals, the applicant shall obtain a zoning clearance according to Section 17.28.070. Thereafter, application packages shall be submitted to the development services department upon a prescribed form, accompanied by applicable fees according to subsection (D)(1), and related materials necessary to show that the proposed use, structures, and/or improvements of the property comply with applicable provisions of this code, state law, federal law and the requirements and conditions of any associated permit. Each application filed by, or on behalf of, one or more property owners shall be verified by at least one such owner or the owner's authorized agent attesting to the truth and correctness of all facts, statements, and information presented.

1. Fees. The city council shall establish and modify, by resolution, a schedule of fees and deposits for matters subject to this title. All applicable fees and deposits shall be paid in full prior to processing any application, appeal, or other matter for which a fee is required.

Applicable fees and/or deposits may be waived for charitable, youth or nonprofit organization activities upon approval by the city manager.

No fee shall be refundable except in any case where the development services director determines and certifies any such fee or portion thereof has been received in error, in which

## Attachment B

case the amount of money received in error shall be refunded to the proper party. Refunds will be processed in the same manner as other demands against the city.

2. Concurrent Processing. Applicants with more than one application related to the same project may have all applications processed simultaneously.

E. Time Limits.

1. Staff Review. Upon initial submittal, application packages shall be distributed to applicable departments for review. No more than thirty days following the date of initial submittal, application packages shall be deemed complete or incomplete with a request for more information. Once the requested information is received, the thirty day staff review cycle restarts. No action shall be taken on applications not yet deemed complete.

2. Deemed Complete Applications. Once deemed complete, applications then progress, in accordance with specific permit regulations in this title, to notices according to subsection F, to public hearing according to subsection G, then to decisions according to subsection H.

F. Notices. The notice shall state the purpose of the notice, a project description, and an explanation of the permit process, and be given by a date certain to affected parties according to subsections (F)(1), (2) and-(3), as appropriate.

1. Public Hearings. Notices for public hearings shall also state the time, place, and purpose of the public hearing and shall be given by publication at least ten days prior to the public hearing. Notices to affected property owners shall be given at least ten days prior to the public hearing according to subsection (F)(2).

2. Affected Property Owners. The notice shall be mailed to all real property owners within 500 feet of consistent with separation findings or at an appropriate legal distance from all exterior boundaries of the subject property at least ten days prior to the decision. Notices shall be mailed using the names and addresses of the owners as shown on the latest equalized assessment roll in the office of the county assessor. Where the address of such owner is not shown on such assessment roll, failure to send notice by mail to such property owner shall not invalidate any proceedings in connection with such action. In the event that the number of owners to whom notice would be sent according to this subsection is greater than one thousand, then notices may, instead, be given by placing a display advertisement of at least one-eighth page in a newspaper having general circulation within the affected area. In addition, temporary on-site sign(s) along the properties' street frontage(s) and legible from across the street on pedestrian pathways shall be posted on the property at least ten days prior to the public hearing and until certificate of occupancy is granted for the proposed land use, but not to exceed a period of one year. The signs shall be a minimum of six feet high, six feet wide, and not to exceed 72 square feet total for two sides or 36 square feet for one side. Such sign shall include the permit numbers, property location and APN number, a site plan and description of the project, project name, and the applicant's name, address and telephone number to the satisfaction of the development services director. Signs shall be maintained in good condition at all times.

3. California Environmental Quality Act (CEQA) and State Law. Notices shall be made according to Government Code Sections 65090 through 65091, as amended. Processing time frames will apply unless extended environmental review is required by state law or this code.

G. Public Hearings. A public hearing is the opportunity for the advisory body, the hearing body, or the appellate body to obtain public testimony or comments prior to making a decision. The public hearing shall be conducted in accordance with this chapter and Section 2.14.090 of this code. Public hearings may be continued to another time without requiring further public notice, so long as the future time and place are announced before adjournment of the hearing.

1. Scheduling. Public hearings of the city council shall be subject to the rules regarding the placing of matters on its agenda, respectively. Subject to state planning and environmental laws, public hearings shall not be held earlier than ten or later than sixty days following submission of an appeal application or a deemed complete application according to subsection (E)(2). The time limit specified in this subsection may be extended by mutual consent of the applicant and the development services director; however, in no case shall this time period exceed one hundred eighty days.

2. Notice. Notices of public hearings shall be given according to subsection (F)(1).

## Attachment B

3. Outcome. At the close of the public hearing, the advisory body may recommend approval, conditions, limitations, or denial; while the hearing body or the appellate body may make a decision. The hearing body may impose such conditions or limitations as it deems necessary to serve the general purpose and intent of this title. The matter may also be referred back to the lower body for further consideration or action. The appellate body may sustain, modify, deny or reverse, wholly or in part, any decision by a lower body. The decision may also be referred back to the lower body for further consideration or action.

H. Decisions and Effective Date of Decisions. Development services director decisions are made within thirty days of applications being deemed complete. City council and city council decisions are made within twenty days of the close of the public hearing. Decisions shall become effective ten days following the decision date, unless an appeal has been filed according to subsection K.

Unless otherwise stated in the approval or permit, or in the conditions of approval, approvals and permits shall run with the land and shall continue to be valid upon a change of ownership of the site or structure.

1. Conditions of Approval. The development services director, the city council may attach such conditions as deemed necessary to ensure compliance with this code.

2. Response to Referral. Where an application, appeal or other matter is referred to a lower body for further consideration, a response to that referral shall be submitted to the applicant and the referring body within forty days following said referral.

I. Appeals. Any applicant or other interested person who is dissatisfied with the denial, approval, conditional approval, or other application decision made in the administration of this title may appeal the decision. Decisions made by the development services director are appealed to the city council. Decisions made by the city council are final.

Appeal applications, accompanied by the filing fee, shall be filed within ten days following the date a decision is made, on forms provided by the development services department. Appeals of development services director decisions shall be submitted to the city clerk. Appeals will be heard at a public hearing that has been noticed according to subsection F and conducted according to subsection G. Failure of the appellate body to make a decision according to subsection H shall be deemed in agreement with the previous decision.

All rights of appeal are exhausted when the proceedings set forth herein have been completed. An applicant shall not apply for the same or similar use affecting all or part of the property within twelve months of the effective date of the decision of denial, or as otherwise specified at the time of the decision of denial.

J. Expirations. Applications, approvals and permits issued according to this title will expire in accordance with the following:

1. Application Expiration. Unless there has been substantial activity toward submitting a deemed complete application package according to subsection D, such application package shall expire after a continuous twelve-month period of inactivity. Thereafter, the applicant may submit a new application package according to subsection D.

2. Approval and Permit Expiration.

a. Any temporary use permit expires at the conclusion of the permitted use.

b. Other approvals or permits subject to this title shall expire:

i. Twelve months from the effective date of the decision, unless construction and/or use in reliance has commenced or as otherwise stated in the conditions of approval; or

ii. If the use for which it was issued is discontinued for a continuous period of twelve months.

K. Time Extensions. At any time prior to the expiration of approvals or permits subject to this title, the permittee for such approval or permit may file a written request for an extension of time. The development services director may grant an initial extension of the term of the permit. The city council shall consider all subsequent requests for time extensions, according to subsection (F)(2), and if:

1. The form and intensity of the project for which the approval or permit was issued have not been significantly altered, and

## Attachment B

2. The conditions or circumstances which supported the findings of fact required for the original approval or permit have not changed and appear unlikely to change within the period of the proposed extension of time.

L. Substantial Conformance Review. Any project submittal made subsequent to obtaining a use permit authorized by this title shall be in substantial conformance with that use permit. At the request of the owner, or in the event that submittals or field conditions are found to not be in conformance, a substantial conformance review application, accompanied by the filing fee, shall be filed and processed according to subsection D. If the project is found to not be in substantial conformance, the applicant may request a modification of the use permit according to subsection M.

M. Permit Modifications. Permit modification applications, accompanied by the filing fee, may be filed at any time prior to the initial expiration date of the project's use permit. Applications shall be processed according to subsection D.

N. Revocation of Approvals and Permits. Any structures and/or improvements constructed, erected, altered, moved, or maintained contrary to a use permit and/or other provisions of this title, and any use of any land or structure established, conducted, or maintained contrary to an approval, permit and/or other provisions of this title, shall be declared to be unlawful and a public nuisance.

1. Procedure. The development services director shall immediately commence action or proceedings for the abatement of a violation of this title, according to Chapter 1.24. If the owner, operator or other responsible entity fails or refuses to abate any public nuisance according to subsection N, the development services director may schedule a public hearing, according to subsection G, to consider the following actions:

- a. Requiring whatever assurance deemed appropriate to guarantee that such violation will be corrected in a timely manner and will not occur again;
- b. Imposing additional conditions or limitations affecting the physical design of the property or its use;
- c. Revoking any approvals or permits subject to this title, according to the appeals provisions of subsection K.

In the event the development services director refers an enforcement matter to the city council, the city attorney shall, upon order of the city council, immediately apply to such courts as may have jurisdiction to grant such relief as will abate and remove such building or structure and restrain and enjoin any person from erecting, maintaining, or using any property contrary to the provisions of this title.

O. Early Separation Findings. Separation findings required as a part of any permit described in this Chapter may be made early, prior to application materials being submitted and prior to a decision by the Development Services Director, Planning Commission and/or City Council as a part of a Minor Use Permit application for the sole purpose of finding that the application meets or does not meet the required separation requirements. No other approval may be granted as a part of this permit. Applications made pursuant to this subsection must give additional notice by way of advertisement in a newspaper having general circulation within the affected area at least ten days prior to the decision. This finding that the application meets separation requirements shall be valid for up to one year before the early finding expires.

OP. The remedies provided for in this title shall be cumulative and not exclusive. Nothing herein is intended to conflict with applicable state laws or federal laws. (Ord. 434 § 5, 2015; Ord. 386 § 3, 2009) |

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.**   3    
**Mtg. Date**   October 16, 2018    
**Dept.**   Public Works  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

**Recommendation:**

Adopt a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Item Summary:**

On March 20, 2018, the City Council approved a revised scope of work and project budget for the Lemon Grove Avenue Realignment project. During that presentation, staff summarized what the specific changes were and implemented the final decision to continue to move the project forward.

The staff report (**Attachment A**) includes a narrative describing what content was contained in the two staff reports presented to the City Council in March 2018, what major activities occurred since that time, what are the financial implications, what the timeline is to complete the project, and concludes with the reason why staff recommends to the City Council that it approves the updated project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Fiscal Impact:**

If approved, the following financial actions will be taken:

1. The project budget increases by \$444,761 to an amount not to exceed \$7,572,344,
2. The contract with West Coast General Construction (WCG) increases by \$301,400 to an amount not to exceed \$6,561,953,
3. The contract with WCG extends by 184 days from June 30, 2018 to December 31, 2018, and
4. The agreement with Infrastructure Engineering Corporation (IEC) will increase by \$15,000 to an amount not to exceed \$466,846.

**Environmental Review:**

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

**Public Information:**

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

**Attachments:**

- |  |   |
|--|---|
| A. Staff Report                                | D. LGA Realignment Project Budget<br>(October 2018) |
| B. Resolution                                  |   |
| C. LGA Realignment Project Budget (March 2018) |   |





## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No.   3  

Mtg. Date   October 16, 2018  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

On March 20, 2018, the City Council approved a revised scope of work and project budget for the Lemon Grove Avenue Realignment project. Over the course of two public meetings, the City Council received additional details about the Lemon Grove Avenue Realignment Project (LGA Realignment Project) that summarized how the project was originally awarded for construction in June 2016 to why additional time and funds were needed to complete the project.

Since August 2018, staff has continued to navigate multiple project tasks to approach the final goal of project completion. During that time, it was discovered that the original revenue estimates affiliated with the LGA Realignment Project were incorrect and additional construction challenges have increased the total expenditures necessary to complete the project. The project budget is facing a deficit of \$804,335.

The remaining portion of this staff report will summarize all information that was shared in March 2018, what the major activities that occurred since that time to present date, what the financial implications are to complete the project to include what solutions staff is presenting, and concludes with staff's recommendation to the City Council to approve the updated project budget/timeline for the LGA Realignment Project.

### **Background:**

The Lemon Grove Avenue Realignment Project (LGA Realignment Project) is the City's single largest construction project that originated more than a decade ago in preliminary design. When enough grant funds were applied for and awarded to the City, staff was able to begin construction on this project in 2016. As detailed in the background portion of this staff report, on June 21, 2016 the City Council awarded a construction contract to WCG in an amount of \$5,506,461.19. The estimated timeline to complete the project was 12 months or July 2017. Since construction began there have been several events that impacted the scope of work, project timeline, and project budget, all of which are detailed in the section.

### Scope of Work

As a summary, this project consists of grading, roadway modifications to the off-ramp, installation of curb, gutter, sidewalks and driveways, sewer and water main relocations, new street lighting, new traffic signals, traffic signing and striping, landscape and irrigation, railroad signaling and grade crossing improvements, railroad overhead contract system modifications, and pavement restoration. While not desired but fully expected, there were several events that occurred in the field that required project change orders. Up to this point in the project many of the costs fell within the established contingency originally approved. However, the most recent change orders now will place the project costs more than the established contingency and now staff is requesting that the City Council review the change order summary (shown below) with the recommendation that each are approved. By approving the change orders and new project budget, staff will be able to continue forward progress to complete the project by Spring 2018.

# Attachment A

## *Change Order Summary:*

**Attachment C** outlines all revenues and estimated expenditures to complete the project. Below are the four change orders that have been processed by staff:

1. Change Order No. 1: -\$10,104.13. Removing unforeseen concrete rip-rap in Caltrans ROW, sewer jack and bore encountered unforeseen utilities, the removal of a concrete slab, removal of the Helix Water District Fees and Bonds, and the removal of trees and related irrigation.
2. Change Order No. 2: +\$471,808.80. The soil that was on site for the project was determined to be impacted. The cost to manage impacted soil versus non-impacted was higher due to on-site inspections and laboratory testing.
3. Change Order No. 3: +\$292,387.63. When the project was designed, the original plan was to allocate a portion of the total soil on-site as impacted. However, once the contractor began work, all soil on-site was determined to be impacted rather than a portion of the soil. Additionally, an unforeseen concrete encasement was discovered surrounding the existing sewer main beneath the MTS tracks resulting in hand tunneling. Also, the delay in work required an extension to the insurance requirements to work in the MTS ROW. Lastly, following the installation of sidewalk on the north east corner of Olive Street and North Avenue it was determined that a small retaining wall would need to be added to stabilize the foundation and driveway of the adjacent property.
4. Infrastructure Engineering Company (IEC) – CO 1 – Additional Inspection Work: Due to the changes that are listed above, the amount of time that IEC has spent on site, working with WGC and coordinating information/permits/meetings with all utilities has increased. As such, the original scope of work presented by IEC has increased. This change order will budget an amount that will allow IEC to complete all construction management services until the project is completed. Impact: Cost increase of \$67,080.
5. Rick Engineering – CO 1 – Additional Project Management Services/Undergrounding: Rick Engineering has provided project management services for the city since this project began. Originally, staff intended to use the same project manager to also assist with the overhead utilities undergrounding project because it should have occurred at the same time. However, with the undergrounding project now delayed until after the realignment project is completed, additional funding is now required to coordinate work with AT&T, Cox Communication and AT&T for an estimated two-year period until the undergrounding project is completed. Impact: Cost increase of \$77,000.

## *Realignment Project Separated from the 20A Overhead Utility Undergrounding Project:*

Staff wanted to also provide a summary of the Overhead Utility Undergrounding Project which will occur in the same area as the realignment project. In April 2017, staff advertised a construction bid to underground all overhead utility facilities in the realignment project area as well as heading east on north avenue. Unfortunately, all bids received exceeded the franchise utility company's engineer's estimate for the City to manage the project. Staff approached AT&T, Cox Communications and SDG&E to inquire if each entity would be willing to increase each of their respective cost estimates to allow the city to award a construction project. The difference in cost that would have to have been absorbed by the utility companies totaled approximately \$140,000. The utility companies were not able to amend their cost estimates. That left staff with only one option to complete the realignment project and turn the undergrounding project over to SDG&E to now manage and complete as one of its own projects. Staff has met with the utility companies and the anticipated work to redesign the project, advertise, award, and construct is estimated to take 18 months. Staff estimates that

# Attachment A

this project will begin after the realignment project is complete, however, a definitive timeline is not available at the time this staff report was prepared. Staff will continue to monitor the undergrounding project and, as previously detailed, there will be a project manager that will continue to be the liaison with SDG&E to make the overhead utility undergrounding project a priority project.

## Timeline

The original construction timeline when the project was awarded to WCG was 12 months. As noted in the previous section of this staff report, staff has experienced several financial changes that negatively impacted the project budget. In addition to the financial impacts there are many reasons as to why the timeliness of the project was delayed. Those reasons are detailed below.

- *Caltrans*: Caltrans requested changes to the phase 2 traffic control plans. These changes were requested to minimize the disruption of detouring outgoing Lemon Grove Avenue traffic around and through La Mesa to access the Hwy 94 on and off ramps.
- *Helix Water District*: After plan approval, Helix required significant changes be made to the original water main plans which impacted the critical path for completion while revisions were created, reviewed and approved prior to constructing.
- *SDG&E*: Service orders for the electrical work were not issued because SDG&E was waiting to approve all work for the realignment and overhead utility undergrounding project simultaneously. A significant amount of time was required to get SDG&E to segregate the two projects and receive the necessary approvals just for the realignment project. This also caused all traffic signal work to be delayed until electrical service could be established.
- *Sewer Line Jack and Bore*: A concrete encasement around the existing sewer main was discovered while working underneath the MTS tracks. This resulted in the only course of action to hand tunnel with jack hammers.
- *Rain Events*: When the project was in the mass grading phase of construction there were significantly heavy rain events. Work was impacted by each individual rain event and each was amplified due to the saturate nature of the soil on site. The site was shut down for extended periods of time while the existing grade dried sufficiently to then be worked on. Furthermore, the rain also caused similar problems when exporting soil from the site.

With information available at the time this staff report was drafted, staff anticipated that the realignment project would have been completed in Spring 2018.

## Budget:

As noted in **Attachment C**, staff created a table that compared the original project budget of \$6.3 million to the revised project budget of \$7.2 million. As previously noted, each change order (detailed in a previous section of this staff report) were necessary actions to continue forward progress on this project. The city's project team (IEC, Rick Engineering, and the Engineering Division) has worked closely with the contractor to negotiate all costs, which are now the most current cost estimates that staff recommends the City Council approve to complete the project.

## **Discussion:**

The remaining portion of this staff report will highlight major construction activities that occurred since March 2018, summarize the financial need based all known information, and conclude with an estimated timeline to complete the project and return to the City Council with a project acceptance staff report.

# Attachment A

Project Activities: The majority of the activities since the last project update to the City Council focused on traffic signals, street improvements, and trolley signal/intersection improvements. Staff attempted to list an abbreviated summary below as the items occurred by month from April through present day.

- *April 2018:*
  - Demo asphalt near trolley tracks and the old part of Lemon Grove Avenue near the bridge,
  - Grading North Avenue west of the trolley tracks,
  - Landscaping, shrubs, and trees planted along the new Lemon Grove Avenue,
  - Restarted work on storm drain near MTS tracks on North Avenue,
  - SDG&E installed meters for Broadway and Olive intersection traffic signal, and
  - Storm drain box installed in the Caltrans right-of-way.
- *May 2018:*
  - Bio-swales installed on both sides of Lemon Grove Avenue,
  - Electrical connections installed in North Avenue for the traffic signals, and
  - MTS trolley train safety gate installed.
- *June 2018:*
  - Brow ditch installed in Caltrans right-of-way,
  - Curb, gutter and concrete flatwork installed in the MTS right-of-way,
  - Grading subgrade for sidewalk and medians on North Avenue,
  - Installing conduit in Caltrans right-of-way for traffic signals,
  - Overhead catenary system (OCS) pole conflict discovered. Discussions between HNTB, MTS, WCG and City began,
  - OCS pole foundation poured,
  - Old rail signal equipment removed and prepared to install new system,
  - Rail control vault set in MTS right-of-way,
  - Rail conduit installed beneath the tracks,
  - Redesign of intersection grades at southeast corner of rail crossing,
  - Rock stockpile removed from the site,
  - SDG&E removed remaining transmission pole
  - Storm drain inlet in the Caltrans right-of-way poured, and
  - Traffic signal poles placed upright.
- *July 2018:*
  - Grading subgrade for Lemon Grove Avenue in the Caltrans right-of-way and on North Avenue between Citronica and the west side of the trolley tracks,
  - Pave the north side of the eastbound ramp in Caltrans right-of-way,

# Attachment A

- Railroad control house, which holds all signaling and switching components, was installed and an error in the controller was identified,
- Sidewalk poured in Caltrans right-of-way, and
- Traffic signal equipment install on North and Olive.
- *August/September 2018:*
  - Controller and cabinet units were ordered with a 5-week lead time,
  - Final paving and striping on North Avenue occurred, and
  - Traffic loops installed on the off-ramp.
- *October 2018:*
  - MTS/CPUS field safety inspection occurred, and
  - New controller was received and programmed by subcontractor.

The project is nearly complete with the following work items occurring in the next 30 days. Those items are highlighted below:

- *ADA Curb Ramp at the EB on-ramp to SR94:* The original design did not meet ADA requirements. Rick Engineering redesigned the two curb ramps and submitted to Caltrans for review.
- *EB off-ramp from SR-94 to LGA:* The asphalt berm is scheduled to be installed on the evening of October 18, 2018. After its completion, the crash barrels will be removed, and the entire off-ramp will be open.
- *Installation of Guardrail on the South End of the Bridge:* The subcontractor discovered a conflicting encasement when originally digging post holes.
- *Installation of Traffic Loops on the Off-Ramp:* This will occur when HMS is on-site for the other traffic signaling work.
- *K-Rail for Above Ground Utility Poles:* The k-rail is to protect the SDG&E poles that will remain in place after the completion of the project. Because WCG is currently in control of the site due to the project, once it demobilizes the entire project area will be turned back over to the City. Rick Engineering prepared a traffic control plan that will protect all five poles in the roadway with concrete railing.
- *Modifications to Fiber Optic Interconnect System:* This relates to unforeseen additional fiber optic work that was not originally specified. HMS just received the change order for the work and they will need to order the equipment/materials. This work will involve the removal and replacement of several sidewalk panels throughout the project.
- *Modifications to Signal Poles at Olive/North:* Due to overhead utilities not undergrounded, this work consists of trimming one pole and the installation of a shorter safety light mast arm on another pole. The trimming of the pole will take place while HMS is again on-site. The shorter mast arm is not scheduled for delivery until November 16, 2018 and the lead time when ordered was 16 weeks and that timeline looks to be accurate.
- *Relocation of the Flashing Beacon on Caltrans On-Ramp:* This will occur when HMS is next mobilized on site.

A significant portion of the delays were attributed to delays in plan review working in the Caltrans right-of-way, utilities requiring changes from the original plans, and traffic signal equipment

# Attachment A

modifications to comply with MTS requirements. Each of those delays increased the amount of time to complete the project as well as increased the amount of money that was needed to redesign a solution and then to construct the solution. The next section will highlight the revenue and expenditures involved in this project.

## Financial Summary:

With the recent additions of full-time staff members in key positions on the executive team there is more attentiveness and thoroughness when it comes to the preparation and review of the financials of the Citywide budget. This is especially true for the LGA Realignment project. With that said, this past six weeks have been difficult to navigate, the project revenues and expenditures have dramatically changed. A summary of both are shown below and shown in **Attachment D:**

*Revenue:* This update is due to a revenue reconciliation that discovered the amount of revenues thought to be available for the project really were not available. From 2014 to 2016, prior the realignment construction project, the City paid \$595,920 of design and project management to NV5 and Rick Engineering for pre-construction LG Realignment work. These costs were paid from the bond funds (Fund 64) and from the IIG grant revenue (Fund 40). The total expenditures for those two items, \$595,920, was not accounted for in the financials when the LG Realignment project was brought forward to the City Council for approval to construct. The total amount remaining from the eight revenue sources, for all realignment related expenditures, equals \$627,199. The revenue shortfall places the City in a very precarious position to complete the project.

*Expenditures:* A summary of the final expenditures to complete the project are reflected in below.

1. Change Order No. 4: +\$166,400.47. Due to changes in MTS requirements between design and construction traffic signal loops needed to be added to the project. Also, the original signal equipment specified for the intersection of LGA and North Avenue did not have the capacity to property control the intersection and the rail pre-emption equipment. New equipment had to be ordered, programmed and installed. In relation to the interconnection of the signal controllers, the original plan did not connect all the controllers via fiber optic cable. Next, because the 20A undergrounding project did not proceed, the height of one of the signal pole had to be cut to accommodate SDG&E safety clearance. Lastly, the existing grade at the Caltrans on/off-ramp was not enough to manage two ADA curb ramps therefore it had to be redesigned and constructed. Caltrans also required changes to the original plan to install traffic loops on SR94.
2. Tentative Change Order No. 5 (Final Work Items): +\$175,000. An estimate not to exceed amount, these final work items included the cost to design, regrade and construct the intersection east of the trolley tracks, the MTS safety fencing requirements that were imposed in October 2018, constructing a block wall around a AT&T cabinet that was not included in the original plans, cost to relocate a Caltrans flashing beacon, design and construct a retaining wall/sidewalk at the MTS tracks, include an additional pedestrian signal at North and Lemon Grove Avenue, and relocate underground conduit that was discovered when a guardrail was being installed.
3. NV5 Construction Support Agreement: +\$10,436. This amount is the remaining billing that may or may not be used depending on the final construction tasks.
4. IEC Agreement: +\$18,226. Includes a \$15,000 change order increase for additional soil testing in the field and report generation to meet Caltrans requirements plus the remaining amount on the prior agreement.

# Attachment A

5. Pacific Railway Enterprises (PRE): +\$27,163. Includes the current remaining balance of \$8,221 plus an additional \$18,942. The additional technical signal design and inspection work.
6. HNTB: +\$2,451. This is the remaining contract balance for overhead catenary inspection costs.
7. RailPros: +\$9,050. Additional work to prepare signal timing chart, controller lab testing, and signal turn-on field support.
8. K-Rail Pole Protection: +\$101,000. The purchase and installation of k-rail to protect the five wood poles that remain. Staff and SDG&E have concluded that this cost will be reimbursed to the City as the initial expenditure related to the undergrounding project that will shortly occur.

The total known costs to complete the realignment project, which is the sum of the above items with the exception of the k-rail costs, equals \$1,471,534.

### *Shortfall:*

Between the revenue that was previously spent on pre-construction LGA Realignment design and management and the additional project expenditures listed above, the City is facing an \$844,335 shortfall. That means to reach project completion, the City is expecting expenditures that are \$844,335 over the available revenue sources. Although the attached project budget (Attachment D) includes the pre-construction expenditures for transparency purposes, if that \$595,920 is removed, the total LG Realignment construction budget becomes \$7,612,344. This is an increase of \$484,761 from the March 20, 2018 City Council approved project expenditures.

The City's General Fund balance is currently a little over \$5 million. This source of cash reserves can be used to pay the remaining expenditures necessary to complete the project. The reserves may be replenished by future one-time revenue generated sources, the collection of liens/sale of land or other sources yet to be determined. Staff will prepare a formal fund balance replenishment plan for the City Council in combination with the mid-year budget presentation.

### Timeline:

After working with the general contractor, construction manager and project manager, city staff believes that the project will be completed by December 31, 2018, which is a time extension equal to 184 days. The staff report for project completion and acceptance is tentatively scheduled to be presented to the City Council on December 18, 2018. |

### **Conclusion:**

Staff recommends that the City Council adopts a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.





# Attachment B

## RESOLUTION NO. 2018 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE PROJECT BUDGET FOR THE LEMON GROVE AVENUE REALIGNMENT PROJECT

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**WHEREAS,** the Lemon Grove Avenue Realignment Project was scheduled as a part of the city's five-year capital improvement program; and

**WHEREAS,** an agreement was awarded to West Coast General Corporation and established a project budget not to exceed \$6,310,300; and

**WHEREAS,** since the projects inception there have been several unforeseen events that delayed work and increased project costs; and

**WHEREAS,** it is necessary to increase the project budget and specific contract and agreement costs to mitigate the project delays and change orders; and

**WHEREAS,** the City Council finds it in the public interest that the recommended scope of work, budget and timeline are amended to allow West Coast General Corporation to complete the construction project. |

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

1. Increases West Coast General Corporation's (WCG) agreement to not exceed \$6,601,953, and
2. Increases Infrastructure Engineering Corporation's (IEC) agreement to not exceed \$466,846, and
3. Extends a project timeline not to exceed December 31, 2018 for the Lemon Grove Realignment Project; and
4. Authorizes the City Manager or designee to execute all amendments and manage all project documentation. |

/////  
/////



## Attachment C

### Lemon Grove Avenue Realignment Project Budget Summary (March 2018)

Revenues	Approved Revenues	Requested Revenues		Expenditures	Approved Expenditures	Requested Expenditures
SGIP Fund	\$805,000	\$805,399		West Coast General	(\$5,506,461)	(\$5,506,461)
CDA – Gen Bond (Fund 64)	\$1,800,000	\$1,900,000		CO 1 – Street furnishing		\$10,104
CDA – IIG (Fund 58/63)	\$1,560,000	\$1,560,000		CO 2 – Impacted soil (past)		(\$471,809)
TDA (Fund 10)	\$237,400	\$237,400		CO 3 – Sewer J & B		(\$110,653)
Street Reserve (Fund 3)	\$150,000	\$159,000		CO 4 – Impacted soil (future)		(\$159,545)
TransNet (Fund 14)	\$1,000,000	\$1,586,000		CO 5 – MTS insurance		(\$11,500)
RTCIP (Fund 27)	\$557,900	\$563,216		CO 6 – Retaining Wall		(\$15,372)
Sanitation District (Fund 16)	\$200,000	\$478,693.62		BV/NV5 Design	(\$117,582)	(\$117,582)
				IEC	(\$384,766)	(\$384,766)
				CO 1 – Project Extension		(\$67,080)
				Rick Engineering	(\$153,282)	(\$153,282)
				CO 1 – Project Ext./20A		(\$77,000)
				PRE (Rail Signaling System)	(\$38,064)	(\$38,064)
				HNTB (Cons. Ins. Catenary)	(\$13,884)	(\$13,884)
<b>Total Revenues</b>	<b>\$6,310,300</b>	<b>\$7,289,708.62</b>		<b>Total Expenditures</b>	<b>(\$6,214,039)</b>	<b>(\$7,116,894)</b>
				<b>Difference in Rev. v. Exp.</b>		<b>\$172,814.62</b>



# Attachment D

## Lemon Grove Avenue Realignment Project Budget Summary

Updated 10.9.2018

Expenditures	Approved Expenditures March 6, 2018 by CC	Revised Project Expenditures	Total Expenditures Made	Project Expenditures Remaining
West Coast General	(6,260,553)	(6,260,553)	(5,197,746)	(1,062,808)
CO 4	-	(166,400)	-	(166,400)
Remaining Construction Costs	-	(175,000)	-	(175,000)
NV5 Construction Management	(117,582)	(117,582)	(107,146)	(10,436)
BV/NV5 Design	Prior CC approval	(529,563)	(529,563)	-
IEC	(451,846)	(451,846)	(448,620)	(3,226)
Change Order	-	(15,000)	-	(15,000)
Rick Engineering	(230,282)	(230,282)	(230,282)	-
Pre-Construction Cost	Prior CC approval	(66,357)	(66,357)	-
PRE (Rail Signaling System)	(38,064)	(38,064)	(29,843)	(8,221)
CO 1	-	(18,942)	-	(18,942)
HNTB (Cons. Ins. Catenary)	(13,884)	(13,884)	(11,433)	(2,451)
RailPros	-	(9,050)	-	(9,050)
Misc				
SCS Engineers	-	(63,689)	(63,689)	-
D-Max Engineering	-	(9,638)	(9,638)	-
MJC Construction	(15,372)	(15,534)	(15,534)	-
State Water Resource Board	-	(11,967)	(11,967)	-
American Fence Company	-	(3,337)	(3,337)	-
Accurate Video Counts, Inc	-	(3,600)	(3,600)	-
MTS	-	(2,443)	(2,443)	-
Restoration Mgmt Company	-	(1,494)	(1,494)	-
The East County Californian	-	(469)	(469)	-
SDG&E	-	(885)	(885)	-
Dokken Engineering	-	(470)	(470)	-
Aguirre & Associates	-	(745)	(745)	-
Air Pollution Control District	-	(331)	(331)	-
US Bank	-	(304)	(304)	-
Helix Water District	-	(339)	(339)	-
Carrion, Jorge (Compost Socks)	-	(496)	(496)	-
<b>Total Expenditures</b>	<b>\$ (7,127,583)</b>	<b>\$ (8,208,264)</b>	<b>\$ (6,736,731)</b>	<b>\$ (1,471,534)</b>

Revenue Sources	Approved Revenues March 6, 2018 by CC	Revised Project Revenue	Total Revenue Used	Revenue Available
SGIP Fund (Fund 14)	805,399	833,630	805,000	28,630
CDA – Gen Bond (Fund 64)	1,900,000	2,088,579	1,870,829	217,751
CDA – IIG (Fund 40)	1,560,000	1,560,000	1,601,624	-
TDA (Fund 10)	237,400	237,400	73,594	163,806
Street Reserve (Fund 3)	159,000	132,301	-	132,301
TransNet (Fund 14)	1,586,000	1,369,111	1,304,634	64,477
RTCIP (Fund 27)	563,216	622,590	622,590	-
Sanitation District (Fund 16)	478,694	478,694	458,460	20,234
<b>Total Revenues</b>	<b>\$7,289,709</b>	<b>\$7,322,305</b>	<b>\$ 6,736,731</b>	<b>\$ 627,199.00</b>

<b>Shortfall</b>	<b>\$ (844,334.68)</b>
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**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.A  
**Dept.** City Attorney

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

**Staff Contact:** James P. Lough, City Attorney

**Recommendation:**

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

**Fiscal Impact:**

None.

**Environmental Review:**

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

**Public Information:**

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

**Attachments:**

None.

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.B  
**Dept.** Finance

**Item Title:** City of Lemon Grove Payment Demands

**Staff Contact:** Molly Brennan, Finance Manager

**Recommendation:**

Ratify Demands
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**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Negative Declaration

Categorical Exemption, Section

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.



