



California

CITY OF OCEANSIDE

JOINT MINUTES OF THE:

CITY COUNCIL COMMUNITY DEVELOPMENT COMMISSION

JUNE 4, 2003

SPECIAL MEETING 3:00 PM COUNCIL CHAMBERS

Mayor
Terry Johnson

Deputy Mayor
Esther Sanchez

Councilmembers
Rocky Chavez
Jack Feller
Jim Wood

City Clerk
Barbara Riegel Wayne

Treasurer
Rosemary Jones

City Manager
Steven Jepsen

Interim City Attorney
Anita Willis

The special joint meeting of the Oceanside City Council and Community Development Commission was called to order at 3:20 PM, June 4, 2003 for the purpose of a closed session item. The Pledge of Allegiance was led by Deputy Mayor Sanchez.

For this regular and joint meeting, Council sat as both governing bodies [Council and CDC] simultaneously but took action as the respective agency for the jurisdiction covered by each item. Council titles only will be used for brevity throughout the entire meeting.

ROLL CALL

Present were Mayor Johnson, Deputy Mayor Sanchez and Councilmembers Chavez, Feller and Wood. Also present were City Manager Jepsen, Interim City Attorney Willis, and Assistant City Clerk Charles Hughes.

CLOSED SESSION ITEM:

INTERIM CITY ATTORNEY WILLIS titled Item 1 to be discussed in Closed Session. Closed Session and recess were held from 3:23 to 6:20 PM.

Interim City Attorney Willis reported out on the following item:

1. **LITIGATION OR OTHER ADVERSARY PROCEEDING (E.G. ADMINISTRATIVE HEARING, ARBITRATION) (SECTION 54956.9)**

- A) **CONFERENCE WITH LEGAL COUNSEL** – Existing Litigation
 - 1. *Community Development Commission v. Manchester*, Superior Court Case No. GIN 24079

Direction was given to staff.

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

June 4, 2003 – 3:00 PM

Special Meeting Minutes
City Council/CDC

ADJOURNMENT

MAYOR JOHNSON adjourned this special meeting of the Oceanside City Council and Community Development Commission at 6:24 PM on June 4, 2003.

ACCEPTED BY COUNCIL/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

TUESDAY, MARCH 4, 2008

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

ADJOURNED MEETING 4:00 PM COUNCIL CHAMBERS

Mayor

Jim Wood

Deputy Mayor

Rocky Chavez

Councilmembers

Jerome Kern

Jack Feller

Esther Sanchez

City Clerk

Barbara Riegel Wayne

Treasurer

Rosemary Jones

The adjourned meeting of the Oceanside City Council was called to order by Mayor Wood at 4:01 PM, Tuesday, March 4, 2008.

PLEDGE OF ALLEGIANCE -- Led by Councilmember Sanchez

ROLL CALL

Present were Mayor Wood and Councilmembers Feller, Sanchez and Kern. Deputy Mayor Chavez arrived at 4:06 PM. Also present were City Clerk Wayne, City Manager Peter Weiss and City Attorney John Mullen.

WORKSHOP ITEM:

1. **Economic Development Commission Economic Sustainability Study**

JIM SCHRODER, Economic Development Commission (EDC) Chair, stated about a year ago EDC had a retreat, and a major discussion was about many of the items for today's workshop. This is for awareness and for the future.

DAVE MORRIS, Chair of the EDC Ad Hoc Committee, reviewed that they went out to 2 cities: Chula Vista and Arvada, Colorado to review their models to determine the best use of the land and if it was sustainable. Those models were not kept up and were only brought up to date whenever they did a general plan update.

[Deputy Mayor Chavez arrived at 4:06 pm]

We had no data for a sustainability study, so we decided to take the data we do have, put it together in this study, and present that to Council. The data tells a lot of things, but it is not the end-all of this study. This study is really just the beginning of a sustainability study — it is the first chapter in the study. It takes our view from the EDC only; it does not take in parks and recreation, infrastructure issues, or other issues which the Council needs to take in to be a well balanced City and to determine whether the City is sustainable or not. We came to a lot of conclusions; one conclusion is a dashboard, which is a business term that says – if you want to be a certain thing, you need to measure that. We came up with 5+ items that EDC would look at as the dashboard. EDC is not recommending that Council look at those 5+ items. We are recommending that the Council come up with their own, and use that. But this is a beginning point; not an ending point to determine the sustainability of the City.

