



**CITY OF HUNTINGTON BEACH  
SUPPLEMENTAL COMMUNICATION**  
Joan L. Flynn, City Clerk  
Office of the City Clerk

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Joan L. Flynn, City Clerk   
**DATE:** January 22, 2013  
**SUBJECT:** SUPPLEMENTAL COMMUNICATIONS FOR THE JANUARY 22, 2013,  
REGULAR CITY COUNCIL/PFA MEETING AND THE SPECIAL MEETING  
OF THE HUNTINGTON BEACH HOUSING AUTHORITY

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

**Study Session**

**#1.** PowerPoint Presentation received from Travis Hopkins, Director of Public Works and Scott Hess, Director of Planning and Building, entitled *Circulation Element Update*.

**#2.** PowerPoint Presentation received from Travis Hopkins, Director of Public Works, entitled *Water Master Plan (WMP) & Financial Plan (FP)*.

**Consent Calendar**

**#4.** Communication received from Elaine Meigs, dated January 22, 2013 regarding the process timeline for Beach Cities Interfaith Services.

**Councilmember Items**

**#11.** Communication received from Michael Balsamo, Chief Executive Officer, BIA of Southern California, Orange County Chapter, dated January 17, 2013 and entitled *Request for Continuance of Item 11. Revision to the City's Development Impact Fees*.

**#11.** Communication received from Michael J. Winter, Senior Vice President of SARES-REGIS Group, dated January 22, 2013 and entitled *Agenda Item No. 11: Revision to the City's Development Impact Fees*.

**#11.** Communication received from Dianne Thompson, dated January 21, 2013, regarding increasing the Development Impact Fees.

**#12.** PowerPoint Presentation received from Councilmember Joe Shaw entitled *Imagine Surf City USA as a City of Huntington Beach Incubation for Sustainable Practices, Technologies and Businesses*.

# CIRCULATION ELEMENT UPDATE



STUDY SESSION JAN. 22, 2013

# CIRCULATION ELEMENT UPDATE

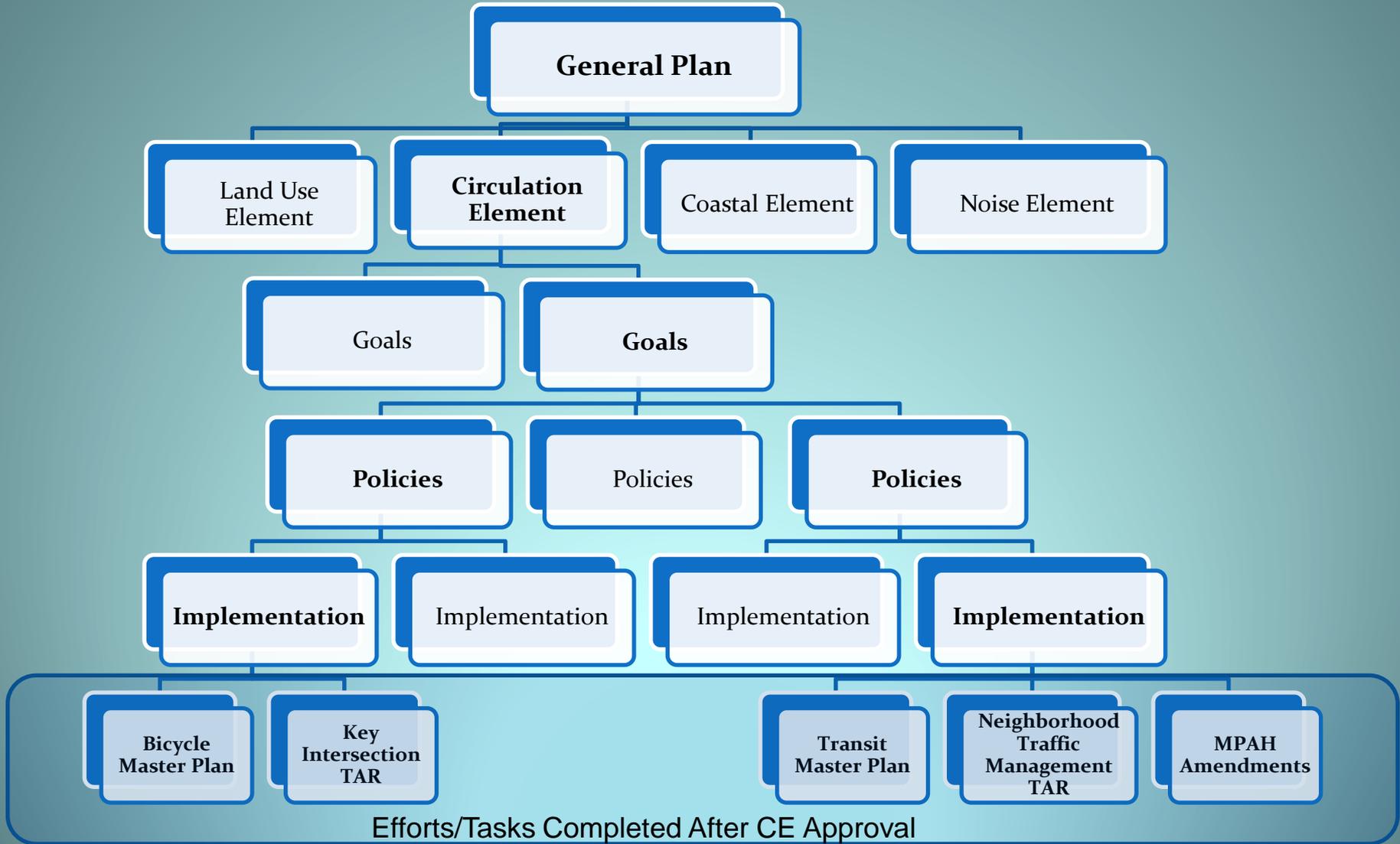
## Background:

- Current General Plan adopted in 1996 – Policy framework for all future development.
- Circulation Element is one of required elements.

# CIRCULATION ELEMENT UPDATE

- Purpose is to evaluate long-term transportation needs of the city and present guiding policies and goals to meet current and future mobility needs.
- Entire Element is being updated.
- Update was reviewed by Ad Hoc Committee comprised of members from City Council, Planning Commission, and Public Works Commission.

# General Plan Hierarchy Example



# CIRCULATION ELEMENT UPDATE

Topics addressed include:

- ✓ Regional Mobility
- ✓ Local Road System
- ✓ Neighborhood Traffic Management
- ✓ Public Transportation
- ✓ Transportation Demand Management and Air Quality
- ✓ Parking
- ✓ Pedestrian, Bicycle, and Equestrian Paths, and Waterways
- ✓ Scenic Corridors

# CIRCULATION ELEMENT UPDATE

## Major Changes:

- ✓ Updated goals, policies, objectives
- ✓ Revised Level of Service Standard
- ✓ 2030 land use projections and updated citywide traffic model
- ✓ Roadway classification recommended changes
- ✓ Master Plan of Arterial Highway (MPAH) recommended changes
- ✓ Use of Technical Administrative Reports
- ✓ Address new legislative requirements