**City of Lemon Grove Demands Summary**

Approved as Submitted:

Molly Brennan, Finance Manager

For Council Meeting: 10/16/18

ACH/AP Checks 09/26/18-10/03/18 968,447.24

Payroll - 09/25/18 133,826.45

Total Demands 1,102,273.69

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Aug18	San Diego County Sheriff's Department	09/26/2018	Law Enforcement Services - Aug'18	487,896.64	487,896.64
ACH	Sep18	Southern CA Firefighters Benefit Trust	09/26/2018	LG Firefighters Benefit Trust - Sep'18	1,569.10	1,569.10
ACH	Sep12-Sep25 18	Calpers Supplemental Income 457 Plan	09/27/2018	457 Plan 9/12/18-9/25/18	5,368.53	5,368.53
ACH	261890	Aflac	09/27/2018	AFLAC Insurance 09/26/18	660.24	660.24
ACH	Aug15-Sep11 18	California Public Empl Retirement System	09/27/2018	Pers Retirement 8/15/18-9/11/18	64,487.41	64,487.41
ACH	55812911	WEX Bank	09/27/2018	Fuel - Fire Dept - Aug'18	418.01	418.01
ACH	Sep25 18	Employment Development Department	09/27/2018	State Taxes 9/25/18	7,980.05	7,980.05
ACH	Sep25 18	US Treasury	09/28/2018	Federal Taxes 9/25/18	24,337.53	24,337.53
ACH	Sep18	Wage Works	09/30/2018	FSA Reimbursement - Sep'18	321.03	321.03
ACH	Sep18	Power Pay Biz/Evo	10/01/2018	Online Credit Card Processing - Sep'18	75.05	75.05
ACH	Refill 10/1/18	Pitney Bowes Global Financial Services LLC	10/02/2018	Postage Usage 10/1/18	250.00	250.00
ACH	8716277	LEAF	10/02/2018	Ricoh C3502 Copier System-PW Yard - Sep'18	160.51	160.51
ACH	Sep18	Authorize.Net	10/02/2018	Merchant Fees - Sep'18	21.75	21.75
ACH	Oct 2018	Pers Health	10/02/2018	Pers Health Insurance - Oct 18	54,874.88	54,874.88
10232	C6960	A-Pot Rentals, Inc.	09/26/2018	Portable Restroom Rental- 9/9/18-10/8/18	132.10	132.10
10233	11917025	AT&T	09/26/2018	Phone Service 8/13/18-9/12/18	82.36	82.36
10234	32465	Aztec Landscaping Inc.	09/26/2018	Landscape Mgmt Svc - Aug'18	9,629.00	9,629.00
10235	Reimb 9/24/18	Boyce, Stephanie	09/26/2018	Reimbursement- Decorations/Employee Recognition Event 10/11/18	88.59	88.59
10236	9/25/18	California State Disbursement Unit	09/26/2018	Wage Withholding Pay Period Ending 9/25/18	161.53	161.53
10237	19196846	Canon Financial Services Inc.	09/26/2018	Canon Plotter 2 Yr Carepack Contract Charge 05/20/18-6/19/18	455.24	455.24

10238	FRS0000118 FRS0000118	City of El Cajon	09/26/2018	Overtime Reimbursement - Kelsen 9/1/18 Overtime Reimbursement - Royer 9/3/18	1,168.40 1,197.49	2,365.89
10239	1000237891	City of San Diego	09/26/2018	Contractual Agreement- 2 AEDs - 6/13/18-6/12/19	75.00	75.00
10240	2188 2283 2284 2285 2287 2288 2289	Clothing International, Inc.	09/26/2018	Protective Clothing - First Responder Patches Protective Clothing -PW- Streets/Sani- Work Shirts & Pants Protective Clothing - PW - Embroidery Protective Clothing - PW - Logo & Embroidery Protective Clothing - PW-Admin/Streets - Work Shirts & Pants Protective Clothing - PW-Sani- Work Shirts & Pants Protective Clothing - PW-Admin/Facilities- Work Shirts & Pants	285.47 61.35 21.44 290.60 1,357.43 1,229.43 429.49	3,675.21
10241	091418	Cloud Security Systems	09/26/2018	Service/Security Sys/8235 Mt Vernon/LG Sr Ctr- 9/14/18	85.00	85.00
10242	3996	Countywide Mechanical Systems, Inc.	09/26/2018	CUPCCA #2019-04 Repair Water Leak/Sheriff/Women's Locker Rm	2,953.18	2,953.18
10243	9/18/2018	Cox Communications	09/26/2018	City Manager/Copy Room Fax Line- 9/18/18-10/17/18	4.31	4.31
10244	470971	Day Wireless Systems Inc.	09/26/2018	E210- Wireless Modem Service	175.00	175.00
10245	0918182305	Domestic Linen- California Inc.	09/26/2018	Shop Towels & Safety Mats 9/18/18	81.60	81.60
10246	9/10-13/18	Esgil Corporation	09/26/2018	75% Building Fees- 9/10/18-9/13/18	16,607.12	16,607.12
10247	Galindo	Galindo, Jorge	09/26/2018	Refund/Galindo, Jorge/CD1-800-0021/Diversion Deposit-7/16/18	500.00	500.00
10248	109708282	Globalstar USA, Inc.	09/26/2018	Satellite Service 8/16/18-9/15/18	165.31	165.31
10249	AR009653	Grossmont Union High School District	09/26/2018	Buses for Summer Day Camp Field Trips- Aug'18	648.50	648.50
10250	Hart	Hart, Rick	09/26/2018	Refund/Hart, Rick/CD1-800-0033/Diversion Deposit-8/13/18	100.00	100.00
10251	2E086109	Horizon	09/26/2018	Weathermatic Irrigation Annual Subscription	22,756.80	22,756.80
10252	18-4458	I love a Clean San Diego	09/26/2018	ILACSD Recycling Educ Community Outreach Events thru 8/31/18	2,200.00	2,200.00
10253	Sep25 18	ICMA	09/26/2018	ICMA Deferred Compensation Pay Period Ending 9/25/18	580.77	580.77
10254	1500	Janazz, LLC SD	09/26/2018	IT Services- City Hall- Sep'18	2,500.00	2,500.00
10255	129588	Knott's Pest Control, Inc.	09/26/2018	On Call Pest Control- City Hall/HR Ofc	95.00	95.00
10256	Lewis	Lewis, Lynette	09/26/2018	Refund/Terrell Lucas/Daycamp/Wk 8	82.40	82.40
10257	4520563	Mallory Safety and Supply, LLC	09/26/2018	Drivers Gloves/Nitrile Gloves/Glasses	358.17	358.17
10258	6196 6216	North County EVS, Inc.	09/26/2018	E210 Service Call/Transmission E310 Prev Maintenance/Air Filter	157.50 186.89	344.39
10259	148257 148420	Pacific Sweeping	09/26/2018	Street Sweeping/Madison - 8/8/18 Street Sweeping/Parking Lot/Power Washing/Bus Shelters - Aug'18	220.00 2,582.75	3,802.75
10260	LG06262018	SD Sports Medicine and Family Health Center	09/26/2018	Medical Fitness Evaluations - 6/26/18	1,736.44	1,736.44
10261	9/20/2018	SDG&E	09/26/2018	3225 Olive- 8/19/18-9/18/18	226.71	530.83

9/20/2018			3500 1/2 Main- 8/19/18-9/18/18	266.08		
9/3/2018			7701 1/2 North Ave A-New Service 8/2/18-9/3/18	10.83		
9/3/2018			7701 1/2 North Ave B-New Service 8/2/18-9/3/18	9.07		
9/3/2018			7772 1/2 North Ave A-New Service 8/2/18-9/3/18	9.07		
9/3/2018			7772 1/2 North Ave B-New Service 8/2/18-9/3/18	9.07		
10262	87919182	SiteOne Landscape Supply, LLC	09/26/2018	Sprinkler Supplies/Broadway Medians	83.82	181.34
	88065967			Sprinkler Supplies/LGA Median	97.52	
10263	00070074	The East County Californian	09/26/2018	Public Hearing Notice - Admin Appeal - 9/13/18	150.50	462.00
	00070252			Public Hearing Notice - Discretionary Permits - 9/13/18	168.00	
	00070268			Public Hearing Notice - Conditional Use Permit - 9/13/18	143.50	
10264	Tran	Tran, Nhu	09/26/2018	Refund/Tran, Nhu/CD1-700-0008/Diversion Deposit-5/15/17	500.00	500.00
10265	100318	California Secretary of State	09/27/2018	Notary Renewal Exam Fee - Macias	40.00	40.00
10266	INV-ACC42093	Accela, Inc. #774375	10/03/2018	Springbrook Annual Maintenance 10/18/18-10/17/19	21,500.13	21,500.13
10267	L1072895SJ	American Messaging	10/03/2018	Pager Replacement Program- 10/1/18-10/31/18	43.04	43.04
10268	8/23/2018 11947822	AT&T	10/03/2018	Backup City Hall Internet- 8/23/18-9/22/18 Fire Backup Phone Line- 8/22/18-9/21/18	80.00 39.54	119.54
10269	893544-9	BJ's Rentals	10/03/2018	Propane	13.95	13.95
10270	19188740 19235350	Canon Financial Services Inc.	10/03/2018	Canon Plotter Contract Charge 9/21/18-10/20/18 Canon Copier Contract Charge 10/1/18	144.00 642.60	786.60
10271	4009002144 4010008439 4010279568 4010279583	Cintas Corporation #694	10/03/2018	Janitorial Supplies - 8/23/18 Janitorial Supplies - 9/20/18 Janitorial Supplies - Fire - 9/27/18 Janitorial Supplies - 9/27/18	230.97 218.66 308.55 1,379.29	2,137.47
10272	HCA0000236	City of El Cajon	10/03/2018	HCFA Assessments - QTR 2 FY18/19	63,655.75	63,655.75
10273	HHW-20372	City of La Mesa	10/03/2018	Household Hazardous Waste Event- 7/21/18	763.50	763.50
10274	212254-19	County of San Diego- Environmental Health	10/03/2018	Unified Program Facility Permit Renewal- 10/31/18-10/31/19	469.00	469.00
10275	9/19/2018	Cox Communications	10/03/2018	Phone/PW Yard/2873 Skyline- 9/19/18-10/18/18	211.61	211.61
10276	Da Kines	Da Kine's Plate Lunches	10/03/2018	Employee Appreciation Event Lunch 10/11/18	413.08	413.08
10277	9/17-20/18	Esgil Corporation	10/03/2018	75% Building Fees- 9/17/18-9/20/18	6,060.88	6,060.88
10278	69561	House of Automation	10/03/2018	Service Call- PW Yard Security Gate Repair	198.00	198.00
10279	86599-FY19	International Association of	10/03/2018	IAFC Membership- Drum #86599	279.00	279.00
10280	0059	JSV Smog & Auto Repair Inc.	10/03/2018	LGPW#19- '99 Ford F350- Service/Oil Leak/Replace Sensor/Hoses	679.72	679.72
10281	Jul 18 Jul 18 Jul 18 Jul 18 Jul 18	Lounsbery Ferguson Altona &	10/03/2018	01163-00002 - Jul '18 01163-00003 - Jul '18 01163-00028 - Jul '18 01163-00036 - Jul '18 01163-00041 - Jul '18	15,214.73 1,444.20 1,308.40 481.40 830.00	19,278.73
10282	1026266	Michael Baker International	10/03/2018	Prof Svc: As-Needed Engineering Svcs thru 8/31/18	29,517.50	29,517.50
10283	Near-Cal	Near-Cal Corporation	10/03/2018	Refund/Near-Cal Corporation/Business License 9/18/18	58.50	58.50

10284	605033008	Nichols Consulting Engineers, CHTD	10/03/2018	Prof Svc: Pavement Mgmt Program 2018 Update thru 8/31/18	1,005.00	1,005.00
10285	98820	NV5, Inc.	10/03/2018	LGA Realignment-Construction Support Svcs thru 7/28/18	6,984.66	6,984.66
10286	WO-51382-1	Office Advantage, Inc.	10/03/2018	Office Supplies & Printer Ink - Fire	371.62	371.62
10287	3010281960	Parkhouse Tire Inc.	10/03/2018	LGPW#32- GapVax- Fleet Service/Tire & Installation	1,058.76	1,058.76
10288	Pro Massage	Pro Massage	10/03/2018	Refund/Pro Massage/Business License 9/5/18	26.50	26.50
10289	INV024957	RapidScale Inc.	10/03/2018	Virtual Hosting 9/30/18	3,370.78	3,370.78
10290	0063707 17546F(5) 17546F(7)	Rick Engineering Company	10/03/2018	Prof Svc: City Engineer 6/30/18-8/31/18 Prof Svc: 2017/18 CIP Sewer Proj- 8 Locations 5/26/18-6/29/18 Prof Svc: 2017/18 CIP Sewer Proj- 8 Locations 7/28/18-8/31/18	66,658.78 6,053.00 2,902.50	75,614.28
10291	3601 1/2LGA-9/2	SDG&E	10/03/2018	3601 1/2 LGA- Gas & Electric 8/19/18-9/18/18	31.81	31.81
10292	3394-08 3394-08 3394-08 3394-08	Select Electric Corp.	10/03/2018	Traffic Signal Dig Alert Mark Outs- Aug'18 Traffic Signal Service Calls- Aug'18 Repair Damaged Loops at EB Palm at Golden Repair Damaged Loops at WB Palm at Skyline	400.50 3,592.34 1,876.00 3,752.00	9,620.84
10293	8125714557	Shred-It USA	10/03/2018	Shredding Services 9/18/18	286.02	286.02
10294	Simmons	Simmons, David	10/03/2018	Refund/Simmons, David/Business License 9/4/18	70.00	70.00
10295	86717612	SiteOne Landscape Supply, LLC	10/03/2018	Herbicide/Roundup Promax	88.56	88.56
10296	SD038201809	The Epoch Times in San Diego	10/03/2018	Election Notice of Nominees in Chinese 9/21/18	120.00	120.00
10297	820180384  920180380	Underground Service Alert of Southern Ca	10/03/2018	38 New Ticket Charges - Aug'18  68 New Ticket Charges - Sep'18	72.70  122.20	194.90
10298	9814544207 9814984751	Verizon Wireless	10/03/2018	Mobile Broadband Access- 8/13/18-9/12/18 Fire Prev Phone Line/MCD Engine Tablets- 8/21/18-9/20/18	76.02 585.47	661.49
10299	71968660 71968661	Vulcan Materials Company	10/03/2018	Asphalt Asphalt	103.33 76.13	179.46
					967,447.24	968,447.24

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.C

**Dept.** City Manager's Office

**Item Title:** Approval of City Council Meeting Minutes

**Staff Contact:** Shelley Chapel, MMC, City Clerk

**Recommendation:**

Approval of City Council Meeting Minutes for Regular Meeting held October 2, 2018.

**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Categorical Exemption, Section

Negative Declaration

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.



**MINUTES OF A MEETING OF  
THE LEMON GROVE CITY COUNCIL  
TUESDAY, OCTOBER 2, 2018**

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

**Call To Order:**

Mayor Vasquez called the Regular Meeting to order at 6:02 p.m.

**Present:** Mayor Racquel Vasquez, Mayor Pro Tem Jerry Jones, Councilmember Jennifer Mendoza, Councilmember David Arambula, and Councilmember Matt Mendoza.

**Absent:** None.

**Staff Members Present:**

Lydia Romero, City Manager, James Lough, City Attorney, Mike James, Assistant City Manager/Public Works Director, Mike Chasin, Interim Fire Chief, Daryn Drum, Fire Division Chief, Lieutenant Scott Amos, San Diego County Sheriff's Office - Lemon Grove Substation, , Shelley Chapel, City Clerk, Ricardo Hidalgo, Human Resources Manager, and Molly Brennan, Finance Manager.

**Pledge of Allegiance:**

Pledge of Allegiance to the Flag was led by Councilmember Arambula.

**Presentations:**

Mayor Vasquez introduced City Manager Romero who introduced the new Human Resources Manager, Roberto Hilgado.

Mayor Vasquez read a Proclamation declaring October as Fire Prevention Week and presented to Interim Fire Chief Chasin.

Interim Fire Chief Chasin introduced Fire Division Chief Drum, who provided information on the Open House and Pancake Breakfast that will be held on Saturday, October 13, 2018.

Mayor Vasquez introduced Lt. Amos, Sheriff's Department who introduced Amy Hall, Senior Volunteer Program Coordinator who gave an overview of the YANA Program (Reserve Senior Volunteer Patrol and You Are Not Alone). Some of the responsibilities of the YANA program are conducting welfare checks on seniors and for holidays they provide goodie bags for seniors, they also will conduct a vacation check when residents are away from home.

Mayor Vasquez introduced First Vice President, George Gastil of the Lemon Grove Chapter of Lions Club, who recognize and support the YANA Program. The Lions Club presented some gift cards to the YANA program.

**Public Comments:**

Appeared to comment were: John L. Wood, Brenda Hammond, Teresa Rosiak, Tom Clabby, Ralph Chudy, Sarah Ditges, Anita Ditges, Andy Gorman, and Chris Williams.

**Consent Calendar:**

- A. Waive Full Text Reading of All Ordinances on the Agenda.
- B. Ratification of Payment of Demands
- C. City Council Meeting Minutes for the Regular Meeting of September 18, 2018.lar Meeting.
- D. Authorized the Transfer of Escheat Monies
- E. Authorized Rejection of Claims
- F. Adoption of Resolution No. 2018-3611, Repealing Resolution No. 2018-3603

**Action:** Motion by Councilmember Arambula, seconded by Mayor Pro Tem Jones to approve Consent Calendar Items A-F.

The motion passed by the following vote:

**Ayes:** Vasquez, Jones, Arambula, J. Mendoza, M. Mendoza  
**Absent:** None.

**Reports:**

- 2. Amended and Restated Wastewater Disposal Agreement (Sanitation District)

Assistant City Manager/Public Works Director Mike James introduced Dexter Wilson, Wastewater Consultant who presented the staff report and PowerPoint Presentation.

Adoption of the Resolution would provide the District Board with information to decide on whether or not to approve an amended and restated wastewater disposal agreement between the City of San Diego and Lemon Grove Sanitation District.

**Action:** Motion by Board Member J. Mendoza, and second by Vice-Chair Jones, to adopt **Resolution No. 2018-3612**, entitled, *“Resolution of the District Board of the Lemon Grove Sanitation District Approving the Amended and Restated Wastewater Disposal Agreement, Directing the Metro Commission/Metro JPA Representative to Support the Agreement, and Authorize the District Chair to Sign the Agreement.”*

The motion passed by the following vote:

**Ayes:** Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza  
**Noes:** None

**City Council Oral Comments & Reports on Meetings Attended At City Expense: (G.C. 53232.3(d))**

**Councilmember J. Mendoza** attended the following meetings and events:

- SANDAG Transportation Meeting
- Presented a Certificate of Recognition to Reverend Shane Harris of the National Action Network
- SANDAG “I Commute” Awards Program
- SANDAG Board Meeting
- 125<sup>th</sup> Anniversary of Lemon Grove School District
- Lemon Grove Oral History Presentation
- Trolley Station and greeted the Ride Share MTS Representatives
- Live Well San Diego Panel focused on Leadership



**Councilmember Arambula** attended the following meetings and events:

- MTS Board Meeting
- SANDAG Transportation Committee Meeting

**Vice-Mayor Jones** attended the following meetings and events:

- 125<sup>th</sup> Anniversary of Lemon Grove School District

**Mayor Vasquez** attended the following meetings and events:

- Lemon Grove Library for Story Time reading event
- Attended East County Chamber of Commerce Event
- Congressman John Lewis Author of “*March: Book One*”
- Girl Scouts Centennial Celebration at the Civic Center Park
- American Public Works Association hosted event to recognize PW Professionals
- Provided remarks at Screening of movie titled “*Resilience*”
- East County 16<sup>th</sup> Annual Chamber Women in Leadership Event
- 125<sup>th</sup> Anniversary Celebration of the Lemon Grove School District
- Provided a letter of support Saber Caliente 2<sup>nd</sup> Annual Hispanic Festival
- 2<sup>nd</sup> Annual Environmental Leadership Summit

Mayor Vasquez mentioned the upcoming Budget Workshop Special Meeting scheduled for Tuesday, October 23, 2018, and encouraged residents to bring ideas to the meeting.

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

Mayor Vasquez announced that Council will be adjourning the meeting in memory of Supervisor Diane Jacobs husband of 56 years, Paul has passed away of Parkinson’s Disease on September 23, 2018, and observed a moment of silence in his honor.