JANE McVEY, Economic and Community Development Director, reiterated that this study basically benchmarks City data to be used for the future. It does not cover all subjects. As indicated on the executive summary, long-term revenues and expenditures need to be forecast. The data is from many sources, from secondary data and at different times; the data trend is more important than the numbers. She reviewed the recommendations, conclusions, and the EDC's Dashboard, which will be discussed later. The EDC dashboard of variables is what they look at to make good recommendations. There are other dashboard conclusions that Council will draw as elected officials for benchmarking. This is just one component of your decision-making process, to make a conscious choice.

She reviewed the statistics and investor issues in the study [using computer charts/graphs]:

- population growth from 1990 to 2000 grew by 25% which is a remarkable growth; as you build out, the growth percentage begins to decline;
- growth estimate 2000 to 2010 is 17%, which will flatten out and is part of the crux — how to sustain revenue streams when there is no more growth.
- age – we have a median age of 33.6. That has grown a little due to increased housing prices
- income – median household income is \$63,622, which is a little below the Countywide average of \$66,539. We have quite a few people in the poverty range [\$15,769-16,242]
- family household income -- \$66,422, which is a bit below the Countywide at \$68,693.
- ethnicity – we have a good representation and diversity with 176,644 people
- education levels – we are thin above the Bachelor's Degree, and there is a strong relationship to income with the better education; compared to other cities (including an AA degree), 30% have a least an AA degree; we are just below the middle. City comparison % of population with a 4-year degree is 23%.
- demographics: while we characterize ourselves as a coastal city, we are so big and go so far inland, that we have characteristics of both an inland and a coastal city. Oceanside has a lot of topography and is a community of neighborhoods with very different community characteristics as reviewed in various locations. The most relevant demographic is at one-mile. 5 locations were reviewed and are in the study to give a feeling for how different our neighborhoods are.
- housing –a coastal city comparison of home prices shows Oceanside in May 2007 at \$515,500; in December 2007 Oceanside's prices dropped to \$436,500. Looking east to west at home prices, in May 2007 from Escondido to Oceanside, Oceanside is the low at \$515,500; in December 2007 it is \$436,500, still the lowest but the prices dropped less than the other cities. There is still growth opportunity
- jobs to housing ratio [SANDAG 2006] is .62 compared [all but one other city at higher percentage]. However, if we were to add the jobs created at our new business park and the jobs held by residents who work on the base, the number is closer to .7, which is still below the Countywide ratio of 1.15. We have been adding about 1,000 jobs per year; our housing growth [1996 to 2006] chart shows it is increasing; looking at jobs vs. housing, while we are adding jobs, the housing growth has slowed down, but we are still catching up over the last 10 years.
- growth: housing annual growth rate is 1.4% or 8,025 homes over the last 10 years; job growth has been much higher at 4.1%, increasing 10,854 jobs over 10 years.
- jobs to housing equilibrium – SANDAG forecasts that Oceanside will reach a 1:1 ratio in 2030. At that time we would have 70,143 jobs and 70,428 houses. To reach that 1:1 requires 30,533 more jobs, which is 1,272 jobs annually and requires 6,827 more homes, or 284 homes annually, which is a different growth pattern than experienced over the last 30 years. Using the figure of 1 job per 300 square feet, we need 17,922,871 square feet to create those jobs.
- office space [SANDAG 2006] – Oceanside is at 4.37 square feet of office space per capita with a Countywide average of 28.17 square feet, but this number does not average out well because office space is not distributed equally; it clusters at intersections of freeways and also locates where the owners of companies are. In 2007 [SANDAG 2007] our office space increased to 6.34 square feet, with the Countywide at 23.92 square feet