# CIRCULATION ELEMENT UPDATE

## Level of Service (LOS) Standards

### Currently

- ✓ All intersections LOS D
- ✓ All links LOS C

### Proposed

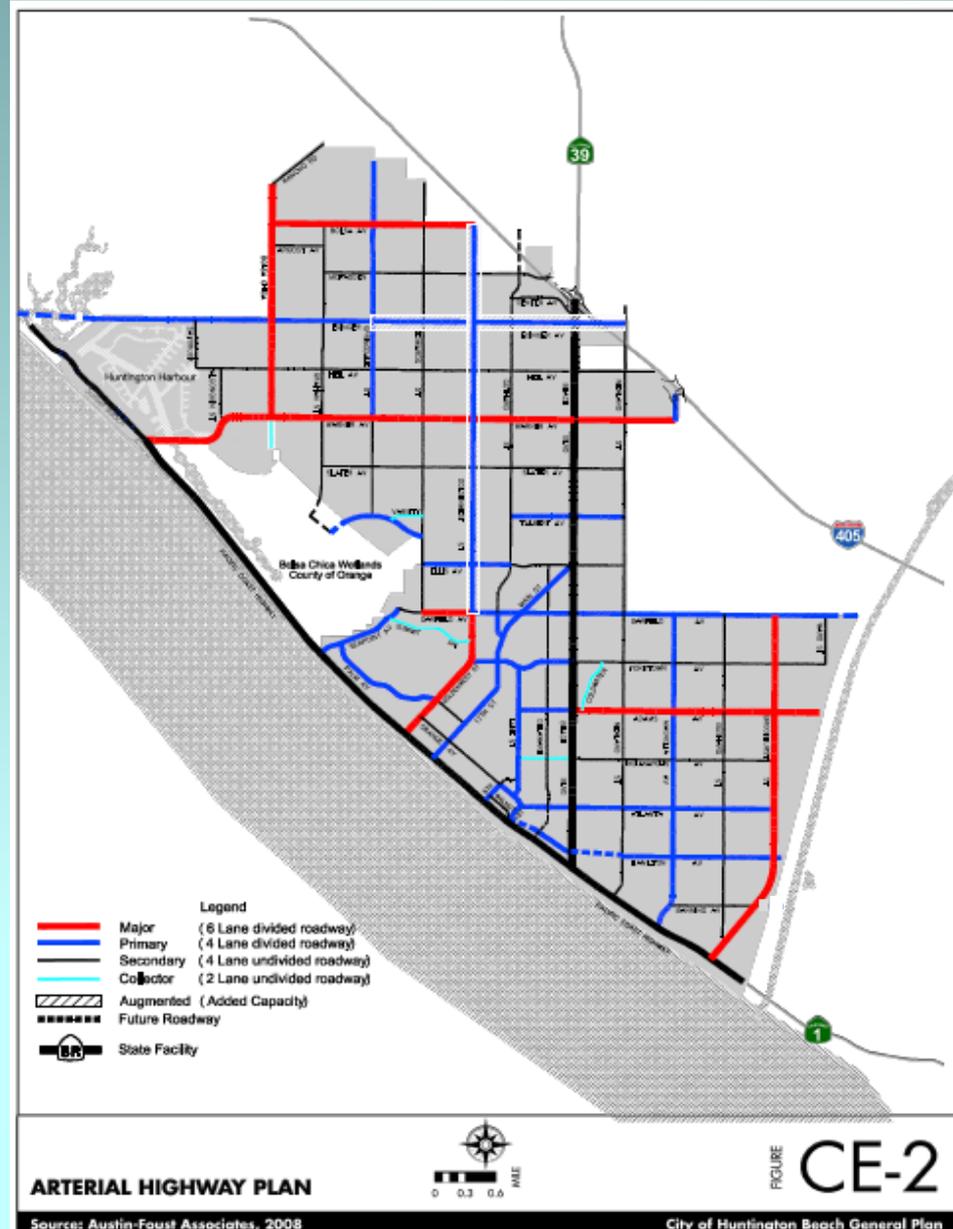
- ✓ Critical intersections LOS E
- ✓ Principal intersections LOS D
- ✓ Secondary intersections LOS C

Reflects a better balanced system with flexibility to address unique conditions



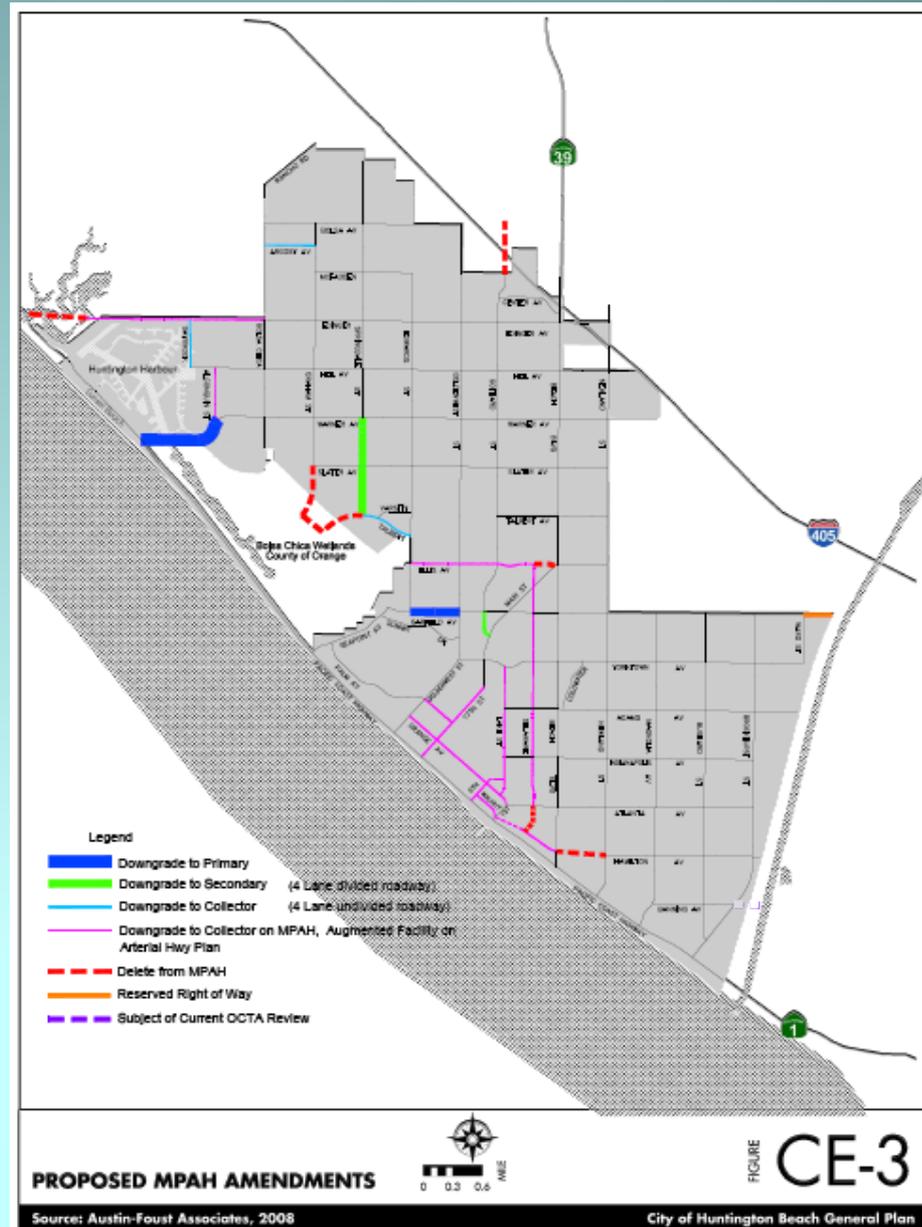
# CIRCULATION ELEMENT UPDATE

Initial Arterial Highway Plan Consistent with MPAH, includes deletion of Banning



# CIRCULATION ELEMENT UPDATE

MPAH  
Changes –  
includes  
Banning  
deletion  
consistent  
with OCTA  
deletion of  
bridge.



# CIRCULATION ELEMENT UPDATE

## Technical Administrative Reports (TAR)

- Pertains to an individual technical issue.
- Allows ongoing updates to stay current.
- TAR examples:
  - ✓ Principal and Secondary Intersection
  - ✓ Neighborhood Traffic Management
  - ✓ Pedestrian Facilities
  - ✓ Scenic Corridor

# CIRCULATION ELEMENT UPDATE

## Public Participation:

- ✓ Three City Council Study Sessions (2008, 2012, 2013)
- ✓ EIR Scoping Meeting (2009)
- ✓ 30-day EIR Notice of Preparation public review period (2009)
- ✓ 45-day Draft EIR and Circulation Element public review period
- ✓ Planning Commission Study Session
- ✓ Planning Commission Public Hearing – EIR Approved, recommended approval to City Council (November 2012)
- ✓ City Council Public Hearing Feb. 4, 2013

# Transit Component

- Incorporates policies and goals supporting transit use, development and expansion
- Acknowledges regional nature of most transit service
- No detailed plans for development and expansion
- Expansion of service typically follows demand
- Many new transit oriented development concepts (Beach/Edinger Corridor and Downtown Specific Plans)
- Potential TAR or Transit Master Plan Implementation item could be added (not included currently)

# Transit Component

- Related efforts:
  - Chamber Transportation Management Organization study
  - Go Local and Project V
  - OCTA service planning

Key sections: Goals CE 1 & 4; Policies: CE 1.2, 4.1-4.5, 5.1, 5.3; Implementation: CE 14, 19, 28, 32, 35

# Complete Streets

- AB 1358 – Complete Streets Act
  - Requires routine accommodation of all users
  - Formally requires concepts used in HB for many years
- Circulation Element must identify policies & implementation plans supporting Complete Streets
- Specific term or section not required

# Complete Streets

- Supporting components
  - Roadway plan
  - Bike Plan
  - Transit policies
  - Pedestrian/ADA policies
  - NEV use
  - Equestrian paths
  - Truck Routes

Key Sections - Goals: CE 1, 2, 5 & 7; Policies: CE 1.6, 1.8, 1.9, 2.7, 5.1, 5.3, 7.1-7.3, 7.5, 7.7, 7.8, 7.10;  
Implementation: CE-2, 3, 5, 6, 9, 13, 14, 15, 17, 19, 28

# Bicycle Master Plan

- Current and Proposed Circulation Element Recommendation (Implementation)
- Funded preparation in FY 2011/12 Budget (AQMD Funds)
- Specialty consultant retained
- Comprehensive plan
- Administrative Draft currently being reviewed
- Public review of final draft – early Spring 2013
- Final for approval by mid to late Summer 2013



END



# CITY OF HUNTINGTON BEACH

## WATER MASTER PLAN (WMP) & FINANCIAL PLAN (FP)

DECEMBER, 2012

PREPARED BY:

PSOMAS (PRIMARY CONSULTANT)

ID MODELING (HYDRAULIC MODELING SUBCONSULTANT)

RAFTELIS FINANCIAL CONSULTANTS (FINANCIAL SUBCONSULTANT)

### Overview

- ▶ Purpose
- ▶ City Characteristics and Projected Growth
- ▶ Water Demand
- ▶ Water Supply and Reliability
- ▶ Storage and Emergency Supply
- ▶ Water Transmission and Distribution System Modeling
- ▶ Capital Improvement Program
- ▶ Financial Plan

## Purpose

### Purpose of Water Master Plan (WMP)

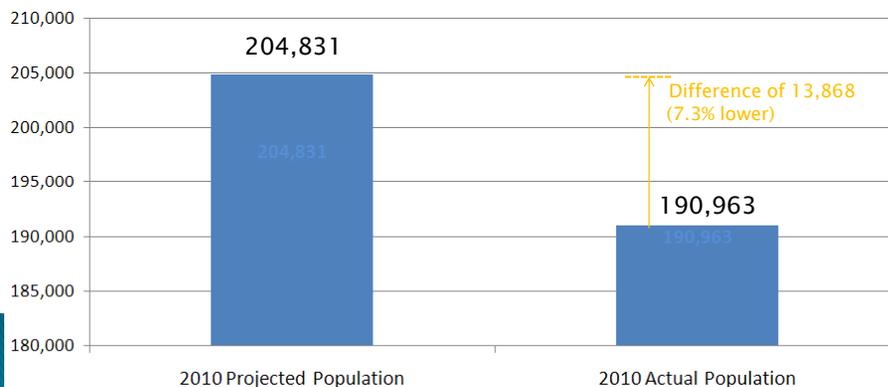
- ▶ Last updated in 2005
- ▶ Evaluates future water system needs for 2010 to 2035 (City growth, water demands, water supply and reliability, water quality, water storage, emergency water supply, and water system distribution)

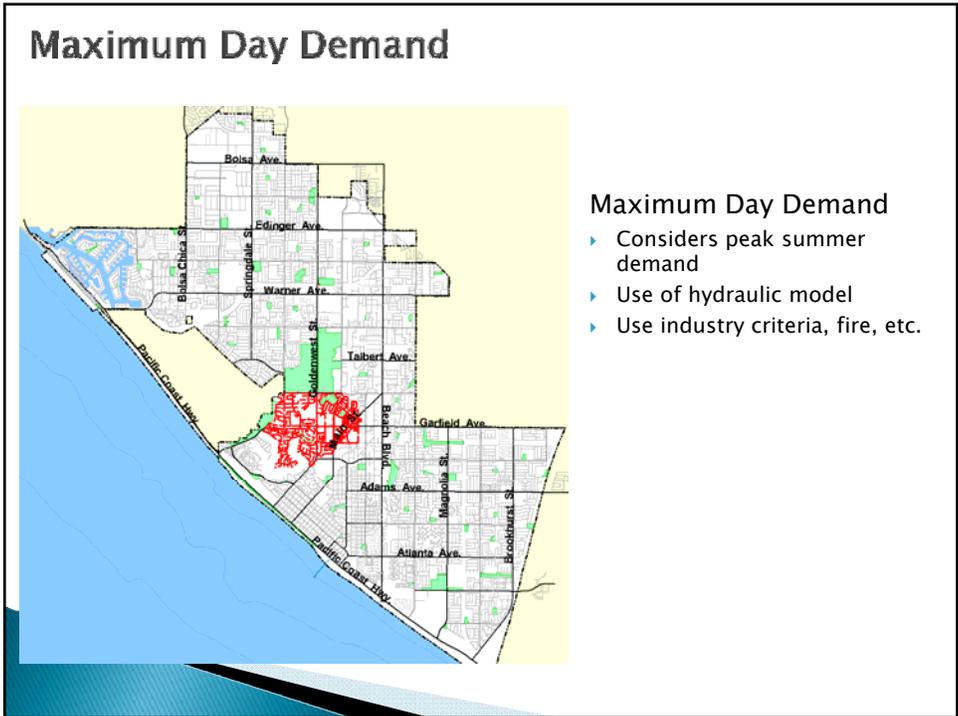
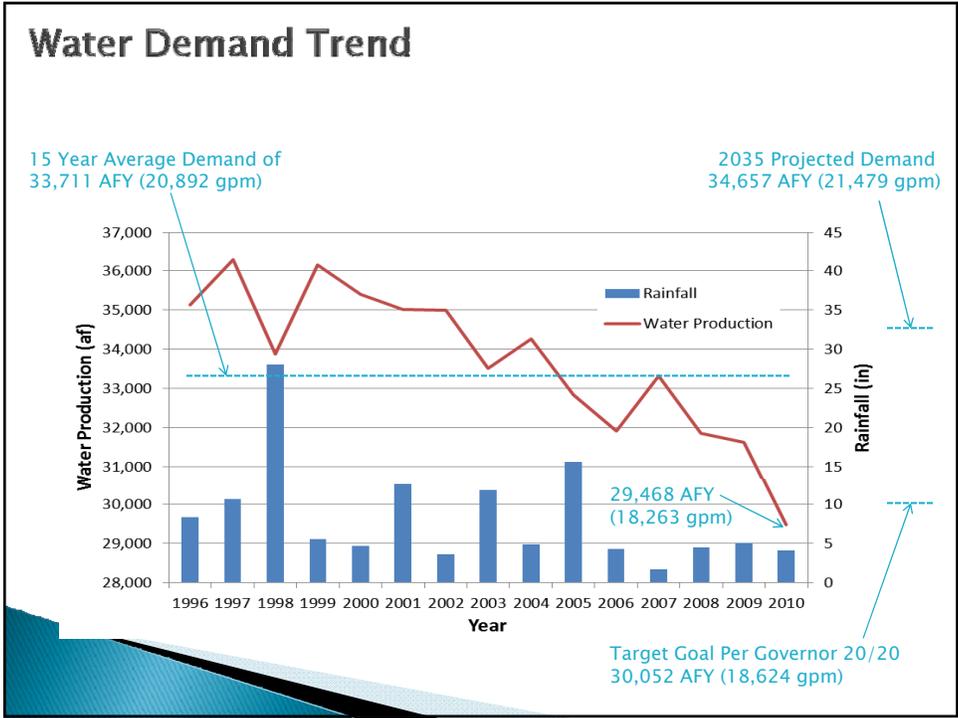
### Purpose of Financial Plan (FP)

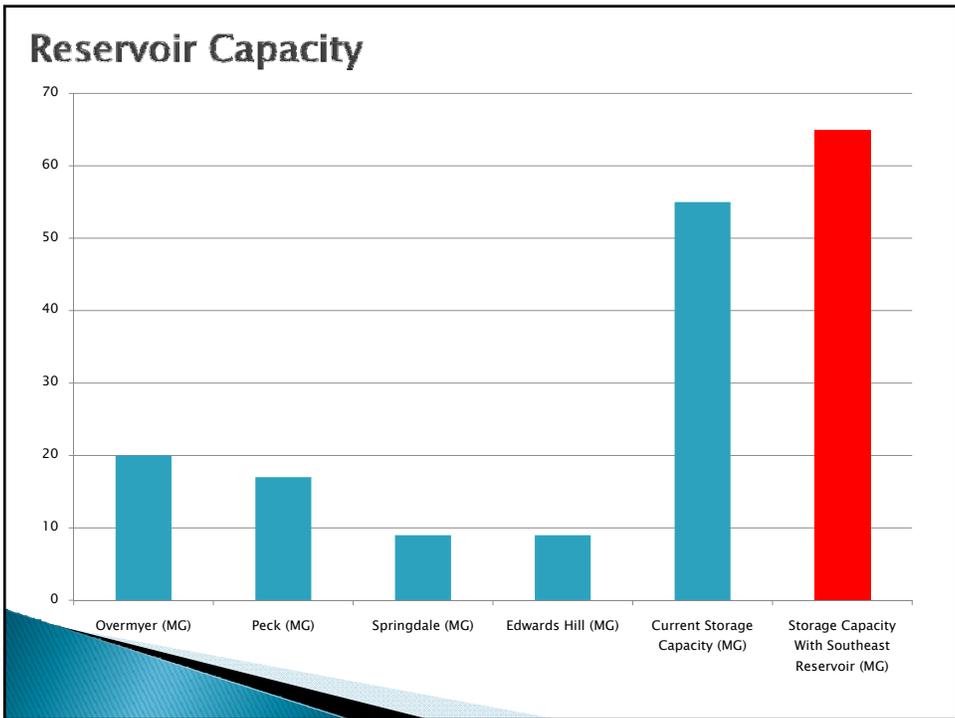
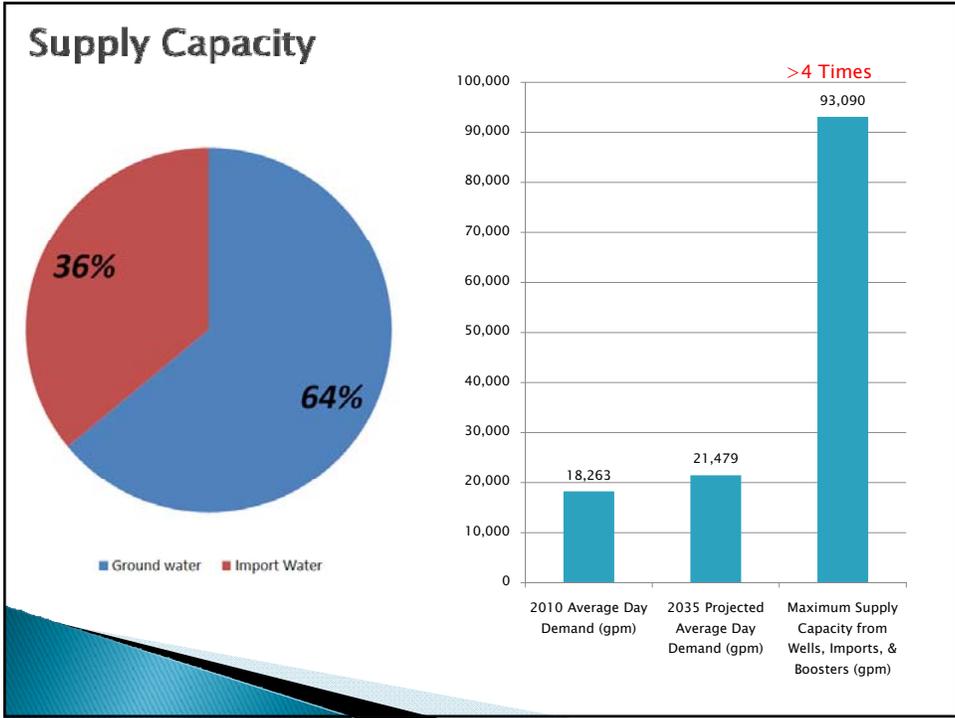
- ▶ Evaluate costs of remaining projects
- ▶ Scheduling and funding of remaining projects
- ▶ Scenario with desalination

## City Characteristics & Projected Growth

- ▶ 17,234 Acres, only 2.2% (376 acres vacant)
- ▶ Beach-Edinger Corridors Specific Plan and the Downtown Area Specific Plan







## Emergency Storage Capacity

Water Agency	Emergency Storage (# Days Average Demand)
City of Huntington Beach	
Without Southeast Reservoir (2015 demand)	1.2
With Southeast Reservoir (2015 demand)	1.6
<u>Respondents to 2001 City of Huntington Beach Survey</u>	
City of Phoenix	1.9
City of Tucson	2.6
City of Anaheim	0.5
City of Pomona	1.5
City of Azusa	0.6
Palmdale Water District	2.1
Seattle Public Utilities	1.5
City of Sacramento	0.5
City of Garden Grove	1.1
City of Inglewood	1.4
City of Santa Ana	0.4
City of Hawthorne	0.7
City of Torrance	0.7
City of San Diego	0.4
Otay Water District	0.6
City of Sacramento	2.1
<u>From Published Water Master Plans</u>	
Irvine Ranch Water District	1.8
Capistrano Beach Water District – 1997	0.5
City of Tustin – 2000	0.4
City of Westminster – 1999	0.3
Yucaipa Valley Water District	2.0
City of Ontario	1.0

Average of 1.1 days

## Next Steps

- ▶ Complete Remaining WMP Projects
- ▶ Well Assessment Study

### Projects Completed Since 2005

- ▶ 3.5 miles of Transmission Mains
- ▶ Beach Blvd - 1,150 LF of 12-inch
- ▶ Chlorination Upgrades for Well #13
- ▶ Energy Backup System for Well #6, 9, & 10
- ▶ Corrosion Protection for 2 miles of 42-inch Main
- ▶ Corrosion Protection for 3.5 miles of 30-inch Main
- ▶ Fire Protection Improvements -620 LF of 12-inch
- ▶ Cast Iron Main Replacement (~26,400 LF)

### CIPs Remaining (~\$38 million)



- ▶ Beach Blvd - 1,400 LF of 12-inch
- ▶ Corrosion Protection 2.5 miles of 36-inch Main
- ▶ Permanent Wellhead Facilities for Well #13
- ▶ Southeast Reservoir and Booster Pump Station
- ▶ Southeast Reservoir Transmission Main (4 miles)
- ▶ Fire Protection Improvements (700 LF of 8 and 12-inch)
- ▶ Cast Iron Main Replacement (2,000 LF Remaining)
- ▶ Well #1 Re-Drill

## Financial Plan

- ▶ **Beginning Balance & Revenues**
  - Water Master Plan
  - Water Fund
- ▶ **CIP**
  - With Southeast Reservoir/Booster Expense
  - Without Southeast Reservoir/Booster Expense

## Beginning Balance & Revenues

### Water Master Plan Fund

- ▶ Beginning balance for the Water Master Plan Fund is \$27.6M for FY 2012
- ▶ Revenues for FY 2012
  - Project Connection Fees: \$200K
  - Interest Income: \$300K

### Water Fund

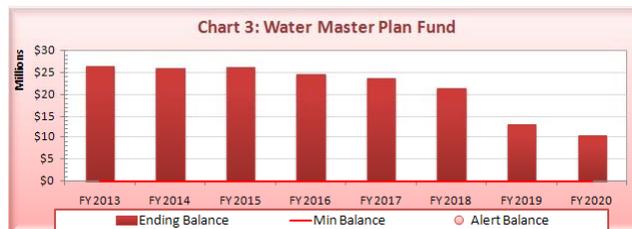
- ▶ Beginning balance for the Water Fund is \$35.9M for FY 2012

### Project Fund Balance (W/SE Reservoir Expense)



- ▶ Assumes Southeast Reservoir/Booster Constructed from 2018
- ▶ Assumes cost to rise 3.5% annually
- ▶ Assumes Water Fund will cover the \$13 million shortfall in the Water Master Plan Fund

### Project Fund Balance (W/O SE Reservoir Expense)



- ▶ Assumes Southeast Reservoir/Booster Built by others as a desalination project
- ▶ Assumes cost to rise 3.5% annually
- ▶ Assumes Water Master Plan Fund will have \$10.5 million surplus, and can be combined with Water Fund (W/City Council Approval)

## Next Steps (After Adoption of the WMP)

- ▶ Reserve Policy
- ▶ Conservation Rate (Tiered) & Implementation Plan
  - ▶ Billing System Development
  - ▶ Customer Service

## Water Master Plan & Financial Plan



Discussion



THANK YOU

**Esparza, Patty**

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**From:** Elaine Meigs [elainemeigs@socal.rr.com]  
**Sent:** Tuesday, January 22, 2013 11:03 AM  
**To:** Esparza, Patty  
**Subject:** Supplemental Communications  
**Attachments:** City process timeline 1-16 pm (2).pdf; Beach Cities Interfaith Services.docx

Hello...

Attached you will find two 1-page documents that Beach Cities Interfaith Services would like included in the Supplemental Communications for tonight's City Council meeting. They are in regard to Item #4 of the consent agenda.

Thank you so much.

Elaine Meigs  
714-968-5925

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 1-22-13  
Agenda Item No. 4

# Beach Cities Interfaith Services, Inc.

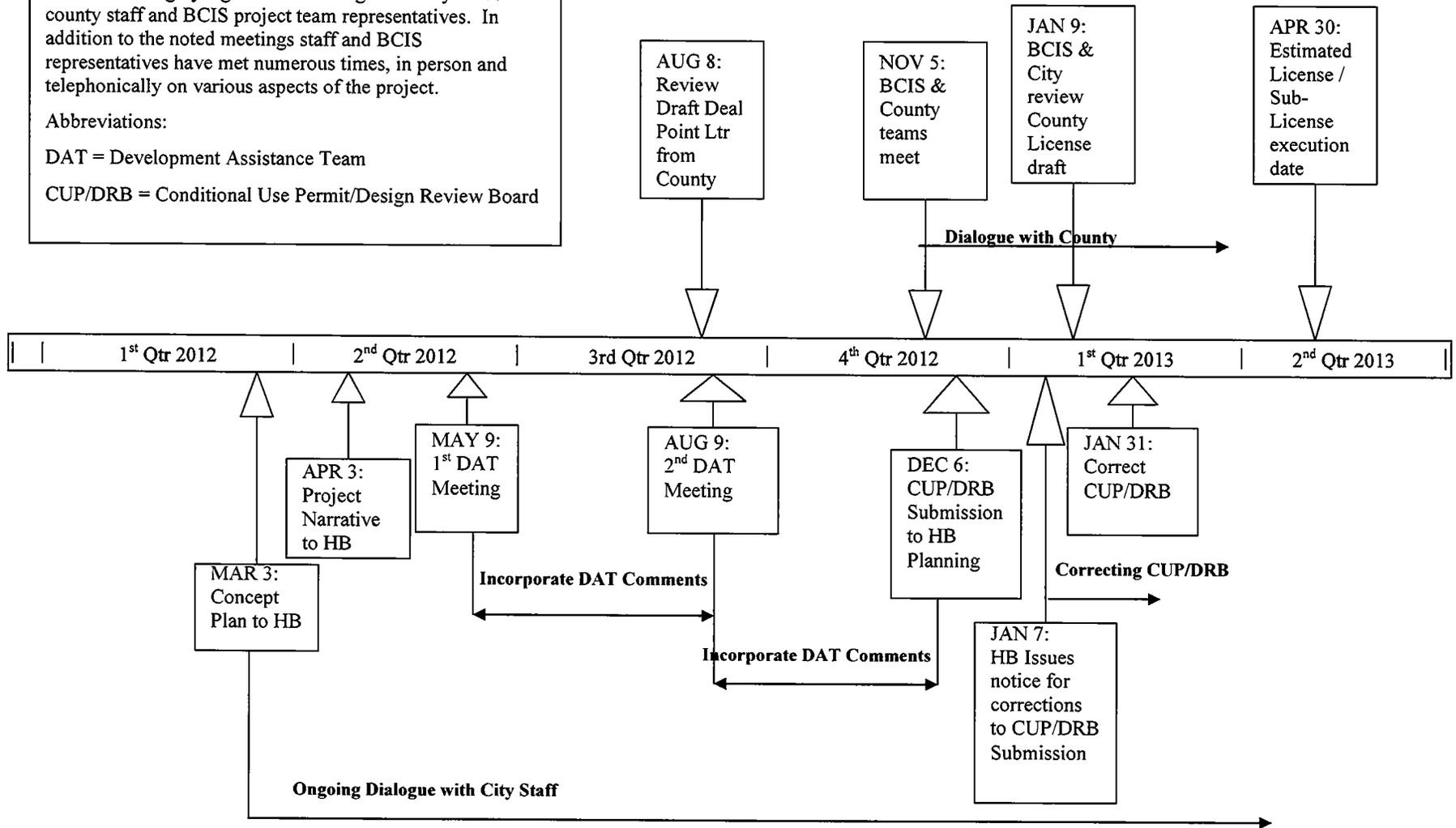
## County/City Processes

This chart is intended to reflect document submissions, reviews and highly significant meetings with city and/or county staff and BCIS project team representatives. In addition to the noted meetings staff and BCIS representatives have met numerous times, in person and telephonically on various aspects of the project.

Abbreviations:

DAT = Development Assistance Team

CUP/DRB = Conditional Use Permit/Design Review Board



## Beach Cities Interfaith Services

### Fact Sheet/Services Delivered

#### Statistics for 2012:

- 2,370 households provided with groceries
- 6,864 individuals provided with groceries
- 312 households provided with utility assistance (\$27,045 in aid)
- 280 individuals given DMV assistance (driver's license/ID cards, etc.)
- 60 individuals given assistance with prescriptions (\$4 - \$400 each)
- 5,476 lunch sacks handed out to homeless individuals

#### In addition, our clients received help in acquiring:

- Rent money
- Bus passes
- Mail box services
- Birth certificates
- Notary services
- Car repair
- Storage for belongings
- Credit checks
- Smog certificates
- School registration
- Textbooks

In total, B.C.I.S. provided groceries to more than 15,000 persons in 2012, the majority of whom live within the boundaries of Huntington Beach.

And all of this done with an **all volunteer staff** and with limited daytime hours. We are funded through individual donations and support from churches throughout Huntington Beach and Fountain Valley.

**Lugar, Robin**

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**From:** Flynn, Joan  
**Sent:** Friday, January 18, 2013 11:25 AM  
**To:** 'vcao@biaoc.com'; Wilson, Fred; CITY COUNCIL; Boardman, Connie; Hess, Scott; Hall, Bob  
**Cc:** Esparza, Patty; Lugar, Robin  
**Subject:** Fw: City Council Agenda Item 11  
**Attachments:** 2013-01-15 Huntington Beach - Request for Continuance[1].pdf  
  
**Importance:** High

Hello Victor. I am happy to forward your information and request to the listed individuals asking for a continuance to Agenda item 11. As Patty explained, this is not an action to consider a resolution, but a request to have the city attorney return with a resolution at a future meeting, at which time the city council would discuss, consider and cast their vote on the full share of the development impact fees -- when that staff item is prepared for the agenda, you will receive notice 14 days in advance according to your written request on file with our office.

Regards -- Joan

Joan L. Flynn, CMC  
Huntington Beach City Clerk

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**From:** Victor Cao [mailto:vcao@biaoc.com]  
**Sent:** Friday, January 18, 2013 10:43 AM Pacific Standard Time  
**To:** Flynn, Joan  
**Cc:** Esparza, Patty  
**Subject:** City Council Agenda Item 11

**SUPPLEMENTAL  
COMMUNICATION**

Dear Ms. Flynn,

On behalf of our membership, please provide a copy of our letter to:

Meeting Date: 1-22-2013

Mayor Boardman  
City Council  
City Manager Fred Wilson  
Deputy City Manager Bob Hall  
Planning Director Scott Hess

Agenda Item No. 11

We appreciate your assistance in this matter. We are asking for a continuance for the item due to the absence of mailed notifications that the resolution was being brought forward. We understand the item was added in at the last minute by Council. Our highlights to Government Code § 66016 provides our reasoning:

"...a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges."

Considering that this is the first public meeting when the resolution is being brought forth and will be discussed, the BIA/OC and other stakeholders are entitled to 14 days notification. BIA/OC has a certified mailing of our written request to be notified of any discussion of fee adjustments.

Thank you for your time and service.

Sincerely,

--

Victor Cao

Government Affairs Assistant

BIA of Southern California, Orange County Chapter

(949) 553-9500 x120 office

(714) 202-7122 mobile

January 17, 2013

The Honorable Connie Boardman  
Mayor  
City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648



**Orange County  
Chapter**

**Re: Request for Continuance of Item 11. Revision to the City's Development Impact Fees**

Dear Mayor Boardman:

On behalf of the membership of the Building Industry Association Southern California, Orange County Chapter (BIA/OC), **we respectfully request a continuance of the Revision to the City's Development Impact Fee.** BIA/OC is a non-profit trade association of nearly 1,000 companies employing over 100,000 people affiliated with the home building industry. The Orange County Chapter represents the largest member base within BIA/OC. Our mission is to champion housing as the foundation of vibrant and sustainable communities.

On June 18, 2012 the Council, after a substantial negotiation, adopted a fee schedule based on an agreement with the business community. The fulfillment of the resolution brought forward would breach that agreement and should not be an item of consideration.

Per Government Code § 66016, the City of Huntington Beach is required to provide a minimum of 14 days notification prior to a public hearing related to any adjustment in development fees. Enclosed is a copy of our written request for mailed notifications that was renewed on January 2, 2013. At this time, the City has not met their obligations under the Statute to notify stakeholders that the resolution was being brought forward. Our membership would appreciate adequate time for public review.

**Background**

BIA/OC has been an active participant in advocating for equitable policies with regard to the City's Nexus Study (Study) first published in October 2011. We appreciate the hard work of the City Council and staff to seek compromise and balance the interests of key stakeholders in the community. As you may recall on March 12, 2012, we provided official comments that outlined several flaws within the Study. By June 18, we had reached a consensus on an agreement to phase in the fee increases. BIA/OC has been deeply involved in the fee study process. The absence of proper notification at this time raises concerns about the City's intentions.

Building Industry Association  
of Southern California

17744 Sky Park Circle  
Suite 170  
Irvine, California 92614  
949.553.9500  
fax 949.553.9507  
www.biaoc.com

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DAVE BULLOCH  
STANDARD PACIFIC HOMES

VICE PRESIDENT  
DONNA KELLY  
LENNAR

TREASURER  
JOAN MARCUS-COLVIN  
THE NEW HOME COMPANY

SECRETARY  
BRIAN GEIS  
BROOKFIELD HOMES

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MICHAEL McCANN  
ALLIANCE RESIDENTIAL

TRADE CONTRACTOR COUNCIL V.I.  
TOM RHODES  
TWR ENTERPRISES

ASSOCIATE VICE PRESIDENT  
MARK HIMMELSTEIN  
NEWMAYER & DILLION, LLP

MEMBER-AT-LARGE  
MIKE WINTER  
SARES-REGIS GROUP

MEMBER-AT-LARGE  
JIM YATES  
RANCHO MISSION VIEJO

CHIEF EXECUTIVE OFFICER  
MICHAEL BALSAMO

### *Commitment to Compromise*

City Council adopted Councilman Carchio's "30-30-30" resolution as a balanced compromise toward development. The Carchio proposal provides home builders with a reasonable certainty of their fees during unpredictable economic conditions. Additionally, the phased approach was responsive to the business community in light of the extremely challenging market conditions. The recent move to renege on our compromise is troubling and we implore the City to respect the integrity of its past agreements.

### *Economic Uncertainties*

The internal memorandum from the City cites improving conditions in the economy to rationalize raising fees. However, multiple market reports continue to cite fragile economic conditions. According to the U.S. Bureau of Labor and Statistics, unemployment in the County remains at 7.2% in contrast to the historical average of 4.4%. The Orange County Register reported, "Although the market appeared to find a price bottom amid waning foreclosures, the recovery remains fragile, and home prices and sales remain subpar." New home sales volume is still well below historic norms in Orange County. While it is evident that the economy has made progress, home building is one of many industries that have only just begun to recover. Any interference in the form of increased fees may jeopardize construction of new homes, job creation, and the fiscal well being of the residents of Huntington Beach.

Our membership is committed to working collectively with you, city staff, and other stakeholders. We remain a resource to the City on important issues that are related to the prosperity of our local communities. It is our sincere request that the City table this item.

Thank you for your time and thoughtful consideration.

Respectfully,



Michael Balsamo  
Chief Executive Officer

Enclosure

Cc. City Council  
Fred Wilson, City Manager  
Bob Hall, Deputy City Manager  
Scott Hess, Director of Planning

January 2, 2013

City Clerk  
City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648



**Orange County  
Chapter**

Building Industry Association  
of Southern California

17744 Sky Park Circle  
Suite 170  
Irvine, California 92614  
949.553.9500  
fax 949.553.9507  
www.biaoc.com

Dear Sir or Madam:

On behalf of the members of the Building Industry Association of Southern California, Orange County Chapter (BIA/OC), I am writing to officially request advance notification prior to proposal of development related fee increases per CA Government Code Section 66016.

In the event of a development related fee adjustment or new development related fee ordinance, **we respectfully request notification sixty days prior any public hearing.** This information will allow us to communicate proposed changes to our members that do business in your jurisdiction.

Please send all notifications to:

Victor Cao  
Government Affairs Assistant  
BIA/OC  
17744 Sky Park Circle #170  
Irvine, CA 92614

I have also included the BIA/OC Fair Share Principles. This document is a Board Policy that we ask Orange County jurisdictions to consider when examining their fee schedules. As always, feel free to contact me at anytime if I may be of assistance.

Thank you for your thoughtful consideration.

Sincerely,

Michael Balsamo  
Chief Executive Officer, BIA/OC

- PRESIDENT  
DAVE BULLOCH  
STANDARD PACIFIC HOMES
- VICE PRESIDENT  
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MARK HIMMELSTEIN  
NEWMAYER & DILLION, LLP
- MEMBER-AT-LARGE  
MIKE WINTER  
SARES-REGIS GROUP
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MICHAEL BALSAMO

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Total Postage & Fees	\$ 3.40
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City, State, ZIP+4 <i>HUNTINGTON BEACH, CA 92648</i>	

IRVINE CA 92614  
JAN 2 2013  
USPS

7004 1160 0003 5291 6595

**Esparza, Patty**

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**From:** Jim Ivory [JIVORY@Sares-Regis.com]  
**Sent:** Tuesday, January 22, 2013 12:24 PM  
**To:** Villasenor, Jennifer  
**Cc:** Broeren, Mary Beth; Esparza, Patty; Flynn, Joan; Mike Winter  
**Subject:** SRG Letter to Council Re: Boardwalk  
**Attachments:** Letter to Council Re Fee Increase\_13 01 22.pdf

Jennifer I wanted to copy you on this. We put together a letter to Council just reinforcing the need Boardwalk has to remain grandfathered. I appreciate the update that you were able to provide last week. We are fairly confident that the grandfathered projects will remain grandfathered and for that are very appreciative.

Thanks so much,

**Jim Ivory** | Multi-Family Development Division

[jivory@sares-regis.com](mailto:jivory@sares-regis.com) | P. 949 809 2530 | F. 949 253 0475  
SARES-REGIS Group | 18825 Bardeen Ave. | Irvine, CA 92612

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 1-22-13

Agenda Item No. 11

**SARES·REGIS Group**  
Market-proven performance

January 22, 2013

Hon. Mayor Boardman  
Hon. Mayor Pro Tem Harper  
Councilmembers Katapodis, Carchio, Shaw, Hardy, and Sullivan  
City Clerk Joan L. Flynn  
City Council Chambers  
2000 Main Street  
Huntington Beach  
California, 92648

**Re: January 22, 2013 Meeting Of The City Council/Public Financing Authority And The Huntington Beach Housing Authority; Agenda Item No. 11: Revision To The City's Development Impact Fees**

Dear Honorable Mayor Boardman, Mayor Pro Tem Harper, City Council members, and City Clerk:

On behalf of the SARES-REGIS Group, I am writing to you concerning Item 11 in the Agenda for the Council's January 22, 2013 meeting, entitled "Revision to the City's Development Impact Fees."

By way of background, SARES-REGIS is actively developing the 12-acre property located at 744 Edinger Avenue with a mixed-use project consisting of 487 apartment units (including 57 affordable units), 10,000 square feet of commercial/retail uses, 4,500 square feet of office leasing area, and 9,000 square feet of residential recreation area. Our project has been fully entitled since 2011 and project completion is currently scheduled for August of 2015.

In May 2012, the City adopted Resolution 2012-23. That Resolution established new and significantly increased Development Impact Fees for new developments within the City. Importantly, Resolution 2012-23 contains an express exemption for qualifying projects that the City had approved on or before May 7, 2012. Our Edinger Avenue project is exempt under this grandfather provision.

Resolution 2012-23 calls for the increased impact fees to be phased in over three years for non-exempt projects. Agenda Item 11, and the other publicly-available documents discussing that item, all state that it concerns solely the elimination of the phase in so that non-exempt projects would immediately be subject to the full fee increase. Our conversations with some of you and City staff have confirmed this limited purpose for Agenda Item 11. Importantly, neither Agenda Item 11 nor any other information we have received in any way suggests that the grandfather provision in Resolution 2012-23 will be reconsidered or modified.

# SARES·REGIS Group

Market-proven performance

Therefore, Agenda Item 11 should have no impact on our development of the Edinger Avenue project.

We appreciate the City's continuing commitment to its promise in Resolution 2012-23 not to increase Development Impact Fees for pre-approved projects such as ours. In an abundance of caution, however, we feel it is important for the City to understand our reliance on that promise and the devastating effects on our project should its exemption be eliminated.

In reliance on the exemption and the City's promises that the increased fees would not apply to our project, SARES-REGIS has spent millions of dollars on, among other things, (1) securing debt and equity financing of over one-hundred million dollars, including a significant investment in the project by CalPERS, (2) paying consultants to prepare plans for the project, (3) securing a demolition permit and completing demolition of the prior building on the site, (4) grading the site, (5) going through the expensive plan check process with the City, and (6) other development activities and costs, including construction, insurance, marketing, financing, and interest fees. Moreover, we have hired a project manager and a project superintendent, and we are currently interviewing for site administrative assistant and assistant project manager position.

It is also important for the City Council to understand the devastating effect of subjecting our project to the increased fees. Simply put, substantially increasing the impact fees by eliminating the exemption would make the project not economically viable, putting our substantial investment at great risk.

Under these circumstances, and given SARES-REGIS' enormous investment in the project, eliminating the exemption now would not only raise legal objections – estoppel, due process, and CEQA – doing so would be wrong. We urge the City Council to keep its promise and maintain the exemption.

Again, SARES-REGIS thanks the City, both for its consideration of our comments, and for its continued commitment to the grandfather provision in Resolution 2012-23.

Respectfully submitted,



Michael J. Winter  
Senior Vice President  
SARES-REGIS Group

**Request: 13236 Entered on: 01/21/2013 12:45 PM**

**Customer Information**

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**Request Classification**

**Topic:** City Council - Agenda & Public  
 Hearing Comments  
**Status:** Closed  
**Assigned to:** Johanna Stephenson

**Request type:** Comment  
**Priority:** Normal  
**Entered Via:** Web

**Description**

I am very concerned that increasing the Development Impact Fees on an earlier schedule than previously voted upon sends an alarming message to anyone who is considering a project in HB. The fact that we could change such an important part of the costs associated with a development from a previously agreed upon schedule will cause some who are considering HB to reconsider. Just because we see some projects moving forward doesn't mean that we couldn't cause them to stop when the costs exceed previous expectations. We are still at a perilous point in our economic recovery. We would be subjecting that recovery to an uncertainty that was partially responsible for the slowdown to begin with. I respectfully request that the fee schedule remain the same as voted upon in 2012. My business has been dramatically affected by the recession and it is slowly recovering. I have had to make tough choices to keep each of my employees and not lay them off. There are no further options if the recovery to HB is stifled or reversed.

**Reason Closed**

Thank you for taking the time to send your thoughts to the City Council. A copy of your comments will also be forwarded to the City Clerk to be included in the record on this item. Thank you very much for writing.

**Date Expect Closed:** 01/31/2013

**Date Closed:** 01/22/2013 08:08 AM **By:** Johanna Stephenson

Enter Field Notes Below

Notes:

**SUPPLEMENTAL  
 COMMUNICATION**

Meeting Date: 1-22-2013

Agenda Item No. 11

Notes Taken By: \_\_\_\_\_

Date: \_\_\_\_\_

# Imagine

Surf City USA as a City of  
Incubation for Sustainable  
Practices, Technologies &  
Businesses

January 22, 2013

# FACTS



- \* Nobody “wants” plastic and marine debris in our oceans
- \* There are 5 plastic gyres in the ocean of floating plastic – this isn’t counting the additional plastic that hasn’t made it to the gyres yet
- \* Removing plastic bag waste takes tons of garbage waste out of the waste stream, negating our already over full landfills
- \* Zero Waste is an economic goal for many cities & businesses
- \* We are “Surf City” and our tourism depends on our clean ocean...
- \* Our sea life depends on it...
- \* Our food supply depends on it...
- \* It’s potentially an national security issue...
- \* Every third breathe we take is thanks to our ocean...
- \* Our kids and their kids depend on it...



# Question

- \* How do we solve the plastic bag challenge collectively as a community?
  - \* Leadership
  - \* Education & Awareness on the real issue at the source
  - \* Innovation & Action
  - \* ID Alternative Cutting Edge Smart Sustainable Technologies
  - \* Utilize our existing underutilized composting facilities in HB
  - \* Review our cities' supply chain
  - \* Integrate economic value for our city, residents & businesses – rally the troops
  - \* Create positive human impact through involvement
  - \* Reduce our environmental impact
  - \* Create non-traditional partnerships



# Task at hand...

- \* Create innovative incentives that rally our city residents & visitors to transition from plastic bags to reusable bags – recycled paper bags – compostable bags – biodegradable bags (drive consciousness)
- \* Research new sustainable bag technology alternatives that we can pilot in the city as an alternative to plastic bag so we give the consumer an economic sustainable choice at the check out lines
- \* How do we engage and encourage sustainable businesses with on-shore clean manufacturing to call HB their home?
- \* How do we introduce sustainable eco-friendly products in to the City's supply chain (i.e. businesses, grocers, schools)?
- \* How do we innovate and build sustainable practices (linking economic, positive social impact and environment together), products, services into our city fabric?

# Innovation & Collaboration

- \* We expand a collective Surf City Sustainability Innovation Team together to develop a 5 year sustainability innovation agenda for the city (City leadership, residents, businesses, experts, and students)
- \* Within 1 year we approve the plastic bag ban with the contingency that the team works with businesses, manufacturers and the community to develop 3 innovative-sustainable-incentivized-cost conscious-biodegradable-compostable-100% PBI certified pilot solutions with options for customers, residents, visitors to carry their purchases.
- \* City includes sustainable innovative-sustainable-incentivized-cost conscious-marine biodegradable-compostable-100% BPI certified purchase carriers allowed as an addendum to the plastic bag ban, driving new innovative technologies and sustainable manufacturing to the city along with a shared economical, potential for job creation, positive human impact, and lowering our environmental impact as a city in partnership.

# Seattle Mariners & BASF Sample Innovations

- \* <http://newsmilitary.com/pages/6595317-basf-seattle-mariners-partner-to-debut-compostable-snack>
- \* This season, the team is on track to divert 85 percent of its waste from landfills, up from just 12 percent in 2006. Like all advances in sustainability, major breakthroughs must balance economic and environmental interests. Like all advances in sustainability, major breakthroughs must balance economic and environmental interests. As Jenkins VP of The Seattle Mariners puts it, "Whenever there are contaminants in our compost stream, like regular snack bags and candy wrappers, we have to pay a premium to have them removed by hand. If all of the snacks sold at Safeco came in compostable packaging, it would represent a significant savings of time and money for the team and get us a whole lot closer to achieving zero waste."

# Compostable Innovations Available to Research

“Think Partnerships”



Bio Bag  
[http://www.biobagusa.com/mater\\_bi.htm](http://www.biobagusa.com/mater_bi.htm)



EcoSafe Zero Waste  
[www.ecosafezerowaste.com](http://www.ecosafezerowaste.com)



BASF 100% Compostable  
<http://www.basf.com/group/corporate/us/en/about-basf/worldwide/north-america/USA/products-and-industries/packaging/sustainablepackaging>

Not the be all end all, there are many options to evaluate to arrive at our solution collectively...

# Together

- \* We can lower the risk of plastic bags making their way to the ocean
- \* We can become a Zero Waste City through Innovation and Supply Chain understanding and action
- \* We expand and build a Sustainability Innovation Team that collaborates with HB businesses, residents, students, and visitors to become a sustainable city where we improve economics, drive positive human impact, jobs and fun, while lowering our environmental impact through partnership, commitment, leadership, and innovation
- \* HB Plastic bag ban goes into effect within 6 months to one year, the 3 solutions and pilots are completed and the addendum is included
- \* 5 year sustainability innovation agenda completed and approved
- \* Transition plan is presented and approved collectively
- \* HB takes the lead on becoming a Zero Waste City collectively utilizing existing systems while bolting on new technologies



**In order to create change, we have to come up with a better sustainable solution that makes the “old not so sustainable one” obsolete...**

# Imagine Zero Waste

So, in order to create change we must:

1. Approve plastic bag ban
2. Develop transition plan in Huntington Beach with businesses and community
3. Develop an Innovation Sustainable Team
4. Look at new innovations to help Huntington Beach become a zero waste city
5. Add an addendum to Plastic Bag Ban that states we will come up with a third option for consumers—a sustainable carrier for their purchases.