Lieutenant Scott Amos, San Diego County Sheriff’s Office of the Lemon Grove Substation reported that several of their deputies attended the events mentioned by Council; the Girl Scouts event to provide assistance in helping the scouts earn merit badges for First Aid, and the 125<sup>th</sup> Anniversary Celebration of the Lemon Grove School District.

Lieutenant Amos also announced an event providing residents to meet Sheriff’s Deputies called “Coffee with the Community” at Anna’s Restaurant that will be held Tuesday, October 9 at 6:30 p.m. to 8:00 p.m.

City Attorney Lough adjourned the meeting into Closed Session, announcing the meeting will be adjourned to a meeting to be held Tuesday, October 16, 2018, in the Lemon Grove Community Center located at 3146 School Lane, for a Regular meeting, and reminder of the Tuesday, October 23, 2018, Special Meeting at 6:00 p.m. to discuss the Budget.

**Closed Session:**

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Government Code Section 54956.9 d

Number of potential cases: 1

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

City Attorney James Lough announced the City Council will be adjourning to closed session at 8:19 p.m. for the purposes above.

City Attorney Lough reported no reportable action on items discussed in Closed Session.

**Adjournment:** There being no further business to come before the Council, the meeting was adjourned at 9:50 p.m. to a meeting to be held Tuesday, October 16, 2018, in the Lemon Grove Community Center located at 3146 School Lane, for a Regular meeting.

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Shelley Chapel, MMC  
City Clerk

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.D

**Dept.** City Manager's Office

**Item Title:** Acceptance of Approved Planning Commission Meeting Minutes

**Staff Contact:** Shelley Chapel, MMC, City Clerk

**Recommendation:**

Acceptance of Approved Planning Commission Meeting Minutes for Regular Meeting held June 25, 2018.
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**Fiscal Impact:**

None.

**Environmental Review:**

Not subject to review

Categorical Exemption, Section

Negative Declaration

Mitigated Negative Declaration

**Public Information:**

None

Newsletter article

Notice to property owners within 300 ft.

Notice published in local newspaper

Neighborhood meeting

**Attachments:**

None.

**MINUTES OF A MEETING OF  
THE LEMON GROVE PLANNING COMMISSION  
MONDAY, JUNE 25, 2018**

**1. Call To Order:**

Chair Bailey called the Regular Meeting to order at 6:00 p.m.

**Present:** Chair Bailey, Commissioner Browne (arrived 6:18 p.m.), Commissioner LeBaron, Commissioner Relucio, and Commissioner Smith.

**Absent:** None.

**Staff Members Present:**

Lydia Romero, City Manager, Kristen Steinke, Assistant City Attorney, David De Vries, Development Services Director, Mike Viglione, Assistant Planner, and Arturo Ortuño, Assistant Planner.

**2. Pledge of Allegiance:**

Pledge of Allegiance to the Flag was led by Chair Bailey.

**3. Oath of Office:**

City Manager Romero gave the Oath of Office to the Commissioners as a group.

**4. Consent Calendar:**

Approval of Minutes – None.

**5. Changes to the Agenda:** None.

**6. Public Comments:** None.

**Reports:**

**7. Discussion on Planning Commission Policy Rules and Conduct of Public Meetings Procedures.**

David De Vries, Development Services Director gave the report. Correction from staff proposed to change meeting time from 6:30 p.m. to 6:00 p.m. on the fourth Monday of the month.

City Manager Romero provided the reminder to the Commissioners that a requirement of the position is to file a Form 700 filing with the City Clerk. In addition, AB1234 Ethics training and Sexual Harassment Training are required by the Human Resources Department.

Commissioners discussed the guidelines of the Commission as presented by staff.

**Action:** No action taken. Point of Clarification by Director De Vries staff will move forward to make the change of meeting start time from 6:30 p.m. to 6:00 p.m. on the fourth Monday of the month. This information will be provided as Resolution adopting the formal meeting time and date. All Commissioners present concurred.

*Chair Bailey pulled Item 9 to be heard at this time as they were awaiting the arrival of one Commissioner prior to opening the Public Hearing.*

9. **Business from the Development Services Director: (Non-Action Items)**

Director DeVries provided the Commissioners a copy of the City Hall Business Hours and Holiday Schedule. Noting that certain times and dates staff would not be responsive to emails or phone calls. Potential conflicts with the fourth Monday of the month for meetings may arise, and can be discussed as needed. The first such conflict is December 24, 2018, Christmas Eve. Director DeVries suggests that the Commission may want to consider Monday, December 10, 2018 as a possible alternative. May 27, 2019 would be another possible conflict and suggest May 13, 2019 as a possible alternative.

Director DeVries provided a 500' radius map of each Commissioner's personal residence to provide them a visual of the distance and area where a potential conflict may arise. Therefore, as a Commissioner may be required to recuse themselves from a vote. Director DeVries provided the process in which to recuse and then remove themselves from the Meeting Room. Assistant City Attorney Kristen Steinke provided a point of clarification that once a Commissioner has identified themselves as having a conflict, the Commissioner must state why they are recusing themselves from the meeting.

Assistant City Attorney Kristen Steinke provided direction to the Commissioners regarding conflict of interest besides location of residence. If unsure raise the issue and the City Attorney can provide direction. Provided the Commissioners precaution and that a conflict not disclosed could nullify a project.

Director DeVries provided the cancellation of meeting procedure.

*Commissioner Browne arrived at the meeting at 6:18 p.m. and was given the Oath of Office by City Manager Romero.*

**Public Hearing:**

8. Administrative Appeal No. AA1-800-0003 (Jason McNeil). A request to consider overturning the Development Services Director decision to require roof materials of an Accessory Rental Dwelling Unit (ARDU) to be compatible with the existing single-family residence onsite.

Chair Bailey confirmed that all legal notices had been provided and Director DeVries confirmed they had.

David De Vries, Development Services Director provided a reminder that the General Plan is the City's overarching document with the vision of the City and from that the Lemon Grove Municipal Code is developed.

Arturo Ortuño, Assistant Planner presented the staff report and PowerPoint presentation.

Chair Bailey opened the Public Hearing at 6:33 p.m.

Appeared to comment were: Jason McNeil (appellant) provided photos, Kelly McNeil, and Tim O'Leary.

During the discussion Commissioners expressed concern about roofing materials meeting current building code.

Adoption of the resolution would approve the Administrative Appeal AA1-800-0003, overturning overturn the Development Director's Decision to uphold the required roof material for Building Permit No. B17-000-0064 at 2593 Nida Place, Lemon Grove, California.

**Action:** The public hearing was closed at 7:10 p.m., and to adopt **Resolution No. 2018-01** including amendment to “Whereas, there are unique circumstances because the Accessory Rental Dwelling Unit (ARDU) was hidden from views from adjacent public rights way”, on a motion by Commissioner LeBaron, and seconded by Commissioner Browne. The motion passed by the following vote:

**Ayes:** Bailey, Browne, LeBaron, Relucio, Smith

**Noes:** None

**Business from the Planning Commission:** None.

**Planning Commission Oral Comments & Reports on Meetings Attended At City Expense: (G.C. 53232.3(d)):** None.

**Adjournment:**

There being no further business to come before the Commission, the meeting was adjourned at 7:13 p.m.

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Shelley Chapel, MMC  
City Clerk

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.E.  
**Mtg. Date** October 16, 2018  
**Dept.** Development Services

**Item Title:** Sixth Amendment to Option Agreement Between City of Lemon Grove and the San Diego Community Land Trust for 8084 Lemon Grove Way

**Staff Contact:** Mike Viglione, Assistant Planner

**Recommendation:**

Adopt a resolution amending the Option Agreement to extend the option agreement to January 31, 2019.

**Item Summary:**

In September 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement for the eventual sale of 8084 Lemon Grove Way which is Lemon Grove Housing Authority owned land. The Purchase Option Agreement required SDCLT to complete certain milestones by specified dates. These milestones ensure that SDCLT has progressed towards the purchase of 8084 Lemon Grove Way. The fourth milestone—securing building and site improvement permits and securing, as to form, the 99-year ground lease proposed to be used as the conveyance of Affordable Unit interests—was to be completed by May 19, 2016, and the Fifth Option Amendment extended this date to October 19, 2018. The ground lease has been approved as to form. The applicant is working with City staff and other agencies to achieve this milestone as it relates to securing permits; however, the applicant is unable to meet the specified deadline. City staff recommends that the City Council adopt a resolution amending the Option Agreement to provide a sixth time extension.

**Fiscal Impact:**

None.

**Environmental Review:**

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

**Public Information:**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Resolution Amending the Option Agreement





# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.E.

Mtg. Date October 16, 2018

Item Title: **Sixth Amendment to Option Agreement Between City of Lemon Grove and the San Diego Community Land Trust for 8084 Lemon Grove Way**

Staff Contact: **Mike Viglione, Assistant Planner**

### Discussion:

On September 22, 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement for the eventual sale of 8084 Lemon Grove Way which is owned by the Lemon Grove Housing Authority (City Council Resolution No. 2014-3284 dated September 16, 2014). A nine unit housing development is currently entitled on the subject property based on approvals in 2007 and amendments approved on March 1, 2016. The Purchase Option Agreement allows SDCLT to purchase the property for one dollar per unit in exchange for constructing the units and restricting them to moderate income households included in their 99-year ground lease mechanism. SDCLT is required to achieve certain milestones by specified dates. These milestones ensure that SDCLT has done their due diligence to determine whether the project is feasible.

The first milestone—submission of a business plan—was to be achieved by December 2014. The business plan was submitted on December 1, 2014, and the City Council reviewed the business plan and provided feedback to SDCLT on January 6, 2015.

The second milestone—securing entitlements and construction financing—was to be achieved by September 2, 2015, and October 19, 2015, respectively. Minimal revisions to the approved Tentative Map (TM0052) and Planned Development Permit (PDP06-09) were proposed and amendments to the floor and elevation plans were approved by the City Council on March 1, 2016. Entitlements for both the tentative map and planned development permit have been secured since there has been substantial progress towards the issuance of a final map, grading plan, improvement plan and building permits for the completion of the project. While the first three amendments extended the deadline to provide evidence of construction financing, the fourth amendment approved on October 17, 2017, revised the second milestone to allow SDCLT to secure financing a minimum of 10 days prior to exercising the option.

The third milestone—submission of building and site improvement applications—was to be achieved by April 4, 2016. This milestone required submission of development plans and technical studies required for a grading permit, building permit, landscape permit, and a final map. Appropriate plans and reports include building and site construction plans, grading plans, a landscape documentation package, an acoustical analysis, a Storm Water Quality Management Plan and a hydrology report, and potentially other necessary reports, studies, and plans in accordance with City Council Resolutions 2694 and 2695, which approved TM0052 and PDP06-09 respectively. In addition, a “Hold Harmless” agreement was required for each submittal. In February of 2016, SDCLT submitted the necessary permit applications achieving the third milestone.

## Attachment A

The fourth milestone—securing building and site improvement permits and securing approval as to form of the 99-year ground lease proposed to be used as the conveyance of Affordable Unit interests—was to be achieved by October 19, 2016; but if approved by Council, the requirement deadline for building and site improvement permits (with the exception of payment of Permit Fees) would be extended to January 31, 2019. This milestone requires that all permits applied for in the third milestone be secured (permits issued and improvements secured either through a bond or cash deposit with appropriate fees paid). At this time, SDCLT is preparing a resubmittal for engineering permits to address corrections requested by the City. Similarly, engineering and planning conditions of approval and remaining stormwater corrections must be addressed prior to building permit issuance. City staff estimates all of the needed engineering and building permits in the fourth milestone should be able to be issued and secured within two to four months assuming corrections are addressed. City staff recommends a sixth extension of the Option Agreement in order to allow SDCLT to satisfy final permit corrections and conditions (**Attachment B**). As a part of the fourth option agreement amendment, SDCLT and the City approved as to form a draft Ground Lease and an Affordable Housing Regulatory Agreement.

Should the City Council decide to take no action and/or decline to amend the Option Agreement, it is likely the Option Agreement will terminate on October 19, 2018 due to nonfulfillment of the fourth milestone. As a consequence, the developer would need to renegotiate a new Option Agreement with the City should they continue to pursue the project. At that time, the City Council may choose to pursue other opportunities for the property if this Option Agreement in fact does terminate.

### **Conclusion:**

City staff recommends that the City Council adopt a Resolution amending the Option Agreement to provide a sixth time extension and related amendments (**Attachment B**).

## RESOLUTION NO. 2018-\_\_\_\_\_

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE SIXTH AMENDMENT TO AN OPTION AGREEMENT WITH THE SAN DIEGO COMMUNITY LAND TRUST FOR THE PARCEL IDENTIFIED AS 8084 LEMON GROVE WAY (APN 475-450-19-00)

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**WHEREAS**, on June 20, 2006, and June 19, 2007, the former Lemon Grove Community Development Agency and a developer entered into loan agreements for the development of nine townhome units at 8084 Lemon Grove Way; and

**WHEREAS**, said developer defaulted on the loan agreements, resulting in the parcel identified as 8084 Lemon Grove Way becoming property of the City of Lemon Grove; and

**WHEREAS**, in 2014, the San Diego Community Land Trust provided a formal offer to purchase 8084 Lemon Grove Way from the City of Lemon Grove; and

**WHEREAS**, the San Diego Community Land Trust's offer included a commitment to develop and construct a minimum of nine affordable housing units to be ground leased for a 99-year period to households earning from 80 percent to 120 percent of the San Diego Area Median Income at the time of sale or resale; and

**WHEREAS**, the provision of these affordable units helps exceed the City's moderate housing targets established by the Regional Housing Needs Assessment (January 1, 2013 – December 31, 2020); and

**WHEREAS**, on June 17, 2014, the City Council directed City staff to negotiate purchase agreements with the San Diego Community Land Trust, based on its offer; and

**WHEREAS**, on September 16, 2014, the City Council approved an Option Agreement and a Real Estate Purchase and Sale Agreement between the City of Lemon Grove and the San Diego Community Land Trust; and

**WHEREAS**, on May 17, 2016, the City Council approved an amendment to the Option Agreement with the San Diego Community Land Trust extending the expiration date of Option Agreement milestone 7.4 to October 19, 2016 and the option term to March 22, 2017 (both six month extensions) and including an Optionee requirement to execute an Affordable Housing Agreement and Regulatory Agreement and a Notice of Affordability Restrictions on Transfer of Property; and

**WHEREAS**, the City negotiated a second amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to April 19, 2017, and the option term to September 22, 2017 (both six month extensions); and

**WHEREAS**, the City negotiated a third amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to October 19, 2017, and the option term to March 22, 2018 (both six month extensions) and requiring milestone 7.2 – secure construction financing – to be completed by July 19, 2017; and

**WHEREAS**, the City negotiated a fourth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to April 19, 2018, and the option term to September 22, 2018 (both six month extensions) requiring milestone 7.2 – secure construction financing – to be completed a minimum of 10 days prior to the execution of the option; and accepted the form of Ground lease, Ground Lease Rider and Regulatory Agreement; and

**WHEREAS**, the City negotiated a fifth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to October 19, 2018 and the option term to March 22, 2019 (both six month extensions); and

**WHEREAS**, the City has negotiated a sixth amendment to the Option Agreement with the San Diego Community Land Trust further extending the expiration date of milestone 7.4 to January 31, 2019; and

**WHEREAS**, the City Council has reviewed said amendment; and

## Attachment B

**WHEREAS**, the City Council finds it in the best interest of the City of Lemon Grove to approve said amendment; and |

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

1. Approves a Sixth Amendment to the Option Agreement (Exhibit 1) between the City of Lemon Grove and the San Diego Community Land Trust; and
2. Authorizes the City Manager to execute said Amendment and related documents reasonably necessary for fulfilling the terms of the Option Agreement, subject to minor modifications. |

/////

## EXHIBIT 1 (PAGES 7 THROUGH 8)

### SIXTH AMENDMENT TO OPTION AGREEMENT

This Sixth Amendment to Option Agreement (“**Sixth Amendment**”) is entered into as of October \_\_, 2018, by and between and between THE CITY OF LEMON GROVE a public body (“**Optionor**”) and THE SAN DIEGO COMMUNITY LAND TRUST a California 501(c)(3) non-profit organization (“**Optionee**”),

#### RECITALS:

A. Optionor and Optionee entered into that certain Option Agreement dated September 22, 2014 relating to the Property commonly known as 8084 Lemon Grove Way, Lemon Grove, CA (APN 475-450-19-00), as amended by the First Amendment dated March 18, 2016, as amended by the Second Amendment dated October 5, 2016, as amended by the Third Amendment dated April 17, 2017, as amended by the Fourth Amendment dated October 18, 2017, and as amended by the Fifth Amendment dated April 18, 2018 (together the “**Option Agreement**”).

B. Optionor and Optionee desire to further amend the Option Agreement set forth herein. All initially capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Option Agreement.

#### AGREEMENT:

NOW THEREFORE, and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee hereby agree as follows:

1. Extension of deadline for Permits and Optionor’s Approval. Subparagraph 7.4 of the Option Agreement is deleted in its entirety and replaced as follows:

“7.4 No later than January 31, 2019, Optionee shall have (i) completed all requirements necessary for Building and Site Improvement Permits (including building, street improvement, and grading plans shall be issued and the final map shall be recorded), with the exception of payment of fees for the foregoing permits and plans (“Permit Fees”). All outstanding Permit Fees shall be delivered to Escrow prior to the transfer of the Property to Optionor and shall be a Developer (Optionee) deliverable under section 2.6 of the revised Real Estate Purchase and Sale Agreement (“PSA”), as attached to the Fourth Amendment as Fourth Amendment Exhibit A.”

2. Counterparts. This Sixth Amendment may be signed in multiple counterparts with the same force and effect as if all original signatures appeared on one copy; and in the event, this Sixth Amendment is signed in counterparts, each counterpart shall be deemed an original and all of the counterparts shall be deemed to be one Sixth Amendment.

3. Effect of Sixth Amendment. Except as amended hereby, the Option Agreement remains in full force and effect.

*Signature Page Follows*

# Attachment B

IN WITNESS WHEREOF, Optionor and Optionee have executed this Fifth Amendment as of the date set forth above.

**OPTIONOR:**

THE CITY OF LEMON GROVE,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to legal form:

By \_\_\_\_\_  
James P. Lough, City Attorney

**OPTIONEE:**

THE SAN DIEGO COMMUNITY LAND TRUST,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 2  
**Mtg. Date** October 16, 2018  
**Dept.** Development Services Department

**Item Title:** **Public Hearing to Consider Ordinance No. 2018-449 – Zoning Amendment ZA1-800-0002 Separation Findings for Discretionary Permits**

**Staff Contact:** [Mike Viglione, Assistant Planner]

**Recommendation:**

- 1) Conduct the public hearing; and
- 2) Introduce Ordinance No. 2018-449 (**Attachment B**).

**Item Summary:**

Municipal Code Title 17 Zoning and Title 18 Citywide Regulations require large family daycares, medical marijuana dispensaries (MMDs), alcoholic beverage related businesses requiring a conditional use permit and beekeeping and adult entertainment uses to observe distance separations from specifically listed land uses as a condition of establishment. A separation finding must be made by the decision body at the time of final decision. At the July 17, 2018 City Council meeting, the City Council directed staff to prepare a draft ordinance to provide a process for making an early separation finding. Planning Commission reviewed and commented on the proposed ordinance on September 24, 2018. The proposed Zoning Amendment may allow an applicant to obtain the required separation finding prior to preparing costly plans and reports and prior to final decision. Land uses established after the separation finding is made would not restrict an applicant from obtaining a permit. The staff report (**Attachment A**) provides an overview of the proposed amendment to Section 17.28.020 (Application procedures) and **Attachment B** is the proposed ordinance.

**Fiscal Impact:**

[Unknown at this time.]

**Environmental Review:**

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

**Public Information:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> None   | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |   |

**Attachments:**

- A. Staff Report
- B. Ordinance No. 2018-449 – (ZA1-800-0002)





# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No.   2  

Mtg. Date   October 16, 2018  

Item Title: **Public Hearing to Consider Ordinance No. 2018-449 – Zoning Amendment ZA1-800-0002 Separation Findings for Discretionary Permits**

Staff Contact: **Mike Viglione, Assistant Planner**

### Background:

During the April 17, 2018 City Council meeting, the City Council directed staff to present alternatives for making separation findings prior to final decision by the Development Services Director, Planning Commission and City Council. At the July 17, 2018 City Council meeting, the City Council reviewed four alternatives and directed staff to prepare a draft ordinance providing a process for making early separation findings. At the September 24, 2018 Planning Commission meeting, the Planning Commission also reviewed the alternatives and draft ordinance and provided recommended minor revisions to the draft ordinance.

The following background and discussion provides a general overview of applicable separation regulations in the Lemon Grove Municipal Code (LGMC), including noticing and permitting requirements, and alternatives for early separation findings.

### *Regulatory Background*

The LGMC requires separation findings be made for large family daycares, medical marijuana dispensaries (MMDs), beekeeping, alcoholic beverage related businesses requiring a conditional use permit and adult entertainment uses as follows:

1. Large Family Daycares (LGMC Section 17.24.060(D)(3) Accessory buildings and uses - Daycares):
  - a. A facility shall not be established within one thousand feet of another such facility.
  - b. Requires a Minor Use Permit conditionally approved by the Development Services Director with a \$500.00 deposit.
2. Medical Marijuana Dispensaries (LGMC Chapter 17.32 Medical Marijuana Regulations):
  - a. MMDs shall be 1,000 feet from regulated and protected uses inside and outside city limits. Regulated uses include MMDs and protected uses include public parks, playgrounds, licensed day care facilities, schools and alcohol and substance abuse treatment centers. The measurement of distance between uses will take into account natural topographical barriers and constructed barriers such as freeways or flood control channels that would impede direct physical access between the uses. In such cases, the separation distance shall be measured as the most direct route around the barrier in a manner that establishes direct access.
  - b. Requires a Zoning Clearance and \$1,090.00 fee to review and approve separation requirements and application materials followed by a Conditional Use Permit with City Council conditional approval and \$1,500.00 deposit.

# Attachment A

3. Beekeeping (LGMC Section 18.16.060 Exotic animals and beekeeping):
  - a. Up to four beehives may be permitted. Beehives shall be placed at least twenty-five feet from the exterior line of the traveled way of any public streets, at least twenty-five feet from the exterior line of any private access easement, at least fifteen feet from any side or rear lot line, and at least twenty-five feet from neighboring dwellings.
  - b. For three to four hives, a one-hundred-foot separation from neighboring dwellings is required.
  - c. Beehives shall be placed at least one hundred feet from the border of sensitive areas. Sensitive areas include areas where people, such as the elderly, small children, individuals with medical conditions or confined animals inhabit or frequent that are more at risk if stinging incidents were to occur. Sensitive areas are characterized by a demonstrated need for a greater safety buffer. These areas include, but are not limited to, schools, playgrounds, picnic areas, outdoor sports facilities, daycare centers, senior care facilities, medical facilities, and animal-boarding facilities. Property operators, owners, or residents who have medical reasons may apply to have their locations designated as sensitive sites. Businesses and facilities with employees who have medical reasons or where bees could cause a nuisance during normal work activities may also apply to have their locations designated as sensitive sites. The development services director may approve sites or remove sites previously approved or designated as sensitive sites upon request. Upon appeal, the city council has final discretion to approve designation of locations as sensitive sites upon review of supportive documentation.
  - d. Requires a beekeeping permit with \$35.00 fee similar to a Zoning Clearance approved by the Development Services Director.
4. Alcoholic Beverage related Businesses Requiring a Conditional Use Permit including Convenience Markets, Bars, Nightclubs and Liquor Stores (LGMC Chapter 18.27 – Alcoholic Beverage Sales):
  - a. Businesses engaged in the sale or distribution of alcoholic beverages for off-site consumption shall maintain a minimum separation of 500 feet from any other business required to have a Conditional Use Permit for the sale of alcoholic beverages. This subdivision shall not apply to incidental alcoholic beverage sales and warehouses, and distribution facilities.
  - b. Businesses engaged in the sale or service of alcoholic beverages for on-site consumption shall maintain a minimum separation of 1,000 feet from another business selling or serving alcoholic beverages requiring a Conditional Use Permit for on-site consumption and a minimum of 500 feet from any other business requiring a Conditional Use Permit for the on-site or off-site sale or service of alcoholic beverages; any church or other place of worship; any public or private preschool, elementary school or high school; any public park or playground; any hospital, clinic, or other health care facility; any residential unit other than a caretaker's dwelling on a commercial or industrial property; and any property zoned for residential use. Based upon the particular circumstances involved, the city council shall determine the appropriate separation between private clubs and lodges operated by recognized national, state or regional

# Attachment A

religious or fraternal order and appropriate distances between such clubs and lodges and other types of land use.

- c. Requires a Conditional Use Permit with City Council conditional approval and \$1,500.00 deposit.
5. Adult Entertainment including (LGMC Chapter 18.28 – Adult Entertainment):
  - a. Adult entertainment establishments include adult arcade, adult bookstore, adult cabaret, adult drive-in theater, adult mini-motion Picture Theater, adult model studio, adult motel, adult motion picture theater, adult theater, body painting studio, sexual encounter establishment and any other business which involves specified sexual activities or the display of specified anatomical areas. No adult entertainment establishment shall be permitted within 1,000 feet of another such business, within five hundred feet of any area zoned for residential use, or within six hundred feet of any church, school, public playground, park or recreational area.
  - b. Adult entertainment establishments are currently prohibited in all zones, but were previously allowed in the General Commercial zone.

Decisions of the Development Services Director can be appealed to the Planning Commission and decisions of the Planning Commission can be appealed to the City Council.

## **Discussion:**

Since certain land uses are subject to separation requirements (LGMC), as described above, the applicable separation distance must be met before the land use can be established. Current LGMC regulations require a separation finding to be made by the decision body at the time of final decision on the application. This requires the applicant to prepare all necessary plans and studies to the satisfaction of staff before eligibility for the required separation finding with the final decision.

The City Council considered the following four alternatives for making early separation findings for land use applications:

1. At time of initial notice of complete or incomplete and within 30 days of initial application submittal.
2. At time of being deemed complete which requires all architectural and engineering drawings and required reports and studies to be complete and approved by City staff.
3. At time of conditional approval by the Development Services Director, Planning Commission or City Council.
4. As a part of a separate Zoning Clearance, Minor Use Permit or Conditional Use Permit for the specific purpose of making an early separation finding. A Zoning Clearance would include no public noticing with appeal rights by the applicant. A Minor Use Permit would require a 500 foot radius public notice to property owners with conditional approval by the Development Services Director and appeal rights by the applicant and any member of the public. A Conditional Use Permit would require a 500 foot radius public notice to property owners, a sign posted on the property and conditional approval by the Planning Commission and appeal rights by the applicant and any member of the public.

# Attachment A

At the City Council meeting, further discussion took place regarding public noticing, since that is one of staff's primary concerns. For MMDs, the daycare location lists are only requested once per year due to the approximate \$500 request cost charged by the State daycare licensing division. Small family daycares which are protected uses in accordance with LGMC Chapter 17.32 (Measure V) do not require any permit or business license from the City and their location will not be known unless the list is requested by the City at the aforementioned cost. The LGMC currently requires a 500 foot public radius notice to property owners, not renters, for public notifications associated with Minor Use Permits, Conditional Use Permits, Planned Development Permits, Tentative Maps and Tentative Parcel Maps. Measure V stipulates that a MMD shall not be established within 1,000 feet of protected uses like daycares. If an early finding option could be made, the Development Services Director could require the public radius notice distance to match the specific separation requirement to give all affected properties an opportunity to appeal the decision or attend the public hearing. Additionally, a sign could be required to be posted on the property for a specific duration (e.g., 30 days) prior to the early finding being made. A public notice in the East County Californian could also be required.

At the July 17, 2018 City Council meeting, the City Council preferred the part of Alternative 4 which would require an applicant to apply for a Minor Use Permit for the specific purpose of making an early separation finding. To ensure adequate noticing, staff recommends the Minor Use Permit require a notice to all real property owners *consistent with separation findings* or at an appropriate *legal* distance from all exterior boundaries of the subject property at least ten days prior to the decision. Staff also recommends that the "sign posted on property" requirement be codified for all discretionary permits including Minor Use Permits, Conditional Use Permits, Planned Development Permits, Tentative Maps and Tentative Parcel Maps. Lastly, staff recommends codification of a requirement to publish a public notice in a newspaper of general circulation for Separation Findings Minor Use Permit applications to supplement the required public radius notice. This will ensure appropriate public noticing is provided for early findings and allows members of the public to appeal to the Planning Commission and further to the City Council.

On September 24, 2018, the Planning Commission concurred with the use of a Minor Use Permit for making early separation findings. Planning Commission also recommended minor clarifications to the wording of the public noticing portion of the Zoning Amendment, shown in italics, above and in **Attachment B**, with the understanding that the revisions would be subject to the approval of the City Attorney.

## **Conclusion:**

Staff recommends that the City Council: 1) conduct the public hearing, 2) introduce Ordinance No. 2018-449 approving Zoning Amendment ZA1-800-0002 (**Attachment B**.)

# Attachment B

## ORDINANCE NO. 2018-449

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA AMENDING SECTION 17.28.020 (APPLICATION PROCEDURES) OF THE LEMON GROVE MUNICIPAL CODE TO CREATE A NEW PROCESS TO ALLOW FOR EARLY SEPARATION FINDINGS FOR LAND USES WITH SEPARATION REQUIREMENTS

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**WHEREAS**, an applicant seeking to establish a land use subject to separation findings must wait until the final decision is made by the Development Services Director, Planning Commission, or City Council to ensure a separation finding can be determined; and

**WHEREAS**, providing a new process through the use of a Minor Use Permit (MUP), for making an early separation finding prior to an applicant preparing costly plans and reports would streamline the approval process and would not restrict an applicant from obtaining a permit at the time of project approval; and

**WHEREAS**, noticing procedures would be enhanced to ensure the distribution of a public notice would match the separation distance for each application, and add a requirement for a sign to be posted on the subject property announcing the time and location of the public hearing; and

**WHEREAS**, on October 16, 2018, a public hearing was duly noticed and held by the Lemon Grove City Council; and

**WHEREAS**, this action is not subject to Environmental Review under the Environmental Quality Act (CEQA) because it does not constitute a project as defined by Section 15378 of the CEQA Guidelines; and

**WHEREAS**, the City Council finds that the following findings required to approve a Zoning Amendment can be made in accordance with Section 17.28.080(B) of the Municipal Code:

1. That the proposed amendment is consistent with the General Plan, in accordance with Government Code Section 65860, as amended.
  - The proposed zoning change is procedural and is consistent with the General Plan.
2. That the public health, safety, and general welfare benefit from the adoption of the proposed amendment.
  - Adopting a new process to allow for early separation findings saves applicants time and money, and improving public noticing for certain discretionary actions enhances community outreach, which provides a benefit to the public health, safety and general welfare for the City's residents and business owners; and

# Attachment B

**NOW, THEREFORE,** the City Council of the City of Lemon Grove hereby ordains as follows:

**SECTION ONE:**

Amendments to Chapter 17.28.020 Application Procedures of the Lemon Grove Municipal Code to Create a New Process to Allow for Early Separation Findings for Land Uses with Separation Requirements are hereby added to the City of Lemon Grove Municipal Code to read as shown in Exhibit A.

**INTRODUCED** by the City Council on October 16, 2018.

*////*

*////*

## EXHIBIT A

### TEXT OF PROPOSED REGULATIONS

#### NOTE:

- Text proposed to be added is displayed in underlined type.
- Text proposed to be deleted is displayed in strikethrough type.

The City of Lemon Grove Municipal Code to amend Application Procedures, Section 17.28.020, to read as follows:

#### **17.28.020 Application Procedures.**

A. Purpose. This section establishes procedures for submitting and processing applications for proposed uses, structures, and/or improvements of real property, and related matters subject to this title; authorize the city to establish, modify, and collect fees, and set time limits for processing.

1. Definitions. Italicized words and terms found in this chapter are defined in Chapter 17.08.

2. Interpretation. In interpreting and applying the provisions of this title, uses, structures, and/or improvements shall be held to be the minimum requirements adopted for the promotion of the public health, safety, and general welfare.

3. Conflicts. Except as specifically provided, this title is not intended to impair or interfere with any previously issued permits or approvals relating to matters subject to this title. This title is not intended to interfere with, abrogate, or annul any easement, covenant, or other agreement between parties, provided that in cases in which this title imposes a greater restriction than is imposed or required by existing provisions of law or ordinance or by such easements, covenants, or agreements, the provisions of this title shall control.

B. Initiation. A proposed action may be initiated by application of the property owner, owner's agent, or another interested party, by the city council.

C. Pre-Application Conference. Prior to submission of an application package for a complicated or multi-faceted project, an applicant may request an unofficial conference with city staff to review the proposed project. Staff will evaluate the project in light of applicable city regulations, indicate possible concerns, identify required information, and note probable environmental impacts and possible mitigation requirements. Nothing in this conference shall be construed as actual or implied approval of any aspect of the proposed project.

D. Application Submittal. Prior to submitting application packages for permits or other approvals, the applicant shall obtain a zoning clearance according to Section 17.28.070. Thereafter, application packages shall be submitted to the development services department upon a prescribed form, accompanied by applicable fees according to subsection (D)(1), and related materials necessary to show that the proposed use, structures, and/or improvements of the property comply with applicable provisions of this code, state law, federal law and the requirements and conditions of any associated permit. Each application filed by, or on behalf of, one or more property owners shall be verified by at least one such owner or the owner's authorized agent attesting to the truth and correctness of all facts, statements, and information presented.

1. Fees. The city council shall establish and modify, by resolution, a schedule of fees and deposits for matters subject to this title. All applicable fees and deposits shall be paid in full prior to processing any application, appeal, or other matter for which a fee is required.

Applicable fees and/or deposits may be waived for charitable, youth or nonprofit organization activities upon approval by the city manager.

No fee shall be refundable except in any case where the development services director determines and certifies any such fee or portion thereof has been received in error, in which

## Attachment B

case the amount of money received in error shall be refunded to the proper party. Refunds will be processed in the same manner as other demands against the city.

2. Concurrent Processing. Applicants with more than one application related to the same project may have all applications processed simultaneously.

E. Time Limits.

1. Staff Review. Upon initial submittal, application packages shall be distributed to applicable departments for review. No more than thirty days following the date of initial submittal, application packages shall be deemed complete or incomplete with a request for more information. Once the requested information is received, the thirty day staff review cycle restarts. No action shall be taken on applications not yet deemed complete.

2. Deemed Complete Applications. Once deemed complete, applications then progress, in accordance with specific permit regulations in this title, to notices according to subsection F, to public hearing according to subsection G, then to decisions according to subsection H.

F. Notices. The notice shall state the purpose of the notice, a project description, and an explanation of the permit process, and be given by a date certain to affected parties according to subsections (F)(1), (2) and-(3), as appropriate.

1. Public Hearings. Notices for public hearings shall also state the time, place, and purpose of the public hearing and shall be given by publication at least ten days prior to the public hearing. Notices to affected property owners shall be given at least ten days prior to the public hearing according to subsection (F)(2).

2. Affected Property Owners. The notice shall be mailed to all real property owners ~~within 500 feet of~~ consistent with separation findings or at an appropriate legal distance from all exterior boundaries of the subject property at least ten days prior to the decision. Notices shall be mailed using the names and addresses of the owners as shown on the latest equalized assessment roll in the office of the county assessor. Where the address of such owner is not shown on such assessment roll, failure to send notice by mail to such property owner shall not invalidate any proceedings in connection with such action. In the event that the number of owners to whom notice would be sent according to this subsection is greater than one thousand, then notices may, instead, be given by placing a display advertisement of at least one-eighth page in a newspaper having general circulation within the affected area. In addition, temporary on-site sign(s) along the properties' street frontage(s) and legible from across the street on pedestrian pathways shall be posted on the property at least ten days prior to the public hearing and until certificate of occupancy is granted for the proposed land use, but not to exceed a period of one year. The signs shall be a minimum of six feet high, six feet wide, and not to exceed 72 square feet total for two sides or 36 square feet for one side. Such sign shall include the permit numbers, property location and APN number, a site plan and description of the project, project name, and the applicant's name, address and telephone number to the satisfaction of the development services director. Signs shall be maintained in good condition at all times.

3. California Environmental Quality Act (CEQA) and State Law. Notices shall be made according to Government Code Sections 65090 through 65091, as amended. Processing time frames will apply unless extended environmental review is required by state law or this code.

G. Public Hearings. A public hearing is the opportunity for the advisory body, the hearing body, or the appellate body to obtain public testimony or comments prior to making a decision. The public hearing shall be conducted in accordance with this chapter and Section 2.14.090 of this code. Public hearings may be continued to another time without requiring further public notice, so long as the future time and place are announced before adjournment of the hearing.

1. Scheduling. Public hearings of the city council shall be subject to the rules regarding the placing of matters on its agenda, respectively. Subject to state planning and environmental laws, public hearings shall not be held earlier than ten or later than sixty days following submission of an appeal application or a deemed complete application according to subsection (E)(2). The time limit specified in this subsection may be extended by mutual consent of the applicant and the development services director; however, in no case shall this time period exceed one hundred eighty days.

2. Notice. Notices of public hearings shall be given according to subsection (F)(1).



## Attachment B

3. Outcome. At the close of the public hearing, the advisory body may recommend approval, conditions, limitations, or denial; while the hearing body or the appellate body may make a decision. The hearing body may impose such conditions or limitations as it deems necessary to serve the general purpose and intent of this title. The matter may also be referred back to the lower body for further consideration or action. The appellate body may sustain, modify, deny or reverse, wholly or in part, any decision by a lower body. The decision may also be referred back to the lower body for further consideration or action.

H. Decisions and Effective Date of Decisions. Development services director decisions are made within thirty days of applications being deemed complete. City council and city council decisions are made within twenty days of the close of the public hearing. Decisions shall become effective ten days following the decision date, unless an appeal has been filed according to subsection K.

Unless otherwise stated in the approval or permit, or in the conditions of approval, approvals and permits shall run with the land and shall continue to be valid upon a change of ownership of the site or structure.

1. Conditions of Approval. The development services director, the city council may attach such conditions as deemed necessary to ensure compliance with this code.

2. Response to Referral. Where an application, appeal or other matter is referred to a lower body for further consideration, a response to that referral shall be submitted to the applicant and the referring body within forty days following said referral.

I. Appeals. Any applicant or other interested person who is dissatisfied with the denial, approval, conditional approval, or other application decision made in the administration of this title may appeal the decision. Decisions made by the development services director are appealed to the city council. Decisions made by the city council are final.

Appeal applications, accompanied by the filing fee, shall be filed within ten days following the date a decision is made, on forms provided by the development services department. Appeals of development services director decisions shall be submitted to the city clerk. Appeals will be heard at a public hearing that has been noticed according to subsection F and conducted according to subsection G. Failure of the appellate body to make a decision according to subsection H shall be deemed in agreement with the previous decision.

All rights of appeal are exhausted when the proceedings set forth herein have been completed. An applicant shall not apply for the same or similar use affecting all or part of the property within twelve months of the effective date of the decision of denial, or as otherwise specified at the time of the decision of denial.

J. Expirations. Applications, approvals and permits issued according to this title will expire in accordance with the following:

1. Application Expiration. Unless there has been substantial activity toward submitting a deemed complete application package according to subsection D, such application package shall expire after a continuous twelve-month period of inactivity. Thereafter, the applicant may submit a new application package according to subsection D.

2. Approval and Permit Expiration.

a. Any temporary use permit expires at the conclusion of the permitted use.

b. Other approvals or permits subject to this title shall expire:

i. Twelve months from the effective date of the decision, unless construction and/or use in reliance has commenced or as otherwise stated in the conditions of approval; or

ii. If the use for which it was issued is discontinued for a continuous period of twelve months.

K. Time Extensions. At any time prior to the expiration of approvals or permits subject to this title, the permittee for such approval or permit may file a written request for an extension of time. The development services director may grant an initial extension of the term of the permit. The city council shall consider all subsequent requests for time extensions, according to subsection (F)(2), and if:

1. The form and intensity of the project for which the approval or permit was issued have not been significantly altered, and

## Attachment B

2. The conditions or circumstances which supported the findings of fact required for the original approval or permit have not changed and appear unlikely to change within the period of the proposed extension of time.

L. Substantial Conformance Review. Any project submittal made subsequent to obtaining a use permit authorized by this title shall be in substantial conformance with that use permit. At the request of the owner, or in the event that submittals or field conditions are found to not be in conformance, a substantial conformance review application, accompanied by the filing fee, shall be filed and processed according to subsection D. If the project is found to not be in substantial conformance, the applicant may request a modification of the use permit according to subsection M.

M. Permit Modifications. Permit modification applications, accompanied by the filing fee, may be filed at any time prior to the initial expiration date of the project's use permit. Applications shall be processed according to subsection D.

N. Revocation of Approvals and Permits. Any structures and/or improvements constructed, erected, altered, moved, or maintained contrary to a use permit and/or other provisions of this title, and any use of any land or structure established, conducted, or maintained contrary to an approval, permit and/or other provisions of this title, shall be declared to be unlawful and a public nuisance.

1. Procedure. The development services director shall immediately commence action or proceedings for the abatement of a violation of this title, according to Chapter 1.24. If the owner, operator or other responsible entity fails or refuses to abate any public nuisance according to subsection N, the development services director may schedule a public hearing, according to subsection G, to consider the following actions:

- a. Requiring whatever assurance deemed appropriate to guarantee that such violation will be corrected in a timely manner and will not occur again;
- b. Imposing additional conditions or limitations affecting the physical design of the property or its use;
- c. Revoking any approvals or permits subject to this title, according to the appeals provisions of subsection K.

In the event the development services director refers an enforcement matter to the city council, the city attorney shall, upon order of the city council, immediately apply to such courts as may have jurisdiction to grant such relief as will abate and remove such building or structure and restrain and enjoin any person from erecting, maintaining, or using any property contrary to the provisions of this title.

O. Early Separation Findings. Separation findings required as a part of any permit described in this Chapter may be made early, prior to application materials being submitted and prior to a decision by the Development Services Director, Planning Commission and/or City Council as a part of a Minor Use Permit application for the sole purpose of finding that the application meets or does not meet the required separation requirements. No other approval may be granted as a part of this permit. Applications made pursuant to this subsection must give additional notice by way of advertisement in a newspaper having general circulation within the affected area at least ten days prior to the decision. This finding that the application meets separation requirements shall be valid for up to one year before the early finding expires.

OP. The remedies provided for in this title shall be cumulative and not exclusive. Nothing herein is intended to conflict with applicable state laws or federal laws. (Ord. 434 § 5, 2015; Ord. 386 § 3, 2009) |

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.**   3    
**Mtg. Date**   October 16, 2018    
**Dept.**   Public Works  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

**Recommendation:**

Adopt a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Item Summary:**

On March 20, 2018, the City Council approved a revised scope of work and project budget for the Lemon Grove Avenue Realignment project. During that presentation, staff summarized what the specific changes were and implemented the final decision to continue to move the project forward.

The staff report (**Attachment A**) includes a narrative describing what content was contained in the two staff reports presented to the City Council in March 2018, what major activities occurred since that time, what are the financial implications, what the timeline is to complete the project, and concludes with the reason why staff recommends to the City Council that it approves the updated project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Fiscal Impact:**

If approved, the following financial actions will be taken:

1. The project budget increases by \$444,761 to an amount not to exceed \$7,572,344,
2. The contract with West Coast General Construction (WCG) increases by \$301,400 to an amount not to exceed \$6,561,953,
3. The contract with WCG extends by 184 days from June 30, 2018 to December 31, 2018, and
4. The agreement with Infrastructure Engineering Corporation (IEC) will increase by \$15,000 to an amount not to exceed \$466,846.

**Environmental Review:**

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

**Public Information:**

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

**Attachments:**

- |  |   |
|--|---|
| A. Staff Report                                | D. LGA Realignment Project Budget<br>(October 2018) |
| B. Resolution                                  |   |
| C. LGA Realignment Project Budget (March 2018) |   |



## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No.   3  

Mtg. Date   October 16, 2018  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

On March 20, 2018, the City Council approved a revised scope of work and project budget for the Lemon Grove Avenue Realignment project. Over the course of two public meetings, the City Council received additional details about the Lemon Grove Avenue Realignment Project (LGA Realignment Project) that summarized how the project was originally awarded for construction in June 2016 to why additional time and funds were needed to complete the project.

Since August 2018, staff has continued to navigate multiple project tasks to approach the final goal of project completion. During that time, it was discovered that the original revenue estimates affiliated with the LGA Realignment Project were incorrect and additional construction challenges have increased the total expenditures necessary to complete the project. The project budget is facing a deficit of \$804,335.

The remaining portion of this staff report will summarize all information that was shared in March 2018, what the major activities that occurred since that time to present date, what the financial implications are to complete the project to include what solutions staff is presenting, and concludes with staff's recommendation to the City Council to approve the updated project budget/timeline for the LGA Realignment Project.

### **Background:**

The Lemon Grove Avenue Realignment Project (LGA Realignment Project) is the City's single largest construction project that originated more than a decade ago in preliminary design. When enough grant funds were applied for and awarded to the City, staff was able to begin construction on this project in 2016. As detailed in the background portion of this staff report, on June 21, 2016 the City Council awarded a construction contract to WCG in an amount of \$5,506,461.19. The estimated timeline to complete the project was 12 months or July 2017. Since construction began there have been several events that impacted the scope of work, project timeline, and project budget, all of which are detailed in the section.

### Scope of Work

As a summary, this project consists of grading, roadway modifications to the off-ramp, installation of curb, gutter, sidewalks and driveways, sewer and water main relocations, new street lighting, new traffic signals, traffic signing and striping, landscape and irrigation, railroad signaling and grade crossing improvements, railroad overhead contract system modifications, and pavement restoration. While not desired but fully expected, there were several events that occurred in the field that required project change orders. Up to this point in the project many of the costs fell within the established contingency originally approved. However, the most recent change orders now will place the project costs more than the established contingency and now staff is requesting that the City Council review the change order summary (shown below) with the recommendation that each are approved. By approving the change orders and new project budget, staff will be able to continue forward progress to complete the project by Spring 2018.

# Attachment A

## *Change Order Summary:*

**Attachment C** outlines all revenues and estimated expenditures to complete the project. Below are the four change orders that have been processed by staff:

1. Change Order No. 1: -\$10,104.13. Removing unforeseen concrete rip-rap in Caltrans ROW, sewer jack and bore encountered unforeseen utilities, the removal of a concrete slab, removal of the Helix Water District Fees and Bonds, and the removal of trees and related irrigation.
2. Change Order No. 2: +\$471,808.80. The soil that was on site for the project was determined to be impacted. The cost to manage impacted soil versus non-impacted was higher due to on-site inspections and laboratory testing.
3. Change Order No. 3: +\$292,387.63. When the project was designed, the original plan was to allocate a portion of the total soil on-site as impacted. However, once the contractor began work, all soil on-site was determined to be impacted rather than a portion of the soil. Additionally, an unforeseen concrete encasement was discovered surrounding the existing sewer main beneath the MTS tracks resulting in hand tunneling. Also, the delay in work required an extension to the insurance requirements to work in the MTS ROW. Lastly, following the installation of sidewalk on the north east corner of Olive Street and North Avenue it was determined that a small retaining wall would need to be added to stabilize the foundation and driveway of the adjacent property.
4. Infrastructure Engineering Company (IEC) – CO 1 – Additional Inspection Work: Due to the changes that are listed above, the amount of time that IEC has spent on site, working with WGC and coordinating information/permits/meetings with all utilities has increased. As such, the original scope of work presented by IEC has increased. This change order will budget an amount that will allow IEC to complete all construction management services until the project is completed. Impact: Cost increase of \$67,080.
5. Rick Engineering – CO 1 – Additional Project Management Services/Undergrounding: Rick Engineering has provided project management services for the city since this project began. Originally, staff intended to use the same project manager to also assist with the overhead utilities undergrounding project because it should have occurred at the same time. However, with the undergrounding project now delayed until after the realignment project is completed, additional funding is now required to coordinate work with AT&T, Cox Communication and AT&T for an estimated two-year period until the undergrounding project is completed. Impact: Cost increase of \$77,000.

## *Realignment Project Separated from the 20A Overhead Utility Undergrounding Project:*

Staff wanted to also provide a summary of the Overhead Utility Undergrounding Project which will occur in the same area as the realignment project. In April 2017, staff advertised a construction bid to underground all overhead utility facilities in the realignment project area as well as heading east on north avenue. Unfortunately, all bids received exceeded the franchise utility company's engineer's estimate for the City to manage the project. Staff approached AT&T, Cox Communications and SDG&E to inquire if each entity would be willing to increase each of their respective cost estimates to allow the city to award a construction project. The difference in cost that would have to have been absorbed by the utility companies totaled approximately \$140,000. The utility companies were not able to amend their cost estimates. That left staff with only one option to complete the realignment project and turn the undergrounding project over to SDG&E to now manage and complete as one of its own projects. Staff has met with the utility companies and the anticipated work to redesign the project, advertise, award, and construct is estimated to take 18 months. Staff estimates that

# Attachment A

this project will begin after the realignment project is complete, however, a definitive timeline is not available at the time this staff report was prepared. Staff will continue to monitor the undergrounding project and, as previously detailed, there will be a project manager that will continue to be the liaison with SDG&E to make the overhead utility undergrounding project a priority project.

## Timeline

The original construction timeline when the project was awarded to WCG was 12 months. As noted in the previous section of this staff report, staff has experienced several financial changes that negatively impacted the project budget. In addition to the financial impacts there are many reasons as to why the timeliness of the project was delayed. Those reasons are detailed below.

- *Caltrans*: Caltrans requested changes to the phase 2 traffic control plans. These changes were requested to minimize the disruption of detouring outgoing Lemon Grove Avenue traffic around and through La Mesa to access the Hwy 94 on and off ramps.
- *Helix Water District*: After plan approval, Helix required significant changes be made to the original water main plans which impacted the critical path for completion while revisions were created, reviewed and approved prior to constructing.
- *SDG&E*: Service orders for the electrical work were not issued because SDG&E was waiting to approve all work for the realignment and overhead utility undergrounding project simultaneously. A significant amount of time was required to get SDG&E to segregate the two projects and receive the necessary approvals just for the realignment project. This also caused all traffic signal work to be delayed until electrical service could be established.
- *Sewer Line Jack and Bore*: A concrete encasement around the existing sewer main was discovered while working underneath the MTS tracks. This resulted in the only course of action to hand tunnel with jack hammers.
- *Rain Events*: When the project was in the mass grading phase of construction there were significantly heavy rain events. Work was impacted by each individual rain event and each was amplified due to the saturate nature of the soil on site. The site was shut down for extended periods of time while the existing grade dried sufficiently to then be worked on. Furthermore, the rain also caused similar problems when exporting soil from the site.

With information available at the time this staff report was drafted, staff anticipated that the realignment project would have been completed in Spring 2018.

## Budget:

As noted in **Attachment C**, staff created a table that compared the original project budget of \$6.3 million to the revised project budget of \$7.2 million. As previously noted, each change order (detailed in a previous section of this staff report) were necessary actions to continue forward progress on this project. The city's project team (IEC, Rick Engineering, and the Engineering Division) has worked closely with the contractor to negotiate all costs, which are now the most current cost estimates that staff recommends the City Council approve to complete the project.

## **Discussion:**

The remaining portion of this staff report will highlight major construction activities that occurred since March 2018, summarize the financial need based all known information, and conclude with an estimated timeline to complete the project and return to the City Council with a project acceptance staff report.

# Attachment A

Project Activities: The majority of the activities since the last project update to the City Council focused on traffic signals, street improvements, and trolley signal/intersection improvements. Staff attempted to list an abbreviated summary below as the items occurred by month from April through present day.

- *April 2018:*
  - Demo asphalt near trolley tracks and the old part of Lemon Grove Avenue near the bridge,
  - Grading North Avenue west of the trolley tracks,
  - Landscaping, shrubs, and trees planted along the new Lemon Grove Avenue,
  - Restarted work on storm drain near MTS tracks on North Avenue,
  - SDG&E installed meters for Broadway and Olive intersection traffic signal, and
  - Storm drain box installed in the Caltrans right-of-way.
- *May 2018:*
  - Bio-swales installed on both sides of Lemon Grove Avenue,
  - Electrical connections installed in North Avenue for the traffic signals, and
  - MTS trolley train safety gate installed.
- *June 2018:*
  - Brow ditch installed in Caltrans right-of-way,
  - Curb, gutter and concrete flatwork installed in the MTS right-of-way,
  - Grading subgrade for sidewalk and medians on North Avenue,
  - Installing conduit in Caltrans right-of-way for traffic signals,
  - Overhead catenary system (OCS) pole conflict discovered. Discussions between HNTB, MTS, WCG and City began,
  - OCS pole foundation poured,
  - Old rail signal equipment removed and prepared to install new system,
  - Rail control vault set in MTS right-of-way,
  - Rail conduit installed beneath the tracks,
  - Redesign of intersection grades at southeast corner of rail crossing,
  - Rock stockpile removed from the site,
  - SDG&E removed remaining transmission pole
  - Storm drain inlet in the Caltrans right-of-way poured, and
  - Traffic signal poles placed upright.
- *July 2018:*
  - Grading subgrade for Lemon Grove Avenue in the Caltrans right-of-way and on North Avenue between Citronica and the west side of the trolley tracks,
  - Pave the north side of the eastbound ramp in Caltrans right-of-way,



# Attachment A

- Railroad control house, which holds all signaling and switching components, was installed and an error in the controller was identified,
- Sidewalk poured in Caltrans right-of-way, and
- Traffic signal equipment install on North and Olive.
- *August/September 2018:*
  - Controller and cabinet units were ordered with a 5-week lead time,
  - Final paving and striping on North Avenue occurred, and
  - Traffic loops installed on the off-ramp.
- *October 2018:*
  - MTS/CPUS field safety inspection occurred, and
  - New controller was received and programmed by subcontractor.

The project is nearly complete with the following work items occurring in the next 30 days. Those items are highlighted below:

- *ADA Curb Ramp at the EB on-ramp to SR94:* The original design did not meet ADA requirements. Rick Engineering redesigned the two curb ramps and submitted to Caltrans for review.
- *EB off-ramp from SR-94 to LGA:* The asphalt berm is scheduled to be installed on the evening of October 18, 2018. After its completion, the crash barrels will be removed, and the entire off-ramp will be open.
- *Installation of Guardrail on the South End of the Bridge:* The subcontractor discovered a conflicting encasement when originally digging post holes.
- *Installation of Traffic Loops on the Off-Ramp:* This will occur when HMS is on-site for the other traffic signaling work.
- *K-Rail for Above Ground Utility Poles:* The k-rail is to protect the SDG&E poles that will remain in place after the completion of the project. Because WCG is currently in control of the site due to the project, once it demobilizes the entire project area will be turned back over to the City. Rick Engineering prepared a traffic control plan that will protect all five poles in the roadway with concrete railing.
- *Modifications to Fiber Optic Interconnect System:* This relates to unforeseen additional fiber optic work that was not originally specified. HMS just received the change order for the work and they will need to order the equipment/materials. This work will involve the removal and replacement of several sidewalk panels throughout the project.
- *Modifications to Signal Poles at Olive/North:* Due to overhead utilities not undergrounded, this work consists of trimming one pole and the installation of a shorter safety light mast arm on another pole. The trimming of the pole will take place while HMS is again on-site. The shorter mast arm is not scheduled for delivery until November 16, 2018 and the lead time when ordered was 16 weeks and that timeline looks to be accurate.
- *Relocation of the Flashing Beacon on Caltrans On-Ramp:* This will occur when HMS is next mobilized on site.

A significant portion of the delays were attributed to delays in plan review working in the Caltrans right-of-way, utilities requiring changes from the original plans, and traffic signal equipment

# Attachment A

modifications to comply with MTS requirements. Each of those delays increased the amount of time to complete the project as well as increased the amount of money that was needed to redesign a solution and then to construct the solution. The next section will highlight the revenue and expenditures involved in this project.

## Financial Summary:

With the recent additions of full-time staff members in key positions on the executive team there is more attentiveness and thoroughness when it comes to the preparation and review of the financials of the Citywide budget. This is especially true for the LGA Realignment project. With that said, this past six weeks have been difficult to navigate, the project revenues and expenditures have dramatically changed. A summary of both are shown below and shown in **Attachment D:**

*Revenue:* This update is due to a revenue reconciliation that discovered the amount of revenues thought to be available for the project really were not available. From 2014 to 2016, prior the realignment construction project, the City paid \$595,920 of design and project management to NV5 and Rick Engineering for pre-construction LG Realignment work. These costs were paid from the bond funds (Fund 64) and from the IIG grant revenue (Fund 40). The total expenditures for those two items, \$595,920, was not accounted for in the financials when the LG Realignment project was brought forward to the City Council for approval to construct. The total amount remaining from the eight revenue sources, for all realignment related expenditures, equals \$627,199. The revenue shortfall places the City in a very precarious position to complete the project.

*Expenditures:* A summary of the final expenditures to complete the project are reflected in below.

1. Change Order No. 4: +\$166,400.47. Due to changes in MTS requirements between design and construction traffic signal loops needed to be added to the project. Also, the original signal equipment specified for the intersection of LGA and North Avenue did not have the capacity to property control the intersection and the rail pre-emption equipment. New equipment had to be ordered, programmed and installed. In relation to the interconnection of the signal controllers, the original plan did not connect all the controllers via fiber optic cable. Next, because the 20A undergrounding project did not proceed, the height of one of the signal pole had to be cut to accommodate SDG&E safety clearance. Lastly, the existing grade at the Caltrans on/off-ramp was not enough to manage two ADA curb ramps therefore it had to be redesigned and constructed. Caltrans also required changes to the original plan to install traffic loops on SR94.
2. Tentative Change Order No. 5 (Final Work Items): +\$175,000. An estimate not to exceed amount, these final work items included the cost to design, regrade and construct the intersection east of the trolley tracks, the MTS safety fencing requirements that were imposed in October 2018, constructing a block wall around a AT&T cabinet that was not included in the original plans, cost to relocate a Caltrans flashing beacon, design and construct a retaining wall/sidewalk at the MTS tracks, include an additional pedestrian signal at North and Lemon Grove Avenue, and relocate underground conduit that was discovered when a guardrail was being installed.
3. NV5 Construction Support Agreement: +\$10,436. This amount is the remaining billing that may or may not be used depending on the final construction tasks.
4. IEC Agreement: +\$18,226. Includes a \$15,000 change order increase for additional soil testing in the field and report generation to meet Caltrans requirements plus the remaining amount on the prior agreement.

# Attachment A

5. Pacific Railway Enterprises (PRE): +\$27,163. Includes the current remaining balance of \$8,221 plus an additional \$18,942. The additional technical signal design and inspection work.
6. HNTB: +\$2,451. This is the remaining contract balance for overhead catenary inspection costs.
7. RailPros: +\$9,050. Additional work to prepare signal timing chart, controller lab testing, and signal turn-on field support.
8. K-Rail Pole Protection: +\$101,000. The purchase and installation of k-rail to protect the five wood poles that remain. Staff and SDG&E have concluded that this cost will be reimbursed to the City as the initial expenditure related to the undergrounding project that will shortly occur.

The total known costs to complete the realignment project, which is the sum of the above items with the exception of the k-rail costs, equals \$1,471,534.

### *Shortfall:*

Between the revenue that was previously spent on pre-construction LGA Realignment design and management and the additional project expenditures listed above, the City is facing an \$844,335 shortfall. That means to reach project completion, the City is expecting expenditures that are \$844,335 over the available revenue sources. Although the attached project budget (Attachment D) includes the pre-construction expenditures for transparency purposes, if that \$595,920 is removed, the total LG Realignment construction budget becomes \$7,612,344. This is an increase of \$484,761 from the March 20, 2018 City Council approved project expenditures.

The City's General Fund balance is currently a little over \$5 million. This source of cash reserves can be used to pay the remaining expenditures necessary to complete the project. The reserves may be replenished by future one-time revenue generated sources, the collection of liens/sale of land or other sources yet to be determined. Staff will prepare a formal fund balance replenishment plan for the City Council in combination with the mid-year budget presentation.

### Timeline:

After working with the general contractor, construction manager and project manager, city staff believes that the project will be completed by December 31, 2018, which is a time extension equal to 184 days. The staff report for project completion and acceptance is tentatively scheduled to be presented to the City Council on December 18, 2018. |

### **Conclusion:**

Staff recommends that the City Council adopts a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.



# Attachment B

## RESOLUTION NO. 2018 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE PROJECT BUDGET FOR THE LEMON GROVE AVENUE REALIGNMENT PROJECT

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**WHEREAS**, the Lemon Grove Avenue Realignment Project was scheduled as a part of the city's five-year capital improvement program; and

**WHEREAS**, an agreement was awarded to West Coast General Corporation and established a project budget not to exceed \$6,310,300; and

**WHEREAS**, since the projects inception there have been several unforeseen events that delayed work and increased project costs; and

**WHEREAS**, it is necessary to increase the project budget and specific contract and agreement costs to mitigate the project delays and change orders; and

**WHEREAS**, the City Council finds it in the public interest that the recommended scope of work, budget and timeline are amended to allow West Coast General Corporation to complete the construction project. |

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

1. Increases West Coast General Corporation's (WCG) agreement to not exceed \$6,601,953, and
2. Increases Infrastructure Engineering Corporation's (IEC) agreement to not exceed \$466,846, and
3. Extends a project timeline not to exceed December 31, 2018 for the Lemon Grove Realignment Project; and
4. Authorizes the City Manager or designee to execute all amendments and manage all project documentation. |

/////  
/////



## Attachment C

### Lemon Grove Avenue Realignment Project Budget Summary (March 2018)

Revenues	Approved Revenues	Requested Revenues		Expenditures	Approved Expenditures	Requested Expenditures
SGIP Fund	\$805,000	\$805,399		West Coast General	(\$5,506,461)	(\$5,506,461)
CDA – Gen Bond (Fund 64)	\$1,800,000	\$1,900,000		CO 1 – Street furnishing		\$10,104
CDA – IIG (Fund 58/63)	\$1,560,000	\$1,560,000		CO 2 – Impacted soil (past)		(\$471,809)
TDA (Fund 10)	\$237,400	\$237,400		CO 3 – Sewer J & B		(\$110,653)
Street Reserve (Fund 3)	\$150,000	\$159,000		CO 4 – Impacted soil (future)		(\$159,545)
TransNet (Fund 14)	\$1,000,000	\$1,586,000		CO 5 – MTS insurance		(\$11,500)
RTCIP (Fund 27)	\$557,900	\$563,216		CO 6 – Retaining Wall		(\$15,372)
Sanitation District (Fund 16)	\$200,000	\$478,693.62		BV/NV5 Design	(\$117,582)	(\$117,582)
				IEC	(\$384,766)	(\$384,766)
				CO 1 – Project Extension		(\$67,080)
				Rick Engineering	(\$153,282)	(\$153,282)
				CO 1 – Project Ext./20A		(\$77,000)
				PRE (Rail Signaling System)	(\$38,064)	(\$38,064)
				HNTB (Cons. Ins. Catenary)	(\$13,884)	(\$13,884)
<b>Total Revenues</b>	<b>\$6,310,300</b>	<b>\$7,289,708.62</b>		<b>Total Expenditures</b>	<b>(\$6,214,039)</b>	<b>(\$7,116,894)</b>
				<b>Difference in Rev. v. Exp.</b>		<b>\$172,814.62</b>





# Attachment D

## Lemon Grove Avenue Realignment Project Budget Summary

Updated 10.9.2018

Expenditures	Approved Expenditures March 6, 2018 by CC	Revised Project Expenditures	Total Expenditures Made	Project Expenditures Remaining
West Coast General	(6,260,553)	(6,260,553)	(5,197,746)	(1,062,808)
CO 4	-	(166,400)	-	(166,400)
Remaining Construction Costs	-	(175,000)	-	(175,000)
NV5 Construction Management	(117,582)	(117,582)	(107,146)	(10,436)
BV/NV5 Design	Prior CC approval	(529,563)	(529,563)	-
IEC	(451,846)	(451,846)	(448,620)	(3,226)
Change Order	-	(15,000)	-	(15,000)
Rick Engineering	(230,282)	(230,282)	(230,282)	-
Pre-Construction Cost	Prior CC approval	(66,357)	(66,357)	-
PRE (Rail Signaling System)	(38,064)	(38,064)	(29,843)	(8,221)
CO 1	-	(18,942)	-	(18,942)
HNTB (Cons. Ins. Catenary)	(13,884)	(13,884)	(11,433)	(2,451)
RailPros	-	(9,050)	-	(9,050)
Misc				
SCS Engineers	-	(63,689)	(63,689)	-
D-Max Engineering	-	(9,638)	(9,638)	-
MJC Construction	(15,372)	(15,534)	(15,534)	-
State Water Resource Board	-	(11,967)	(11,967)	-
American Fence Company	-	(3,337)	(3,337)	-
Accurate Video Counts, Inc	-	(3,600)	(3,600)	-
MTS	-	(2,443)	(2,443)	-
Restoration Mgmt Company	-	(1,494)	(1,494)	-
The East County Californian	-	(469)	(469)	-
SDG&E	-	(885)	(885)	-
Dokken Engineering	-	(470)	(470)	-
Aguirre & Associates	-	(745)	(745)	-
Air Pollution Control District	-	(331)	(331)	-
US Bank	-	(304)	(304)	-
Helix Water District	-	(339)	(339)	-
Carrion, Jorge (Compost Socks)	-	(496)	(496)	-
<b>Total Expenditures</b>	<b>\$ (7,127,583)</b>	<b>\$ (8,208,264)</b>	<b>\$ (6,736,731)</b>	<b>\$ (1,471,534)</b>

Revenue Sources	Approved Revenues March 6, 2018 by CC	Revised Project Revenue	Total Revenue Used	Revenue Available
SGIP Fund (Fund 14)	805,399	833,630	805,000	28,630
CDA – Gen Bond (Fund 64)	1,900,000	2,088,579	1,870,829	217,751
CDA – IIG (Fund 40)	1,560,000	1,560,000	1,601,624	-
TDA (Fund 10)	237,400	237,400	73,594	163,806
Street Reserve (Fund 3)	159,000	132,301	-	132,301
TransNet (Fund 14)	1,586,000	1,369,111	1,304,634	64,477
RTCIP (Fund 27)	563,216	622,590	622,590	-
Sanitation District (Fund 16)	478,694	478,694	458,460	20,234
<b>Total Revenues</b>	<b>\$7,289,709</b>	<b>\$7,322,305</b>	<b>\$ 6,736,731</b>	<b>\$ 627,199.00</b>

<b>Shortfall</b>	<b>\$ (844,334.68)</b>
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**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.**   3    
**Mtg. Date**   October 16, 2018    
**Dept.**   Public Works  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

**Recommendation:**

Adopt a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Item Summary:**

On March 20, 2018, the City Council approved a revised scope of work and project budget for the Lemon Grove Avenue Realignment project. During that presentation, staff summarized what the specific changes were and implemented the final decision to continue to move the project forward.

The staff report (**Attachment A**) includes a narrative describing what content was contained in the two staff reports presented to the City Council in March 2018, what major activities occurred since that time, what are the financial implications, what the timeline is to complete the project, and concludes with the reason why staff recommends to the City Council that it approves the updated project budget and time extension for the Lemon Grove Avenue Realignment Project.

**Fiscal Impact:**

If approved, the following financial actions will be taken:

1. The project budget increases by \$484,761 to an amount not to exceed \$7,612,344,
2. The contract with West Coast General Construction (WCG) increases by \$301,400 to an amount not to exceed \$6,561,953,
3. The contract with WCG extends by 184 days from June 30, 2018 to December 31, 2018, and
4. The agreement with Infrastructure Engineering Corporation (IEC) will increase by \$15,000 to an amount not to exceed \$466,846.

**Environmental Review:**

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

**Public Information:**

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

**Attachments:**

- |  |   |
|--|---|
| A. Staff Report                                | D. LGA Realignment Project Budget<br>(October 2018) |
| B. Resolution                                  |   |
| C. LGA Realignment Project Budget (March 2018) |   |



## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No.   3  

Mtg. Date   October 16, 2018  

**Item Title:** **Lemon Grove Avenue Realignment Project**

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

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Since August 2018, staff has continued to navigate multiple project tasks to approach the final goal of project completion. During that time, it was discovered that the original revenue estimates affiliated with the LGA Realignment Project were incorrect and additional construction challenges have increased the total expenditures necessary to complete the project. The project budget is facing a deficit of \$844,335.

The remaining portion of this staff report will summarize all information that was shared in March 2018, what the major activities that occurred since that time to present date, what the financial implications are to complete the project to include what solutions staff is presenting, and concludes with staff's recommendation to the City Council to approve the updated project budget/timeline for the LGA Realignment Project.

### **Background:**

The Lemon Grove Avenue Realignment Project (LGA Realignment Project) is the City's single largest construction project that originated more than a decade ago in preliminary design. When enough grant funds were applied for and awarded to the City, staff was able to begin construction on this project in 2016. As detailed in the background portion of this staff report, on June 21, 2016 the City Council awarded a construction contract to WCG in an amount of \$5,506,461.19. The estimated timeline to complete the project was 12 months or July 2017. Since construction began there have been several events that impacted the scope of work, project timeline, and project budget, all of which are detailed in the section.

### Scope of Work

As a summary, this project consists of grading, roadway modifications to the off-ramp, installation of curb, gutter, sidewalks and driveways, sewer and water main relocations, new street lighting, new traffic signals, traffic signing and striping, landscape and irrigation, railroad signaling and grade crossing improvements, railroad overhead contract system modifications, and pavement restoration. While not desired but fully expected, there were several events that occurred in the field that required project change orders. Up to this point in the project many of the costs fell within the established contingency originally approved. However, the most recent change orders now will place the project costs more than the established contingency and now staff is requesting that the City Council review the change order summary (shown below) with the recommendation that each are approved. By approving the change orders and new project budget, staff will be able to continue forward progress to complete the project by Spring 2018.

# Attachment A

## *Change Order Summary:*

**Attachment C** outlines all revenues and estimated expenditures to complete the project. Below are the four change orders that have been processed by staff:

1. Change Order No. 1: -\$10,104.13. Removing unforeseen concrete rip-rap in Caltrans ROW, sewer jack and bore encountered unforeseen utilities, the removal of a concrete slab, removal of the Helix Water District Fees and Bonds, and the removal of trees and related irrigation.
2. Change Order No. 2: +\$471,808.80. The soil that was on site for the project was determined to be impacted. The cost to manage impacted soil versus non-impacted was higher due to on-site inspections and laboratory testing.
3. Change Order No. 3: +\$292,387.63. When the project was designed, the original plan was to allocate a portion of the total soil on-site as impacted. However, once the contractor began work, all soil on-site was determined to be impacted rather than a portion of the soil. Additionally, an unforeseen concrete encasement was discovered surrounding the existing sewer main beneath the MTS tracks resulting in hand tunneling. Also, the delay in work required an extension to the insurance requirements to work in the MTS ROW. Lastly, following the installation of sidewalk on the north east corner of Olive Street and North Avenue it was determined that a small retaining wall would need to be added to stabilize the foundation and driveway of the adjacent property.
4. Infrastructure Engineering Company (IEC) – CO 1 – Additional Inspection Work: Due to the changes that are listed above, the amount of time that IEC has spent on site, working with WGC and coordinating information/permits/meetings with all utilities has increased. As such, the original scope of work presented by IEC has increased. This change order will budget an amount that will allow IEC to complete all construction management services until the project is completed. Impact: Cost increase of \$67,080.
5. Rick Engineering – CO 1 – Additional Project Management Services/Undergrounding: Rick Engineering has provided project management services for the city since this project began. Originally, staff intended to use the same project manager to also assist with the overhead utilities undergrounding project because it should have occurred at the same time. However, with the undergrounding project now delayed until after the realignment project is completed, additional funding is now required to coordinate work with AT&T, Cox Communication and AT&T for an estimated two-year period until the undergrounding project is completed. Impact: Cost increase of \$77,000.

## *Realignment Project Separated from the 20A Overhead Utility Undergrounding Project:*

Staff wanted to also provide a summary of the Overhead Utility Undergrounding Project which will occur in the same area as the realignment project. In April 2017, staff advertised a construction bid to underground all overhead utility facilities in the realignment project area as well as heading east on north avenue. Unfortunately, all bids received exceeded the franchise utility company's engineer's estimate for the City to manage the project. Staff approached AT&T, Cox Communications and SDG&E to inquire if each entity would be willing to increase each of their respective cost estimates to allow the city to award a construction project. The difference in cost that would have to have been absorbed by the utility companies totaled approximately \$140,000. The utility companies were not able to amend their cost estimates. That left staff with only one option to complete the realignment project and turn the undergrounding project over to SDG&E to now manage and complete as one of its own projects. Staff has met with the utility companies and the anticipated work to redesign the project, advertise, award, and construct is estimated to take 18 months. Staff estimates that

# Attachment A

this project will begin after the realignment project is complete, however, a definitive timeline is not available at the time this staff report was prepared. Staff will continue to monitor the undergrounding project and, as previously detailed, there will be a project manager that will continue to be the liaison with SDG&E to make the overhead utility undergrounding project a priority project.

## Timeline

The original construction timeline when the project was awarded to WCG was 12 months. As noted in the previous section of this staff report, staff has experienced several financial changes that negatively impacted the project budget. In addition to the financial impacts there are many reasons as to why the timeliness of the project was delayed. Those reasons are detailed below.

- *Caltrans*: Caltrans requested changes to the phase 2 traffic control plans. These changes were requested to minimize the disruption of detouring outgoing Lemon Grove Avenue traffic around and through La Mesa to access the Hwy 94 on and off ramps.
- *Helix Water District*: After plan approval, Helix required significant changes be made to the original water main plans which impacted the critical path for completion while revisions were created, reviewed and approved prior to constructing.
- *SDG&E*: Service orders for the electrical work were not issued because SDG&E was waiting to approve all work for the realignment and overhead utility undergrounding project simultaneously. A significant amount of time was required to get SDG&E to segregate the two projects and receive the necessary approvals just for the realignment project. This also caused all traffic signal work to be delayed until electrical service could be established.
- *Sewer Line Jack and Bore*: A concrete encasement around the existing sewer main was discovered while working underneath the MTS tracks. This resulted in the only course of action to hand tunnel with jack hammers.
- *Rain Events*: When the project was in the mass grading phase of construction there were significantly heavy rain events. Work was impacted by each individual rain event and each was amplified due to the saturate nature of the soil on site. The site was shut down for extended periods of time while the existing grade dried sufficiently to then be worked on. Furthermore, the rain also caused similar problems when exporting soil from the site.

With information available at the time this staff report was drafted, staff anticipated that the realignment project would have been completed in Spring 2018.

## Budget:

As noted in **Attachment C**, staff created a table that compared the original project budget of \$6.3 million to the revised project budget of \$7.2 million. As previously noted, each change order (detailed in a previous section of this staff report) were necessary actions to continue forward progress on this project. The city's project team (IEC, Rick Engineering, and the Engineering Division) has worked closely with the contractor to negotiate all costs, which are now the most current cost estimates that staff recommends the City Council approve to complete the project.

## **Discussion:**

The remaining portion of this staff report will highlight major construction activities that occurred since March 2018, summarize the financial need based all known information, and conclude with an estimated timeline to complete the project and return to the City Council with a project acceptance staff report.

# Attachment A

Project Activities: The majority of the activities since the last project update to the City Council focused on traffic signals, street improvements, and trolley signal/intersection improvements. Staff attempted to list an abbreviated summary below as the items occurred by month from April through present day.

- *April 2018:*
  - Demo asphalt near trolley tracks and the old part of Lemon Grove Avenue near the bridge,
  - Grading North Avenue west of the trolley tracks,
  - Landscaping, shrubs, and trees planted along the new Lemon Grove Avenue,
  - Restarted work on storm drain near MTS tracks on North Avenue,
  - SDG&E installed meters for Broadway and Olive intersection traffic signal, and
  - Storm drain box installed in the Caltrans right-of-way.
- *May 2018:*
  - Bio-swales installed on both sides of Lemon Grove Avenue,
  - Electrical connections installed in North Avenue for the traffic signals, and
  - MTS trolley train safety gate installed.
- *June 2018:*
  - Brow ditch installed in Caltrans right-of-way,
  - Curb, gutter and concrete flatwork installed in the MTS right-of-way,
  - Grading subgrade for sidewalk and medians on North Avenue,
  - Installing conduit in Caltrans right-of-way for traffic signals,
  - Overhead catenary system (OCS) pole conflict discovered. Discussions between HNTB, MTS, WCG and City began,
  - OCS pole foundation poured,
  - Old rail signal equipment removed and prepared to install new system,
  - Rail control vault set in MTS right-of-way,
  - Rail conduit installed beneath the tracks,
  - Redesign of intersection grades at southeast corner of rail crossing,
  - Rock stockpile removed from the site,
  - SDG&E removed remaining transmission pole
  - Storm drain inlet in the Caltrans right-of-way poured, and
  - Traffic signal poles placed upright.
- *July 2018:*
  - Grading subgrade for Lemon Grove Avenue in the Caltrans right-of-way and on North Avenue between Citronica and the west side of the trolley tracks,
  - Pave the north side of the eastbound ramp in Caltrans right-of-way,

# Attachment A

- Railroad control house, which holds all signaling and switching components, was installed and an error in the controller was identified,
- Sidewalk poured in Caltrans right-of-way, and
- Traffic signal equipment install on North and Olive.
- *August/September 2018:*
  - Controller and cabinet units were ordered with a 5-week lead time,
  - Final paving and striping on North Avenue occurred, and
  - Traffic loops installed on the off-ramp.
- *October 2018:*
  - MTS/CPUS field safety inspection occurred, and
  - New controller was received and programmed by subcontractor.

The project is nearly complete with the following work items occurring in the next 30 days. Those items are highlighted below:

- *ADA Curb Ramp at the EB on-ramp to SR94:* The original design did not meet ADA requirements. Rick Engineering redesigned the two curb ramps and submitted to Caltrans for review.
- *EB off-ramp from SR-94 to LGA:* The asphalt berm is scheduled to be installed on the evening of October 18, 2018. After its completion, the crash barrels will be removed, and the entire off-ramp will be open.
- *Installation of Guardrail on the South End of the Bridge:* The subcontractor discovered a conflicting encasement when originally digging post holes.
- *Installation of Traffic Loops on the Off-Ramp:* This will occur when HMS is on-site for the other traffic signaling work.
- *K-Rail for Above Ground Utility Poles:* The k-rail is to protect the SDG&E poles that will remain in place after the completion of the project. Because WCG is currently in control of the site due to the project, once it demobilizes the entire project area will be turned back over to the City. Rick Engineering prepared a traffic control plan that will protect all five poles in the roadway with concrete railing.
- *Modifications to Fiber Optic Interconnect System:* This relates to unforeseen additional fiber optic work that was not originally specified. HMS just received the change order for the work and they will need to order the equipment/materials. This work will involve the removal and replacement of several sidewalk panels throughout the project.
- *Modifications to Signal Poles at Olive/North:* Due to overhead utilities not undergrounded, this work consists of trimming one pole and the installation of a shorter safety light mast arm on another pole. The trimming of the pole will take place while HMS is again on-site. The shorter mast arm is not scheduled for delivery until November 16, 2018 and the lead time when ordered was 16 weeks and that timeline looks to be accurate.
- *Relocation of the Flashing Beacon on Caltrans On-Ramp:* This will occur when HMS is next mobilized on site.

A significant portion of the delays were attributed to delays in plan review working in the Caltrans right-of-way, utilities requiring changes from the original plans, and traffic signal equipment



# Attachment A

modifications to comply with MTS requirements. Each of those delays increased the amount of time to complete the project as well as increased the amount of money that was needed to redesign a solution and then to construct the solution. The next section will highlight the revenue and expenditures involved in this project.

## Financial Summary:

With the recent additions of full-time staff members in key positions on the executive team there is more attentiveness and thoroughness when it comes to the preparation and review of the financials of the Citywide budget. This is especially true for the LGA Realignment project. With that said, this past six weeks have been difficult to navigate, the project revenues and expenditures have dramatically changed. A summary of both are shown below and shown in **Attachment D:**

*Revenue:* This update is due to a revenue reconciliation that discovered the amount of revenues thought to be available for the project really were not available. From 2014 to 2016, prior the realignment construction project, the City paid \$595,920 of design and project management to NV5 and Rick Engineering for pre-construction LG Realignment work. These costs were paid from the bond funds (Fund 64) and from the IIG grant revenue (Fund 40). The total expenditures for those two items, \$595,920, was not accounted for in the financials when the LG Realignment project was brought forward to the City Council for approval to construct. The total amount remaining from the eight revenue sources, for all realignment related expenditures, equals \$627,199. The revenue shortfall places the City in a very precarious position to complete the project.

*Expenditures:* A summary of the final expenditures to complete the project are reflected in below.

1. Change Order No. 4: +\$166,400.47. Due to changes in MTS requirements between design and construction traffic signal loops needed to be added to the project. Also, the original signal equipment specified for the intersection of LGA and North Avenue did not have the capacity to property control the intersection and the rail pre-emption equipment. New equipment had to be ordered, programmed and installed. In relation to the interconnection of the signal controllers, the original plan did not connect all the controllers via fiber optic cable. Next, because the 20A undergrounding project did not proceed, the height of one of the signal pole had to be cut to accommodate SDG&E safety clearance. Lastly, the existing grade at the Caltrans on/off-ramp was not enough to manage two ADA curb ramps therefore it had to be redesigned and constructed. Caltrans also required changes to the original plan to install traffic loops on SR94.
2. Tentative Change Order No. 5 (Final Work Items): +\$175,000. An estimate not to exceed amount, these final work items included the cost to design, regrade and construct the intersection east of the trolley tracks, the MTS safety fencing requirements that were imposed in October 2018, constructing a block wall around a AT&T cabinet that was not included in the original plans, cost to relocate a Caltrans flashing beacon, design and construct a retaining wall/sidewalk at the MTS tracks, include an additional pedestrian signal at North and Lemon Grove Avenue, and relocate underground conduit that was discovered when a guardrail was being installed.
3. NV5 Construction Support Agreement: +\$10,436. This amount is the remaining billing that may or may not be used depending on the final construction tasks.
4. IEC Agreement: +\$18,226. Includes a \$15,000 change order increase for additional soil testing in the field and report generation to meet Caltrans requirements plus the remaining amount on the prior agreement.

# Attachment A

5. Pacific Railway Enterprises (PRE): +\$27,163. Includes the current remaining balance of \$8,221 plus an additional \$18,942. The additional technical signal design and inspection work.
6. HNTB: +\$2,451. This is the remaining contract balance for overhead catenary inspection costs.
7. RailPros: +\$9,050. Additional work to prepare signal timing chart, controller lab testing, and signal turn-on field support.
8. K-Rail Pole Protection: +\$101,000. The purchase and installation of k-rail to protect the five wood poles that remain. Staff and SDG&E have concluded that this cost will be reimbursed to the City as the initial expenditure related to the undergrounding project that will shortly occur.

The total known costs to complete the realignment project, which is the sum of the above items with the exception of the k-rail costs, equals \$1,471,534.

### *Shortfall:*

Between the revenue that was previously spent on pre-construction LGA Realignment design and management and the additional project expenditures listed above, the City is facing an \$844,335 shortfall. That means to reach project completion, the City is expecting expenditures that are \$844,335 over the available revenue sources. Although the attached project budget (Attachment D) includes the pre-construction expenditures for transparency purposes, if that \$595,920 is removed, the total LG Realignment construction budget becomes \$7,612,344. This is an increase of \$484,761 from the March 20, 2018 City Council approved project expenditures.

The City's General Fund balance is currently a little over \$5 million. This source of cash reserves can be used to pay the remaining expenditures necessary to complete the project. The reserves may be replenished by future one-time revenue generated sources, the collection of liens/sale of land or other sources yet to be determined. Staff will prepare a formal fund balance replenishment plan for the City Council in combination with the mid-year budget presentation.

### Timeline:

After working with the general contractor, construction manager and project manager, city staff believes that the project will be completed by December 31, 2018, which is a time extension equal to 184 days. The staff report for project completion and acceptance is tentatively scheduled to be presented to the City Council on December 18, 2018. |

### **Conclusion:**

Staff recommends that the City Council adopts a resolution (**Attachment B**) approving the project budget and time extension for the Lemon Grove Avenue Realignment Project.



# Attachment B

## RESOLUTION NO. 2018 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE PROJECT BUDGET FOR THE LEMON GROVE AVENUE REALIGNMENT PROJECT

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**WHEREAS**, the Lemon Grove Avenue Realignment Project was scheduled as a part of the city's five-year capital improvement program; and

**WHEREAS**, an agreement was awarded to West Coast General Corporation and established a project budget not to exceed \$6,310,300; and

**WHEREAS**, since the projects inception there have been several unforeseen events that delayed work and increased project costs; and

**WHEREAS**, it is necessary to increase the project budget and specific contract and agreement costs to mitigate the project delays and change orders; and

**WHEREAS**, the City Council finds it in the public interest that the recommended scope of work, budget and timeline are amended to allow West Coast General Corporation to complete the construction project. |

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

1. Increases West Coast General Corporation's (WCG) agreement to not exceed \$6,601,953, and
2. Increases Infrastructure Engineering Corporation's (IEC) agreement to not exceed \$466,846, and
3. Extends a project timeline not to exceed December 31, 2018 for the Lemon Grove Realignment Project; and
4. Authorizes the City Manager or designee to execute all amendments and manage all project documentation. |

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## Attachment C

### Lemon Grove Avenue Realignment Project Budget Summary (March 2018)

Revenues	Approved Revenues	Requested Revenues		Expenditures	Approved Expenditures	Requested Expenditures
SGIP Fund	\$805,000	\$805,399		West Coast General	(\$5,506,461)	(\$5,506,461)
CDA – Gen Bond (Fund 64)	\$1,800,000	\$1,900,000		CO 1 – Street furnishing		\$10,104
CDA – IIG (Fund 58/63)	\$1,560,000	\$1,560,000		CO 2 – Impacted soil (past)		(\$471,809)
TDA (Fund 10)	\$237,400	\$237,400		CO 3 – Sewer J & B		(\$110,653)
Street Reserve (Fund 3)	\$150,000	\$159,000		CO 4 – Impacted soil (future)		(\$159,545)
TransNet (Fund 14)	\$1,000,000	\$1,586,000		CO 5 – MTS insurance		(\$11,500)
RTCIP (Fund 27)	\$557,900	\$563,216		CO 6 – Retaining Wall		(\$15,372)
Sanitation District (Fund 16)	\$200,000	\$478,693.62		BV/NV5 Design	(\$117,582)	(\$117,582)
				IEC	(\$384,766)	(\$384,766)
				CO 1 – Project Extension		(\$67,080)
				Rick Engineering	(\$153,282)	(\$153,282)
				CO 1 – Project Ext./20A		(\$77,000)
				PRE (Rail Signaling System)	(\$38,064)	(\$38,064)
				HNTB (Cons. Ins. Catenary)	(\$13,884)	(\$13,884)
<b>Total Revenues</b>	<b>\$6,310,300</b>	<b>\$7,289,708.62</b>		<b>Total Expenditures</b>	<b>(\$6,214,039)</b>	<b>(\$7,116,894)</b>
				<b>Difference in Rev. v. Exp.</b>		<b>\$172,814.62</b>



# Attachment D

## Lemon Grove Avenue Realignment Project Budget Summary

Updated 10.9.2018

Expenditures	Approved Expenditures March 6, 2018 by CC	Revised Project Expenditures	Total Expenditures Made	Project Expenditures Remaining
West Coast General	(6,260,553)	(6,260,553)	(5,197,746)	(1,062,808)
CO 4	-	(166,400)	-	(166,400)
Remaining Construction Costs	-	(175,000)	-	(175,000)
NV5 Construction Management	(117,582)	(117,582)	(107,146)	(10,436)
BV/NV5 Design	Prior CC approval	(529,563)	(529,563)	-
IEC	(451,846)	(451,846)	(448,620)	(3,226)
Change Order	-	(15,000)	-	(15,000)
Rick Engineering	(230,282)	(230,282)	(230,282)	-
Pre-Construction Cost	Prior CC approval	(66,357)	(66,357)	-
PRE (Rail Signaling System)	(38,064)	(38,064)	(29,843)	(8,221)
CO 1	-	(18,942)	-	(18,942)
HNTB (Cons. Ins. Catenary)	(13,884)	(13,884)	(11,433)	(2,451)
RailPros	-	(9,050)	-	(9,050)
Misc				
SCS Engineers	-	(63,689)	(63,689)	-
D-Max Engineering	-	(9,638)	(9,638)	-
MJC Construction	(15,372)	(15,534)	(15,534)	-
State Water Resource Board	-	(11,967)	(11,967)	-
American Fence Company	-	(3,337)	(3,337)	-
Accurate Video Counts, Inc	-	(3,600)	(3,600)	-
MTS	-	(2,443)	(2,443)	-
Restoration Mgmt Company	-	(1,494)	(1,494)	-
The East County Californian	-	(469)	(469)	-
SDG&E	-	(885)	(885)	-
Dokken Engineering	-	(470)	(470)	-
Aguirre & Associates	-	(745)	(745)	-
Air Pollution Control District	-	(331)	(331)	-
US Bank	-	(304)	(304)	-
Helix Water District	-	(339)	(339)	-
Carrion, Jorge (Compost Socks)	-	(496)	(496)	-
<b>Total Expenditures</b>	<b>\$ (7,127,583)</b>	<b>\$ (8,208,264)</b>	<b>\$ (6,736,731)</b>	<b>\$ (1,471,534)</b>

Revenue Sources	Approved Revenues March 6, 2018 by CC	Revised Project Revenue	Total Revenue Used	Revenue Available
SGIP Fund (Fund 14)	805,399	833,630	805,000	28,630
CDA – Gen Bond (Fund 64)	1,900,000	2,088,579	1,870,829	217,751
CDA – IIG (Fund 40)	1,560,000	1,560,000	1,601,624	-
TDA (Fund 10)	237,400	237,400	73,594	163,806
Street Reserve (Fund 3)	159,000	132,301	-	132,301
TransNet (Fund 14)	1,586,000	1,369,111	1,304,634	64,477
RTCIP (Fund 27)	563,216	622,590	622,590	-
Sanitation District (Fund 16)	478,694	478,694	458,460	20,234
<b>Total Revenues</b>	<b>\$7,289,709</b>	<b>\$7,322,305</b>	<b>\$ 6,736,731</b>	<b>\$ 627,199.00</b>

<b>Shortfall</b>	<b>\$ (844,334.68)</b>
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