- upcoming industrial space – upcoming projects and square footage were reviewed, which total about 5,000,000 square feet and close to 10,000 jobs.
- upcoming office space – upcoming projects and square footage were reviewed, which total 543,596 square feet that could create 1,806 jobs.
- travel time to work [Census 2005] – says the mean travel time to work is 2.92 minutes, which is questionable data
- factors impacting jobs to housing ratio – is the rezoning of office land to residential; warehouse facilities which have big buildings but do not produce many jobs; churches in industrial parks; daycare and schools in business parks
- wages – a chart was reviewed of different industries in the City [1996-2006] and wage trends
- Oceanside economy -- our largest industry clusters are retail, food service, and professional scientific; the highest employee counts are in retail, food service and manufacturing
- employment trends by industry – a chart [1996-2006] showed the number of companies in an industry growing/declining and the number of employees growing/declining; charts were shown of the wage rates in service, wholesale and public administration; along with a slide of the average hourly wages per industry (2006)
- Transient Occupancy Tax (TOT) revenues – the 2 things that drive TOT are new tourism rooms and an increase in average daily rates; the charts show a pretty strong growth in TOT, noting that the off-season of October to March is when hoteliers need help through marketing and special events
- land use – our land use need was 17,922,871 square feet, and if we subtract our upcoming industrial of 4,985,336 square feet and our upcoming office of 543,596 square feet, then our net new need for the 1:1 ratio is 12,393,939 square feet of office and industrial. Numbers for completed or under construction applications were reviewed for office/industrial, retail, and hotel/timeshare
- infrastructure – there is long-term sustainability for the City's infrastructure
- transportation – people can get in and out; Oceanside has Highway 78 and 76, the Sprinter stops, the transit center and trains, road connections, etc.
- water availability – Oceanside has multiple sources of water and its own water and wastewater treatment plants
- safety and security – crime is at its lowest in 30 years
- environmental – from an economic standpoint, trees increase values; there are many environmental concerns and activism to show Oceanside is a good steward of its environment
- energy – conservation will be an issue with policies to conserve energy
- recreation – our lifestyle is important to investors with the harbor, the beach, parks, bike paths, etc., as well as arts and culture with the museums, theaters, the Mission, etc.
- healthcare – locating in areas where there is a hospital, and Tri City Hospital is here; there are 3.5 physicians per 1,000 population, which is higher than the national average
- City revenue – a city comparison chart for FY 2005-06 of property taxes per capita shows Oceanside at \$141; Countywide was \$168; City sales tax revenue [1996-2006]; sales tax revenue by geographic area [2006] with the largest being Vista Way/Highway 78 and College/Highway 76; City sales tax per capita [2005-06] is low at \$100 compared to Countywide at \$195 — one reason is the auto outlet locations.

In this bad economic time, because the City's sales tax is generated from our daily needs and not necessarily from a lot of discretionary spending, Oceanside is probably taking less of a hit than a community dependent upon car sales or high-priced items.

Another reason is sales tax leakage such as those with Camp Pendleton base buying privileges.

Recommendations are:

- to maintain the integrity of office and industrial zoned property since office jobs produce the highest wages
- identify new office sites to create quality employment
- re-evaluate the Zoning Ordinance to maximize job creating uses

- retain sales tax revenue-producing land
- identify land for new car dealerships
- identify new hotel sites to increase TOT
- promote Oceanside as a tourist destination

She noted that this study was not done to either support or deny any particular project; it was a global, big picture project, and this is what the EDC concluded:

- low jobs to housing balance
- lower median household income than other cities
- long commutes lower quality of life and increase social service related expenditures
- education levels play key role in median household income
- tax revenue per capita is lower than the County average, particularly sales tax
- cars, location and income are sales tax drivers
- Transient Occupancy Tax is low for a city with 3 miles of beach
- Attract high-end development and high paying jobs

As noted in EDC Chair Jim Schroder's letter in the Study, the EDC recommended that if you are dealing with General Plan amendments, large chunks of land that are being proposed to be rezoned, or any big picture economic or budget issues, they would suggest that you remember the EDC's "dashboard" of variables and what would it do to:

- increase the jobs to housing ratio to at least 1:1
- increase TOT revenue by adding 100 rooms a year
- build a resort hotel in downtown
- increase office space per capita to 8 square feet per capita over a 5-year period
- increase sales tax revenue and sales tax per capita
- benchmark commercial processing time and improve annually

This Study is not every subject; it was never intended to be. The financial forecasting is now being done. With that and other information, the EDC recommends Council consider the dashboard items when making big decisions.

Public Input

LLOYD PROSSER, 1618 Kurtz Street, thinks the EDC and staff did an excellent job on this study. This document pulls together a number of data elements that impact the City's financial health and future. As a Utilities Commissioner, he can see where this Study can be used as a springboard and then move into flushing out this Study. It shows opportunities that the City has to improve those data points; it is just a matter of implementing policies and making decisions with this in mind. We need to stay sustainable in these tough economic times. His perspective is that this is a start; it is not to the satisfaction of those that put this together, but it can be flushed out over time. It can also be used as a springboard to develop a strategic plan in the City. He would like the Council to consider initiating an effort to do that as soon as possible; examples are Citrus Heights, Colorado Springs, Dana Point and Vancouver, WA.

JOHN McDONALD, 5064 Conte Alacante, submitted a document which goes over some issues which were brought up. He raised issues of importance on this project. It is imperative to measure whether we are going forward and where we are going; this is the beginnings of that. His concerns are that this is not a new area; in 1959 he worked for a company that was working on indicators like this to measure progress. There are a lot of lessons learned, and some of those lessons are not yet in this project. We need to be really careful—what you measure is what you get. What you reward is what people do. If you measure the wrong things, you end up in the wrong place. You need to be really careful. There was talk about the minimum number of measures; that is not the way the dashboards have progressed. They have progressed into things called indexes, and they consolidate a number of measures into one. The idea that we can pick just a handful of measures and expect to measure economic progress or any other factor is simply not real world. It is important to learn the lessons. He suggests 4 areas to be focused on: 1) whose economic development is being targeted—economic sustainability for the City is not the same thing as economic sustainability of the citizens; 2) creating effective matrices; 3) focus on economic

development to the exclusion of other factors; and 4) focusing on matrices or methods.

COUNCILMEMBER FELLER delved into the draft study and questioned some statistics and items in the report. Clarifications were received. There are some opportunities on some portions of El Corazon along the Oceanside Blvd. corridor between El Camino Real/Rancho del Oro.

CITY MANAGER WEISS responded that the EIR for El Corazon is in its final staff review and will be out for public review shortly. The plan Council approved does include approximately 50 acres of commercial uses on El Corazon, and with one exception, will be the largest commercial use in the City. So there is a significant amount of commercial opportunities. The issue of office was looked at, and there is an opportunity to comment on that when the EIR goes out for public review.

COUNCILMEMBER FELLER noted also that our TOT income has been stifled in the past, which is a problem and that hopefully will stop. Also, we need to identify the missing links in the existing bottlenecks as mentioned. Regarding the water infrastructure, one possibility is shifting crop production; there is a need for less intensive uses. Some agricultural growers are talking about getting out of the business and rezoning their land, so we need to think how the farmland will fit into the future of Oceanside. Under energy, we may want to look at an energy plant ourselves for reliability. Regarding car dealerships, the newspaper reported on a potential exchange of property between Carlsbad and Oceanside; that is property along Highway 78 that we presently own at Jefferson.

MS. McVEY responded that is a prime piece.

COUNCILMEMBER FELLER stated the study says to make downtown a super destination by building a destination hotel and completing development in the core blocks. He thinks it needs to expand beyond the core blocks; another example of opportunities are with Oceanside Blvd., Mission Avenue, etc. for zoning overlays for the future. He looks forward to participating further.

COUNCILMEMBER SANCHEZ stated that Chula Vista was mentioned and that they had such a study and were using it as they approved projects to ensure economic sustainability. She is glad the EDC recognizes that this is a first chapter because when we talk about dashboard items she would probably add 2. One would be to maintain our economic diversity. Also mentioned was our agricultural uses, and we could look into wineries as a related use to maintain our economic diversity. When she was on-line, others were looking at economic diversity and recreation. Sports could be an economic opportunity including El Corazon, not only recreation but the arts and becoming a cultural center in North County. So she would say maintain economic diversity including all of these things. Her second item was to have the City as an arts and cultural destination. She would include those on the dashboard. Some on the dais would say there are economic opportunities at the airport to include perhaps a museum, restaurants, etc., to draw people.

She noticed a lot of building around the Vista courthouse; they are building beautiful law and medical offices. She thinks we could do the same thing since it is such a short drive. So she would promote access to the North County courthouse. Regarding the downtown, she would want to insure that we have office space there. Regarding the suggestion of strategic planning, we are master planning and this goes hand-in-hand with that. The study talked about seniors; one thing we do get from the senior community is a lot of volunteers. We need to maintain that interaction with the senior community and encourage their involvement. That volunteer value needs to be captured. She would like to see more efforts in 'green' building. Along with hotels, she would say restaurants; San Marcos has restaurant row, etc. We need to get higher-end restaurants.

Staff has indicated having another workshop in 90 days to ascertain a need for additional data, and she assumes that includes data from the Finance Director.

MS. McVEY responded that if there were other data points needed, and if a workshop or pass-through memo works, they can do that. The Finance Director is

working on the budget process, which will be brought forth independently of this.

COUNCILMEMBER KERN has been through the presentation a couple of times and wished to emphasize that in looking at the 1:1 job ratio, we are looking for 'quality' jobs. Infrastructure and our future water needs are important, and in light of the Governor's letter last week about trying to cut back on per capita water usage, it will be really tough. He went on the MWD water tour and it is scary about what is happening with the water supply—Lake Meade is probably at an all-time low, etc. We really need to keep an eye on infrastructure needs, i.e. water, streets/roads, electricity, etc. If we do not have those, there is no economy/sustainability. Hopefully this is the first step toward a strategic plan, that we come up with some long-range planning for all these.

He did not need a workshop in 90 days. Hopefully with pass-through memos, this information will be passed along to the Council, and we will have all this information on an on-going basis. We should look at this monthly or quarterly. He wanted to emphasize that instead of jobs per household, maybe median family income should be watched; that is a better indicator to watch than just raw numbers of jobs per household. If it is good for the citizens, the City gets the spin-off. In the future we could do a resident' satisfaction survey on what they really think is important. Hopefully we will get this Study to other commissions/committees so they can understand this starting point. The Planning Commission needs a workshop on their own because they need to look at their process in light of this Study.

DEPUTY MAYOR CHAVEZ stated that the dashboard concept is really for a board of directors; it is not for the mechanic or the engineer, but for the board. At the board—the Council level, we need to have a finite number; he would recommend 5. He has done these at a number of organizations, and you want a finite number. When you do a dashboard, they need to be very defined, measurable terms; so to build a hotel is not a defined, measurable term — it is a concept. There needs to be a defined goal of improvement. To use the idea of a dashboard, it tells you quickly if you have a problem. A dashboard should be something that is very routine on the Council; to that end he would recommend that the dashboard be on the agendas right before the consent calendar; it would not be open for a lot of discussion, but to have it for review and move on.

As we become more sophisticated, the dashboard, instead of looking at items, will have indexes there, and indexes need to be well thought out, etc. That is where we will eventually go. For feedback on the dashboard items, housing ratio is good; we need to have a stated increment of what we want to do—if it is .62, maybe the increment should be .2 or .3 every year so we know we are on a trend line to get there. For the TOT item, we are adding rooms, not so much TOT, so that needs work. On the increase in sales tax revenue and sales tax per capita, that needs some rate of improvement. However, if indicators are chosen that we have no control over because of the economy, then it is difficult. We could conceivably pick dashboard items that we would be beating ourselves up with, i.e. property tax, etc., so that needs to be looked at. Regarding the commercial processing time, that is a reflection, and staff is working on that more than Council. The dashboard needs measurable success rates; not ethereal. He does not need another meeting, but that staff starts doing it. Then in about 90 days we will review whether it is working or not.

MAYOR WOOD stated that the general information in this study was known about the Council; we are aware of the issues and goals we need to set. Oceanside is a different city than it was in the past; we have sustainability because of all the things mentioned. He finds it interesting that one of the cities we studied, Chula Vista, is one of the cities in the most financial difficulty. So studies are just that. He reviewed the recent projects downtown and the projects to come; when they are done, those will be the draws for all the other issues, etc. We are on the right path, and things that are in the planning process will improve all the issues in this study.

The off-season is a problem, and we need to change plans and look at other ways to bring people here on those off months; that can be timeshares, perhaps looking at a convention center somewhere near the beach, etc. Regarding auto centers, he has been approached by several people, but part of the problem is if it is not one of the top 5 auto makers, they may not be sustainable in the future, so that needs to be

considered, and where. Offices want near the freeways, and we may need to look at changing our policies. Also, we are a bigger rail center than ever imagined, and people can live here near a beach and not own a car with the trains. The Sprinter will be a transit corridor also, and that needs to be looked at. We are bicycle friendly, etc., which is important. Regarding jobs and livable wages, those are important. We have been moving slowly in the direction we want to go. The local and State economy are not helping, but people want to be in an area like this. Yes, we need to address the issues. Our freeways are busy because people in Orange and Riverside counties commute to jobs in our region. So SANDAG, etc., will have to address those things, and we will have to help pay for the transportation structure; that might be toll roads in San Diego County that commuters will have to help pay for.

This is positive; it is not perfect. We ought to look at each case individually, but having a dashboard monitor is something to look at.

COUNCILMEMBER SANCHEZ would also like to put the convention center out there. This needs to continue to go through a public process. We need to discuss these things since we are beginning something we have not done before. This needs to be tied to our master planning. She hopes that it is not a pass-through memo because you cannot respond to it as a Council in terms of policy, and you certainly cannot get public input. She hopes this comes back to Council, and the recommendation was 90 days.

2. **Public Communication on City Council Matters (off-agenda items) – None**

ADJOURNMENT

Mayor Wood adjourned this adjourned meeting at 5:50 pm, March 4, 2008. [The next regular meeting is at 4:00 p.m. on Wednesday, March 5, 2008.]

APPROVED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside