ITEM NO. 18

STAFF REPORT

CITY OF OCEANSIDE

DATE: October 14, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department/Planning Division

SUBJECT: **APPROVAL TO ACCEPT GRANT FUNDS FROM SANDAG; ADOPTION OF A RESOLUTION AUTHORIZING A SMART GROWTH INCENTIVE PROGRAM GRANT AGREEMENT WITH SANDAG FOR THE PREPARATION OF THE OCEANSIDE BOULEVARD CORRIDOR SPECIFIC PLAN; AND APPROPRIATE SAID FUNDS TO THE PROJECT ACCOUNT**

SYNOPSIS

Staff recommends that the City Council accept grant funds in the amount of $160,000 awarded to the City of Oceanside by the San Diego Association of Governments (SANDAG) from the regional Smart Growth Incentive Program (SGIP) to supplement funding for preparation of the Oceanside Boulevard Corridor Specific Plan and associated Environmental Impact Report; adoption of a resolution authorizing a grant agreement for the use of the funds; authorization for the City Manager to execute the necessary grant documents; and appropriating said funds to the project account.

BACKGROUND

In February of 2007, the City Council appointed a 15-person task force to develop a vision statement for the future of that segment of the Oceanside Boulevard Corridor extending eastward from Interstate 5 to El Camino Real. After nine meetings over an eight-month period, the Oceanside Boulevard Task Force (OBTF) issued recommendations for achieving a safe, efficient, beautiful, prosperous and environmentally sustainable corridor. In November 2007 the City Council accepted the final report of the OBTF and directed staff to continue working toward the development of a specific plan that would outline a regulatory framework and other means of implementing the recommendations of the OBTF.

In June of 2007, the City Council approved, as a component of the City's Fiscal Year 2007-08 operating budget, funding in the amount of $320,000 for the implementation of the Oceanside Boulevard Corridor Vision Statement.

In the summer of 2008, a commercial property owner outreach effort culminated with Shea Properties indicating a willingness to match the City's $320,000 commitment to the planning effort, with the expectation that the Program Environmental Impact Report

(PEIR) prepared for the Specific Plan would address, to the extent practically and legally possible, the environmental impacts of a catalytic mixed-use project to be proposed by Shea for the 12-acre Weese Property, located adjacent to the Crouch Street Sprinter Station.

In December of 2008, following dialogue with property owners and a limited market assessment of housing, office and retail use within the Corridor, staff recommended to the City Council that a specific plan and associated environmental documentation be prepared for that segment of the Corridor between Interstate 5 and Canyon Drive (referred to as Areas A and B), inclusive of the Crouch Street Sprinter Station. The City Council directed staff to compose a request for proposals for qualified consultants to assist with this planning and environmental review process.

In June of 2009, the City became aware that Shea Properties had divested itself of the Weese Property and thus was no longer interested in contributing funds to the planning effort.

A request for proposals for planning and environmental services for the Oceanside Boulevard Corridor Specific Plan was issued by staff on September 29, 2009. The deadline for receipt of proposals is November 6, 2009. Staff anticipates that a consultant will be selected before the end of the calendar year.

In February of 2009, the City submitted an application for grant funding for the Oceanside Boulevard Corridor planning effort under the auspices of the Smart Growth Incentive Program, administered by the San Diego Area Council of Governments (SANDAG). The City was awarded funding in the amount of $160,000, contingent upon the completion of the grant agreement attached to this staff report as Attachment 2.

ANALYSIS

The awarding of the SGIP grant to the Oceanside Boulevard Corridor planning effort attests to SANDAG's designation of the Crouch Street Sprinter Station as a Smart Growth Opportunity Area and the extent to which the Oceanside Boulevard Corridor Vision Statement embodies the Smart Growth principles articulated in SANDAG's Regional Comprehensive Plan. With federal, state and regional Smart Growth and sustainability policies aligning with the vision for the Oceanside Boulevard Corridor, the implementation of the vision will not only provide incentives for the redevelopment of private property but also enhance the City's eligibility for federal, state and regional funding for future improvements to the public realm (e.g., new pedestrian and bicycle facilities, watershed restoration). Thus, in supporting the implementation of the vision, the SGIP grant funds will assist the City in accessing additional funding sources.

Particularly in light of the loss of anticipated matching funds from Shea Properties, the SGIP grant monies represent a significant contribution to the overall funding of the planning effort. Conversations with planning and environmental consultants throughout

the region confirm that the SGIP grant funds are necessary to ensure an adequate budget for the project. As a supplement to the City's funding commitment, the SGIP grant funds will allow for a robust public outreach effort and a thorough environmental assessment, both of which will be essential to gaining community support for the planning effort.

Under the grant agreement, SANDAG will reimburse the City for 33 percent of all project-related costs up to $160,000. Staff will submit invoices to SANDAG as specified components of the project are completed (the grant agreement includes the scheduled completion date for each of these project components). Concurrently, staff will provide SANDAG with various deliverables (as specified in the grant agreement) that attest to material progress toward the completion of the project. In this way, staff will be held accountable for the timely and efficient use of project funds, including those allocated by the City.

FISCAL IMPACT

As noted earlier, the City has committed $320,000 toward this planning effort. These funds were allocated during the 2007-08 budget cycle and have since been carried over. With the SGIP grant funding, the total budget for this project would be $480,000. As noted in the Findings and Development Strategy presented to the City Council in November of 2008, funding mechanisms can be established within the Specific Plan itself to recover the costs of plan preparation from property owners who subsequently pursue development within the planning area. At the direction of the City Council, the Planning Division can pursue the development of a cost-recovery program to recoup the City's initial $320,000 contribution as well as any additional funding the Council may choose to allocate to this planning effort in the future. Establishing a cost-recovery mechanism could provide the City with some flexibility in funding the project in the event that the current budget proves to be inadequate or it is determined that the scope of the project should be expanded. The $160,000 in SANDAG grant funds will be appropriated to the project account.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Not applicable.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS

Staff recommends that the City Council accept grant funds in the amount of $160,000 awarded to the City of Oceanside by the San Diego Association of Governments (SANDAG) from the regional Smart Growth Incentive Program (SGIP) to supplement funding for preparation of the Oceanside Boulevard Corridor Specific Plan and associated Environmental Impact Report; adoption of a resolution authorizing a grant agreement for the use of the funds; authorization for the City Manager to execute the necessary grant documents; and appropriating said funds to the project account.

PREPARED BY:

Russ Cunningham
Senior Planner

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

George Buell, Development Services Director

Jerry Hittleman, City Planner

Teri Ferro, Financial Services Director

ATTACHMENT:

1. Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE AUTHORIZING A GRANT AGREEMENT BETWEEN THE CITY AND THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) THAT PROVIDES THE CITY WITH $160,000 FROM THE REGIONAL SMART GROWTH INCENTIVE PROGRAM TO SUPPLEMENT FUNDING FOR THE OCEANSIDE BOULEVARD SPECIFIC PLAN AND ASSOCIATED ENVIRONMENTAL IMPACT REPORT

WHEREAS, on June 6, 2007, the City Council approved the allocation of $320,000 from the City's operating budget for the implementation of the Oceanside Boulevard Vision Statement; and

WHEREAS, on November 13, 2007, the City Council accepted the final report on the Oceanside Boulevard Corridor Vision Statement; and

WHEREAS, the Vision Statement calls upon the City to "develop a master plan that reflects the vision for Oceanside Boulevard in an inclusive, comprehensive and deliberate fashion;" and

WHEREAS, on December 10, 2008, the City Council authorized staff to prepare a Request for Proposals (RFP) for consulting services for the Oceanside Boulevard Specific Plan and associated Environmental Impact Report; and

WHEREAS, on May 22, 2009, SANDAG awarded the City of Oceanside $160,000 from the TransNet Smart Growth Incentive Program to supplement funding for the Oceanside Boulevard Corridor Specific Plan and associated Environmental Impact Report.

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NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows: City staff is hereby authorized to enter into a grant agreement with SANDAG that provides the City with $160,000 from the TransNet Smart Growth Incentive Program to supplement funding for the Oceanside Boulevard Corridor Specific Plan and Program Environmental Impact Report.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 14th day of October, 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney